

Company Registration No: 199205095C
Charity Registration No: 1036
IPC No: HEF0004/G

ST LUKE'S HOSPITAL
(Incorporated in Singapore)
AND ITS SUBSIDIARY

DIRECTORS' STATEMENT
AND FINANCIAL STATEMENTS

31 MARCH 2018

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

31 MARCH 2018

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**ST LUKE’S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

DIRECTORS’ STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The directors are pleased to present their report to the members together with the audited financial statements of St Luke’s Hospital (the “Company”) and its subsidiary (hereinafter collectively referred the “Group”) for the financial year ended 31 March 2018.

In the opinion of the directors;

- (a) the financial statements of the Group and of the Company are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2018, and of the results of the Group and of the Company, and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 Directors

The directors in office at the date of this statement are:

Peng Chung Mien	Chairman (Alternate director: Wong Kwok Wai Allan)
Chew Chin Tiong Ernest	Vice-Chairman (Alternate director: Lo Weng Fai)
Jeyaraj Indra Raj	Honorary Secretary (Alternate director: Ng Bock Hon Danny)
Foong Daw Ching	Honorary Treasurer (Appointed on 25 June 2018)
Choo Eng Beng	
Chua Song Khim	
Ho Yew Kee	
Khoo Teng Cheong	(Alternate director: Simons Wong Kok Liang appointed on 1 April 2018)
Tan Chee Koon Samuel	(Alternate director: Kok Hei Mun Jonathan)
Teo Lai Wah Timothy	
Tan Wan Joo	
Tan Wee King	(Alternate director: Genedine Gundena A Villanueva)
Lum Kah Leong Jeffrey	(Appointed on 3 January 2018) (Alternate director: Chua Teck Chuan)

2 Directors’ Interest in Shares, Debentures, Dividends and Share Options

The Company is limited by guarantee and does not have a share capital. All matters relating to the issue of shares, debentures, dividends and share options are thus not applicable.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

3 Conflict of Interest

Statement of Purpose and Authority

Pursuant to the Code of Governance for Charities and Institutions of a Public Character (IPCs), the Board has established a policy on the avoidance of conflict of interest for the Company.

The Company's basic policy on avoidance of conflict of interest rests on three premises:

- a. Understanding what is a 'Conflict of Interest';
- b. Declaration of Conflict of Interest; and
- c. Abstention from decision making where Conflict of Interest has been declared or exists.

Definition of 'Conflict of Interest'

An operational definition of conflict of interest is when an individual is aware of "any interest in a transaction or arrangement that will affect his/her professional judgment to obtain the best value for the Group or Company or to protect the interests of the Group or Company."

Some of the more obvious conflicts of interest relate to:

- Procurement of goods or services (Contract with vendors);
- Hiring and personnel management pertaining to a close relationship with current board/committee members or decision makers;
- Provision of services or subsidies;
- Vested interest in other organisations that have dealings/relationships with the Group or Company;
- Interest in joint ventures; and
- Major donors or representatives from major donors.

All key staff and directors must acknowledge that they understand the definition of 'Conflict of Interests' as above and they acknowledge that they will subscribe to the 'Avoidance of Conflict of Interest Policy' of the Company. This includes a declaration whenever there is a conflict or potential conflict and the individual will abstain from all decisions regarding that conflict of interest.

At the beginning of each financial year, the acknowledgement of the 'Conflict of Interest' notice is served to individuals and the 'Declaration of Conflict of Interest' notice at the end of each financial year. Members must declare the existence of a conflict of interest as soon as the individual becomes aware of the situation. To aid the members in discharging their responsibility in relation to the existence of a possible conflict of interest, members are required to declare their membership or significant involvement or interests in organisations that may pose a possible conflict of interest to the Company.

Abstention from Decision Making

Once an individual is aware of the existence of a conflict of interest, he/she must abstain from the decision making process pertaining to the possible conflict of interest. This means the individual should not influence the decision process. This does not necessarily prevent the individual from providing relevant and expert knowledge on the issue or participate in the discussion but he/she should only do so with wisdom so as not to influence the decision.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

4 Reserve Policy

The principal activity of the Group and the Company is to establish, carry on and maintain a hospital for the community including the elderly.

Pursuant to the Code of Governance for Charities and IPCs Guideline 6.4.1, the Board has established a reserve policy ("Reserve Policy") for the Group and the Company. In setting the Reserve Policy, the Board feels that it is more reasonable to use net liquid assets available to meet expenditure obligations as a reserve measurement instead of unrestricted funds as some of these unrestricted funds may not represent cash or cash equivalent or liquid assets which can be used to meet its expenditure obligations. Net liquid assets (unrestricted) available to meet expenditure obligations (unrestricted) is calculated as total of investment in financial assets (unrestricted), trade and other receivables (unrestricted), cash and cash equivalents (unrestricted) less accounts payable (unrestricted). The reserves of the Group and the Company provide financial stability and the means for the development of their operations and activities. The Group intends to maintain the reserves at a level sufficient for its operating needs and the Board regularly reviews the amount of reserves that are required to ensure that they are adequate to fulfill its continuing obligations. There are no changes to the reserve policy during the financial years ended 31 March 2018 and 2017.

5 External Auditors

The auditors, Moore Stephens LLP, have expressed their willingness to accept reappointment.

On behalf of the Board of Directors



.....
PENG CHUNG MIEN
Director



.....
FOONG DAW CHING
Director

Singapore
6 August 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ST LUKE'S HOSPITAL (Incorporated in Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of St Luke's Hospital (the "Company") and its subsidiary (the "Group"), which comprise the balance sheets of the Group and of the Company as at 31 March 2018, the statement of financial activities and the statement of cash flows of the Group and the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Charities Accounting Standard (CAS) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018 and of the financial performance, changes in the funds and cash flows of the Group and of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ST LUKE'S HOSPITAL (Incorporated in Singapore)

(cont'd)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations and CAS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors and their governing board. Their responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

**ST LUKE'S HOSPITAL
(Incorporated in Singapore)**

(cont'd)

Auditor's Responsibility for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (a) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

Moore Stephens LLP

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
6 August 2018

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	<u>Note</u>	Group and Company			Company
		<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
		<u>Funds</u>	<u>Funds</u>	<u>2018</u>	<u>2017</u>
		S\$	S\$	S\$	S\$
INCOME					
Income from generated funds:					
Voluntary income	4	8,178,839	6,971,250	15,150,089	14,427,041
Activities for generating funds	5	1,581,062	-	1,581,062	720,547
Investment income	6	596,383	2,854	599,237	363,893
Income from charitable activities	7	31,644,093	-	31,644,093	26,606,794
Other income	8	1,614,174	505	1,614,679	1,194,997
Total income		43,614,551	6,974,609	50,589,160	43,313,272
EXPENDITURES					
Costs of generating funds:					
Voluntary income	9	266,970	-	266,970	203,611
Fundraising activities	9	161,767	-	161,767	127,364
Charitable activities	10	39,986,456	2,012,661	41,999,117	41,329,790
Governance costs	11	946,573	-	946,573	872,147
Other expenditure	11	199,538	-	199,538	-
Total expenditures		41,561,304	2,012,661	43,573,965	42,532,912
Net income before tax expense	12	2,053,247	4,961,948	7,015,195	780,360
Tax expense	14	-	-	-	-
Net income		2,053,247	4,961,948	7,015,195	780,360
Gross transfers between funds					
Gross transfers (to) funds	22(iii)	-	(1,098,762)	(1,098,762)	(1,220,491)
Gross transfers from funds	21	1,098,762	-	1,098,762	1,220,491
		1,098,762	(1,098,762)	-	-
Net income after funds transfer		3,152,009	3,863,186	7,015,195	780,360
Reconciliation of funds					
Total funds brought forward		30,765,022	25,008,554	55,773,576	57,033,556
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	16	-	(2,288,636)	(2,288,636)	(2,040,340)
Total funds carried forward		33,917,031	26,583,104	60,500,135	55,773,576

The accompanying notes form an integral part of the financial statements.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

BALANCE SHEETS

AS AT 31 MARCH 2018

	<u>Note</u>	Group and Company 2018 S\$	Company 2017 S\$
Non-Current Assets			
Property, plant and equipment	16	33,372,700	31,731,726
Investments in financial assets	17	5,476,405	4,636,872
		38,849,105	36,368,598
Current Assets			
Inventories, at cost		125,878	139,745
Trade and other receivables	18	14,692,545	12,795,272
Due from a former related party	23	-	5,315
Cash and cash equivalents	19	15,224,546	14,854,962
		30,042,969	27,795,294
Current Liabilities			
Trade and other payables	20	8,391,939	8,390,316
Net Current Assets			
		21,651,030	19,404,978
Total Assets Less Total Liabilities			
		60,500,135	55,773,576
Funds of Charity			
<u>Unrestricted Funds</u>			
Unrestricted income funds	21	33,549,146	22,074,318
Designated funds	21	367,885	8,690,704
		33,917,031	30,765,022
<u>Restricted Funds</u>			
Restricted income funds	22	26,583,104	25,008,554
Total Charity Funds			
		60,500,135	55,773,576

The accompanying notes form an integral part of the financial statements.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	<u>Note</u>	Group and Company 2018 S\$	Company 2017 S\$
Cash Flows from Operating Activities			
Net income before tax expense		7,015,195	780,360
Adjustments for:			
Depreciation of property, plant and equipment	16	4,085,872	3,493,596
Interest income		(84,562)	(89,538)
Dividend income	6	(169,707)	(188,940)
Amortisation of building fund	16	(464,490)	(464,490)
Amortisation of building expansion fund	16	(1,443,921)	(1,322,167)
Amortisation of Community Silver Trust capital grant	16	(380,225)	(253,683)
Gain on disposal of property, plant and equipment		-	(3,032)
Gain on disposal of investments in financial assets		(287,267)	(13,098)
Reversal of impairment loss on investments in financial assets	6	(57,825)	(72,317)
Impairment loss on investments in financial assets	17	199,538	-
Provision for doubtful debts	12	4,692	17,627
Write back of provision for doubtful debts	12	(3,580)	(13,608)
Write off for stock obsolescence		-	28,427
Funds received/receivable for building expansion fund	4	(3,251,513)	(322,503)
Funds received for Community Silver Trust capital grant	4	-	(180,767)
Operating cash flows before changes in working capital		<u>5,162,207</u>	<u>1,395,867</u>
Inventories		13,867	5,127
Trade and other receivables		(275,097)	4,324,474
Trade and other payables		1,623	(1,785,285)
Net cash flows from operating activities		<u>4,902,600</u>	<u>3,940,183</u>
Cash Flows from Investing Activities			
Acquisition of investments in financial assets	17	(1,357,191)	(510,625)
Acquisition of property, plant and equipment	16	(5,726,846)	(7,671,436)
Proceeds from disposal of investments in financial assets		663,212	1,522,301
Proceeds from disposal of property, plant and equipment		-	3,032
Advances to a related party		-	(5,987)
Interest received		83,581	106,343
Dividend received	6	169,707	188,940
Net cash flows used in investing activities		<u>(6,167,537)</u>	<u>(6,367,432)</u>
Cash Flows from Financing Activities			
Funds received for building expansion fund		1,634,521	322,503
Funds received for Community Silver Trust capital grant		-	180,767
Net cash flows from financing activities		<u>1,634,521</u>	<u>503,270</u>
Net increase/(decrease) in cash and cash equivalents		369,584	(1,923,979)
Cash and cash equivalents at the beginning of the year		<u>14,854,962</u>	<u>16,778,941</u>
Cash and cash equivalents at the end of the year	19	<u>15,224,546</u>	<u>14,854,962</u>

The accompanying notes form an integral part of the financial statements.

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	← Unrestricted Funds →					← Unrestricted Funds → Restricted Funds →					Group and Company		
		Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Subtotal S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$	Subtotal S\$	Total 2018 S\$	Total 2017 S\$
1 April 2017 to 31 March 2018														
INCOME														
Income from generated funds:														
Voluntary income	4	8,178,839	-	-	-	8,178,839	-	3,251,513	2,800,156	-	919,581	6,971,250	15,150,089	14,427,041
Activities for generating funds	5	1,581,062	-	-	-	1,581,062	-	-	-	-	-	1,581,062	720,547	
Investment income	6	579,183	-	14,687	2,513	596,383	-	-	124	2,730	2,854	599,237	363,893	
Income from charitable activities	7	31,644,093	-	-	-	31,644,093	-	-	-	-	-	31,644,093	26,606,794	
Other income	8	1,614,174	-	-	-	1,614,174	-	-	-	505	505	1,614,679	1,194,997	
Total income		43,597,351	-	14,687	2,513	43,614,551	-	3,251,513	2,800,280	-	922,816	6,974,609	50,589,160	43,313,272
EXPENDITURES														
Costs of generating funds:														
Voluntary income	9	266,970	-	-	-	266,970	-	-	-	-	-	266,970	203,611	
Fundraising activities	9	161,767	-	-	-	161,767	-	-	-	-	-	161,767	127,364	
Charitable activities	10	39,986,456	-	-	-	39,986,456	-	-	814,599	1,198,062	2,012,661	41,999,117	41,329,790	
Governance costs	11	946,573	-	-	-	946,573	-	-	-	-	-	946,573	872,147	
Other expenditure	11	199,538	-	-	-	199,538	-	-	-	-	-	199,538	-	
Total expenditures		41,561,304	-	-	-	41,561,304	-	-	814,599	-	1,198,062	2,012,661	43,573,965	42,532,912
Net income/(expenditure) before tax expense	12	2,036,047	-	14,687	2,513	2,053,247	-	3,251,513	1,985,681	-	(275,246)	4,961,948	7,015,195	780,360
Tax expense	14	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income/(expenditure)		2,036,047	-	14,687	2,513	2,053,247	-	3,251,513	1,985,681	-	(275,246)	4,961,948	7,015,195	780,360
Gross transfers between funds														
Gross transfers (to) funds		-	(7,000,000)	(1,073,900)	(266,119)	(8,340,019)	-	-	(1,630,955)	-	(1,630,955)	(9,970,974)	(4,042,530)	
Gross transfers from funds		9,438,781	-	-	-	9,438,781	-	-	532,193	-	532,193	9,970,974	4,042,530	
		9,438,781	(7,000,000)	(1,073,900)	(266,119)	1,098,762	-	-	(1,630,955)	532,193	(1,098,762)	-	-	
Net income/(expenditure) after funds transfer		11,474,828	(7,000,000)	(1,059,213)	(263,606)	3,152,009	-	3,251,513	354,726	532,193	(275,246)	3,863,186	7,015,195	780,360

The accompanying notes form an integral part of the financial statements.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	← Unrestricted Funds →					← Restricted Funds →						Group and Company	Company
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Subtotal S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital Grant S\$	Other Funds S\$	Subtotal S\$		
1 April 2017 to 31 March 2018 (cont'd)													
Reconciliation of funds													
Total funds brought forward	22,074,318	7,000,000	1,427,098	263,606	30,765,022	4,134,371	10,318,322	5,612,970	3,305,690	1,637,201	25,008,554	55,773,576	57,033,556
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	-	-	-	-	-	(464,490)	(1,443,921)	-	(380,225)	-	(2,288,636)	(2,288,636)	(2,040,340)
Total funds carried forward	33,549,146	-	367,885	-	33,917,031	3,669,881	12,125,914	5,967,696	3,457,658	1,361,955	26,583,104	60,500,135	55,773,576

The accompanying notes form an integral part of the financial statements.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

		← Unrestricted Funds →				← Restricted Funds →					→ Company		
	Note	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Subtotal S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$	Subtotal S\$	Total 2017 S\$
INCOME													
Income from generated funds:													
	4	10,167,157	-	-	-	10,167,157	-	322,503	2,863,011	180,767	893,603	4,259,884	14,427,041
	5	720,547	-	-	-	720,547	-	-	-	-	-	-	720,547
	6	333,199	-	19,886	4,894	357,979	-	-	124	-	5,790	5,914	363,893
	7	26,606,794	-	-	-	26,606,794	-	-	-	-	-	-	26,606,794
	8	1,192,698	-	-	-	1,192,698	-	-	-	-	2,299	2,299	1,194,997
		39,020,395	-	19,886	4,894	39,045,175	-	322,503	2,863,135	180,767	901,692	4,268,097	43,313,272
EXPENDITURES													
Costs of generating funds:													
	9	203,611	-	-	-	203,611	-	-	-	-	-	-	203,611
	9	127,364	-	-	-	127,364	-	-	-	-	-	-	127,364
	10	38,357,988	-	-	-	38,357,988	-	-	1,520,443	-	1,451,359	2,971,802	41,329,790
	11	872,147	-	-	-	872,147	-	-	-	-	-	-	872,147
		39,561,110	-	-	-	39,561,110	-	-	1,520,443	-	1,451,359	2,971,802	42,532,912
	12	(540,715)	-	19,886	4,894	(515,935)	-	322,503	1,342,692	180,767	(549,667)	1,296,295	780,360
	14	-	-	-	-	-	-	-	-	-	-	-	-
		(540,715)	-	19,886	4,894	(515,935)	-	322,503	1,342,692	180,767	(549,667)	1,296,295	780,360
Gross transfers between funds													
	21	-	-	-	-	-	-	(4,042,530)	-	-	-	(4,042,530)	(4,042,530)
		1,220,491	-	-	-	1,220,491	-	-	2,822,039	-	2,822,039	4,042,530	4,042,530
		1,220,491	-	-	-	1,220,491	-	-	(4,042,530)	2,822,039	-	(1,220,491)	-
		679,776	-	19,886	4,894	704,556	-	322,503	(2,699,838)	3,002,806	(549,667)	75,804	780,360

The accompanying notes form an integral part of the financial statements.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	← Unrestricted Funds →					← Restricted Funds →					Company	
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Subtotal S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$	Subtotal S\$	Total 2017 S\$
1 April 2016 to 31 March 2017 (cont'd)												
Reconciliation of funds												
Total funds brought forward	21,394,542	7,000,000	1,407,212	258,712	30,060,466	4,598,861	11,317,986	8,312,808	556,567	2,186,868	26,973,090	57,033,556
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	-	-	-	-	-	(464,490)	(1,322,167)	-	(253,683)	-	(2,040,340)	(2,040,340)
Total funds carried forward	<u>22,074,318</u>	<u>7,000,000</u>	<u>1,427,098</u>	<u>263,606</u>	<u>30,765,022</u>	<u>4,134,371</u>	<u>10,318,322</u>	<u>5,612,970</u>	<u>3,305,690</u>	<u>1,637,201</u>	<u>25,008,554</u>	<u>55,773,576</u>

The accompanying notes form an integral part of the financial statements.

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2018

2018 Group and Company	← Unrestricted Funds →				← Restricted Funds →							Total S\$
	Unrestricted income <u>fund</u> S\$	New project <u>fund</u> S\$	Asset replacement <u>fund</u> S\$	Scholarship <u>fund</u> S\$	Sub-total S\$	Building fund <u>- General</u> S\$	Building expansion <u>fund</u> S\$	Community Silver Trust <u>fund</u> S\$	Community Silver Trust capital <u>grant</u> S\$	Other <u>funds</u> S\$	Sub-total S\$	
Non-Current Assets												
Property, plant and equipment	14,119,247	-	-	-	14,119,247	3,669,881	12,125,914	-	3,457,658	-	19,253,453	33,372,700
Investments in financial assets	5,476,405	-	-	-	5,476,405	-	-	-	-	-	-	5,476,405
	<u>19,595,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,595,652</u>	<u>3,669,881</u>	<u>12,125,914</u>	<u>-</u>	<u>3,457,658</u>	<u>-</u>	<u>19,253,453</u>	<u>38,849,105</u>
Current Assets												
Inventories, at cost	125,878	-	-	-	125,878	-	-	-	-	-	-	125,878
Trade and other receivables	7,187,565	-	45	-	7,187,610	-	1,616,992	5,886,883	-	1,060	7,504,935	14,692,545
Cash and cash equivalents	14,891,831	-	367,840	-	15,259,671	-	(1,616,992)	80,813	-	1,501,054	(35,125)	15,224,546
	<u>22,205,274</u>	<u>-</u>	<u>367,885</u>	<u>-</u>	<u>22,573,159</u>	<u>-</u>	<u>-</u>	<u>5,967,696</u>	<u>-</u>	<u>1,502,114</u>	<u>7,469,810</u>	<u>30,042,969</u>
Current Liabilities												
Trade and other payables	8,251,779	-	-	-	8,251,779	-	-	-	-	140,160	140,160	8,391,939
	<u>8,251,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,251,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,160</u>	<u>140,160</u>	<u>8,391,939</u>
Net Current Assets	<u>13,953,495</u>	<u>-</u>	<u>367,885</u>	<u>-</u>	<u>14,321,380</u>	<u>-</u>	<u>-</u>	<u>5,967,696</u>	<u>-</u>	<u>1,361,954</u>	<u>7,329,650</u>	<u>21,651,030</u>
Total Assets Less Total Liabilities	<u>33,549,147</u>	<u>-</u>	<u>367,885</u>	<u>-</u>	<u>33,917,032</u>	<u>3,669,881</u>	<u>12,125,914</u>	<u>5,967,696</u>	<u>3,457,658</u>	<u>1,361,954</u>	<u>26,583,103</u>	<u>60,500,135</u>

The accompanying notes form an integral part of the financial statements.

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

BALANCE SHEET – SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2018

	← Unrestricted Funds →					← Restricted Funds →						
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Sub-total S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$	Sub-total S\$	Total S\$
2017												
Company												
Non-Current Assets												
Property, plant and equipment	13,973,343	-	-	-	13,973,343	4,134,371	10,318,322	-	3,305,690	-	17,758,383	31,731,726
Investments in financial assets	-	4,636,872	-	-	4,636,872	-	-	-	-	-	-	4,636,872
	<u>13,973,343</u>	<u>4,636,872</u>	<u>-</u>	<u>-</u>	<u>18,610,215</u>	<u>4,134,371</u>	<u>10,318,322</u>	<u>-</u>	<u>3,305,690</u>	<u>-</u>	<u>17,758,383</u>	<u>36,368,598</u>
Current Assets												
Inventories, at cost	139,745	-	-	-	139,745	-	-	-	-	-	-	139,745
Trade and other receivables	5,997,819	-	172	33	5,998,024	-	-	6,793,248	-	4,000	6,797,248	12,795,272
Due from a former related party	5,315	-	-	-	5,315	-	-	-	-	-	-	5,315
Cash and cash equivalents	10,348,412	2,363,128	1,426,926	263,573	14,402,039	-	-	(1,180,278)	-	1,633,201	452,923	14,854,962
	<u>16,491,291</u>	<u>2,363,128</u>	<u>1,427,098</u>	<u>263,606</u>	<u>20,545,123</u>	<u>-</u>	<u>-</u>	<u>5,612,970</u>	<u>-</u>	<u>1,637,201</u>	<u>7,250,171</u>	<u>27,795,294</u>
Current Liabilities												
Trade and other payables	8,390,316	-	-	-	8,390,316	-	-	-	-	-	-	8,390,316
	<u>8,390,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,390,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,390,316</u>
Net Current Assets	<u>8,100,975</u>	<u>2,363,128</u>	<u>1,427,098</u>	<u>263,606</u>	<u>12,154,807</u>	<u>-</u>	<u>-</u>	<u>5,612,970</u>	<u>-</u>	<u>1,637,201</u>	<u>7,250,171</u>	<u>19,404,978</u>
Total Assets Less Total Liabilities	<u>22,074,318</u>	<u>7,000,000</u>	<u>1,427,098</u>	<u>263,606</u>	<u>30,765,022</u>	<u>4,134,371</u>	<u>10,318,322</u>	<u>5,612,970</u>	<u>3,305,690</u>	<u>1,637,201</u>	<u>25,008,554</u>	<u>55,773,576</u>

The accompanying notes form an integral part of the financial statements.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General Information

St Luke's Hospital (the "Company") is a public company limited by guarantee, and incorporated and domiciled in Singapore. The Company's registered office and principal place of business is 2 Bukit Batok Street 11, Singapore 659674.

The principal activity of the Company is to establish, carry on and maintain a hospital for the community including the elderly. The principal activity of the subsidiary St Luke's Outpatient Services Ltd is to provide outpatient care and related medical services. There were no significant changes in the Group's and the Company's principal activities during the financial year.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company ("the Board") on the date of the Directors' Statement.

2 Significant Accounting Policies

(a) Basis of Preparation

The financial statements, which are expressed in Singapore dollars, have been prepared in accordance with the provisions of the Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Charities Accounting Standards (CAS). The accounting policies of the Group are consistent with the requirements of the CAS and are applied consistently to similar transactions, other events and conditions. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with CAS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity are disclosed in Note 3.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(b) Currency Translation

Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entities operate (the “functional currency”). The financial statements of the Group and the Company are presented in Singapore Dollars (“S\$”), which is the Company’s functional and presentation currency, as it best reflects the economic substance of the underlying transactions events and circumstances relevant to the Company.

Transactions and Balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net income or expenditure in the statements of financial activities.

(c) Basis of Consolidation

Consolidated Financial Statements

General

If, at the end of a financial period, a Company is a parent, the governing board members shall prepare consolidated financial statements of the Group for the period, in addition to the separate financial statements of the Company for the period. Consolidated financial statements are a set of financial statements of the Group presented as those of a single economic entity and are prepared in addition to those prepared for the parent itself and to those prepared for each of the subsidiaries in its own right.

Control Test

Where a Company has the power to exercise, or actually exercises, control over another entity, then that entity is a subsidiary of the Company

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

Control Test (cont'd)

Control is presumed to exist when the Company owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. That presumption may be overcome in exceptional circumstances if it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the Company owns half or less of the voting power of an entity when there is:

- (i) Power to govern the financial and operating policies of the entity under a statute or an agreement;
- (ii) Power to give directions to the governing board members or board of directors or equivalent governing body and control of the entity is by that board or body;
- (iii) Power to appoint or remove the majority of the members of the governing board or board of directors or equivalent governing body and control of the entity is by that board or body;
- (iv) Power to appoint or remove a significant proportion of the members of the governing board or board of directors or equivalent governing body, if control of the entity is by that board or body, and the other parties who have the power to appoint or remove such board or body are widely dispersed.
- (v) Power to cast the majority of votes at the meetings of the governing board or board of directors or equivalent governing body and control of the entity is by that board or body;
- (vi) Power to cast a significant proportion of votes at the meetings of the governing board or board of directors or equivalent governing body, if control of the entity is by that board or body, and the other parties who have the power to cast votes at such meetings are widely dispersed;
- (vii) Power over more than half of the voting rights by virtue of an agreement with other shareholders/investors; or
- (viii) Significantly more voting rights than any other shareholders/investors or organised group of shareholders/investors, and the other shareholders/investors are widely dispersed.

In assessing whether control exists, a Company shall consider all facts and circumstances in addition to the above indicators.

Consolidation Procedures

In preparing consolidated financial statements, a Company combines its financial statements and its subsidiary line by line by adding together like items of assets, liabilities, funds (or equity), income and expenditure.

The proportions of net income or expenditure and changes in funds allocated to the Company and to the non-controlling interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

Intra-Group Balances and Transactions

Intra-group balances and transactions, including income, expenditures and dividends, are eliminated in full. Profit and losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements.

All items of income and expenditure shall be shown gross after the elimination of intra-group transactions, and similar items are treated and presented in the same way.

Uniform Reporting Date

The financial statements of the Company and its subsidiary used in the preparation of the consolidated financial statements shall be prepared as of the same date. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the Company unless it is impracticable to do so.

Uniform Accounting Policies

Consolidated financial statements shall be prepared using uniform accounting policies for like transactions and other events and conditions in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Acquisition and Disposal of Subsidiary

The income and expenditures of a subsidiary are included in the consolidated financial statements from the acquisition date. Income and expenditures of the subsidiary shall be based on the values of the assets and liabilities recognised in the Company's consolidated financial statements at the acquisition date.

The income and expenditures of a subsidiary are included in the consolidated financial statements until the date when the Company ceases to control the subsidiary. The difference between the proceeds from the disposal of the subsidiary and its carrying amount as of the date of disposal is recognised in net income or expenditure as the gain or loss on the disposal of the subsidiary.

If an entity ceases to be a subsidiary but the Company continues to hold an investment in the former subsidiary, that investment shall be recognised at its fair value at the date when control is lost.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(d) Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Group that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Group. Unrestricted funds are expendable at the discretion of the Company's Board of Directors in furtherance of the Group's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for administrative purpose only and does not restrict the Board's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the balance sheet.

Funds received for specific purposes such as purchase of depreciable assets are taken to relevant restricted fund account. This relevant restricted fund will be reduced over the useful life of the asset in line with its depreciation.

If its use is unrestricted, the governing board members may consider creating a designated fund reflecting the value of the asset. Likewise, depreciation should be debited to the relevant designated funds where the asset is held, if this is the intention.

(e) Property, Plant and Equipment

Property, plant and equipment are initially stated at cost. Subsequently, property, plant and equipment are stated at cost less accumulated depreciation. The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Irrecoverable GST allocated to property, plant and equipment and to other items shall be included in their cost where it meets the criteria for capitalisation and significance. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in intervals, the cost of replacing such an item when that cost is incurred is added to the carrying amount of the item if the recognition criteria are met. The cost of day to day servicing of an item of property, plant and equipment is recognised as expenditure in the statement of financial activities in the period in which the costs are incurred. Property, plant and equipment shall not be revalued and are not required to be assessed for impairment.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(e) Property, Plant and Equipment (cont'd)

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold building	-	30 years
Furniture and office equipment	-	5 years
Computers	-	3 years
Hospital equipment	-	5 years

No depreciation is provided on building under construction.

The depreciation charge for each period is recognised as expenditure in the statement of financial activities unless another section of the CAS requires it to be included in the carrying amount of another asset. The residual values, estimated useful lives and depreciation method of property and equipment are reviewed and adjusted, as appropriate, at each balance sheet date. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise. The carrying amount of the property, plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

(f) Investments in Financial Assets

Investments in financial assets are investments in debt or equity instruments which are recognised when it becomes a party to the contractual provisions of the instrument. They are included in non-current assets unless management intends to dispose of the assets within twelve months after the balance sheet date.

Investments in financial assets are initially recognised at the transactions price excluding transaction cost, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred after initial measurement. Investments in financial assets are subsequently measured at cost less any accumulated impairment losses. Investments in financial assets shall not be measured at fair value subsequent to initial recognition.

(g) Trade and Other Receivables

Trade and other receivables excluding prepayments are initially recognised at their transactions price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, trade and other receivables excluding prepayments are subsequently measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(g) Trade and Other Receivables (cont'd)

Financial assets (consisting of cash and cash equivalents, and trade and other receivables excluding prepayments), are derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On derecognition of financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial activities.

(h) Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an impairment loss (i.e. expenditure) immediately in the statement of financial activities when such evidence exists.

An allowance for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

To determine whether there is objective evidence that an impairment loss has been incurred, the Group considers assessable data that come to the attention of the Group.

In the case of trade and other receivables, the amount of impairment loss is the difference between the financial asset's carrying amount and the undiscounted future cash flows, excluding unearned interest of interest-bearing assets that the Group expects to receive from the assets. In the case of equity investments classified as investments in financial assets, the impairment loss is measured as the difference between the carrying amount of the investment and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Group would receive for the investment if it was to be sold at the balance sheet date. The impairment loss is recognised in the statement of financial activities.

The recognised impairment loss is subsequently reversed if the amount of the impairment loss decreases and the decrease is related objectively to an event occurring after the impairment is recognised. The reversal shall not result in a carrying amount of the financial assets, net of any allowance account that exceeds what the carrying amount would have been had the impairment not previously been recognised. The reversal of impairment loss is recognised in the statement of financial activities.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. These include cash and cash equivalents held under restricted funds, the use of which is subject to the relevant restricted funds' operating terms.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(j) Financial Liabilities

Financial liabilities are recognised on the balance sheet when, and only when the Group becomes a party to the contractual provisions of the financial instrument. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

(k) Trade and Other Payables

Trade and other payables, including due to related party but excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

(l) Inventories

Inventories comprising pharmaceutical and surgical products, linens and pyjamas are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis and includes all costs in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(m) Income Recognition

Income including donations, gifts and grants that provide core funding or are of general nature are recognised when there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. Such income is only deferred when: the donor specifies that the grant of donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Group has unconditional entitlement.

Donations

Donations and corporate cash sponsorships are accounted for as income when received, except for committed donations and corporate cash sponsorships that are recorded when the commitments are fulfilled.

Cash donations which are still in collection containers at public and other premises or are in transit to the Group are not recognised as income until they have been received by the Group. Donations are recognised on a receipt basis.

No value is ascribed to volunteer services, donated services, assets donated for continuing use or similar donations-in-kind, unless the benefit to the Group is reasonably quantifiable and measurable in which case an equivalent amount is recorded in expenditure, or capitalised as appropriate. Donations-in-kind received for continuing use are capitalised and included in the balance sheet at a reasonable estimate or in the event that it is not practicable to do so, a nominal value of S\$1 is assigned to capitalise the useable assets.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(m) Income Recognition (cont'd)

Grants

Grants received to cover a particular expenditure or programme are accounted for as income upon receipt of notification of the grant award and when the criteria of entitlement, certainty and measurability are met. When conditions are attached, they must be fulfilled before the Group has unconditional entitlement to the income. The income is deferred as a liability where uncertainty exists as to whether the Group can meet the conditions and is recognised as income when there is sufficient evidence that the conditions imposed can be met.

Others

Items received which are donated for resale, distribution or consumption are not recorded when received as it is usually not practical to ascertain the value of the items involved.

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

(n) Expenditure

All expenditures are accounted for on an accrual basis and have been classified under headings that aggregate all costs related to that activity.

Costs of Generating Funds

The costs of generating funds are those costs attributable to generating income for the Group, other than those costs incurred in undertaking charitable activities in furtherance of the Group's objects.

Charitable Activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Group. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of each category of charitable expenditure therefore include an apportionment of support cost, where possible.

Governance Costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Group as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the charity will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities, legal advice for governing board members, and costs associated with constitutional and statutory requirements.

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2 Significant Accounting Policies (cont'd)

(n) Expenditure (cont'd)

Support Costs

Support costs are costs incurred in supporting income generation activities such as fundraising, and in supporting the governance of the charity. Support costs do not in themselves constitute an activity; instead they enable output-creating activities to be undertaken. Support costs include office functions such as key and general management, information technology, human resources, and financing and these are apportioned to the relevant activity cost category they support.

Other Expenditure

Other expenditure includes the payment of any expenditure that the Group has not been able to analyse within the main expenditure categories.

(o) Employee Benefits

Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current period and preceding financial years. The Group's contributions to defined contribution plans are recognised in the financial year to which they relate.

Employee Leave Entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

(p) Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are taken to the statement of financial activities on a straight-line basis over the year of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

(q) Income Tax

The Company and its subsidiary is an approved charity under the Singapore Charities Act, Chapter 37 and an Institution of a Public Character under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Company is a registered charity with income tax exemption.

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3 Critical Accounting Estimates, Assumptions and Judgments

Estimates, assumptions and judgments are continually being evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical judgments made in applying accounting policies

The critical judgments that are expected to have a significant effect on the amounts recognised in the financial statements are discussed below:

Impairment of Trade and Other Receivables (excluding Prepayments)

The Group and the Company assess at each balance sheet date whether there is objective evidence that trade and other receivables (excluding prepayments) have been impaired. Provision for doubtful debts is calculated based on a review of the current status of existing receivables and historical collections experience. Such provision is adjusted periodically to reflect the actual and anticipated experience. During the financial year ended 31 March 2018, the Group and Company has recognised a provision for doubtful debts for trade receivables amounted to S\$4,692 (2017: S\$17,627). The carrying amount of the Group and Company's trade receivables and other receivables as at 31 March 2018 amounted to S\$2,456,487 (2017: S\$1,748,778) and S\$12,132,438 (2017: S\$10,843,949) respectively.

Apportionment of Costs

In determining the apportionment of costs between the government costs, charitable activity, and fundraising activity categories, Management has considered the materiality of the cost amounts involved and apportioned the costs based on the expenditure incurred directly in undertaking an activity, amount of time spent in an activity, floor area occupied by an activity and the number of staff employed within an activity. Support costs incurred in supporting voluntary income generation were apportioned to the costs of generating funds – voluntary income category. Management has exercised their judgment and is satisfied that the bases for apportionment are appropriate to the cost concerned and to the Group's particular circumstances. The bases for apportionment adopted by the Group were consistent between financial periods.

During the financial year ended 31 March 2018, the Group had costs of generating funds amounted to S\$628,275 (2017: S\$330,975), costs of charitable activities amounted to S\$41,999,117 (2017: S\$41,329,790) and governance costs amounted to S\$946,573 (2017: S\$872,147).

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4 Income from Generated Funds – Voluntary Income

	Group and Company	Company
	<u>2018</u>	<u>2017</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Donations - in cash	1,254,504	2,307,414
Donations - in kind	20,897	17,460
Government grants:		
- Intermediate and Long-Term Care (ILTC) Manpower Initiatives	3,554,979	6,542,993
- Community Hospital Computer System	948,930	-
- Improvement of Palliative Care	954,962	-
- Improvements of Dementia Services Project	473,706	540,000
- Aged Care Transition Project	226,662	258,696
- Home Intervention	206,732	93,316
- Healthcare Performance Office fund	202,128	279,074
- National University Hospital (Singapore) Innovation and Creativity in Education Fund	-	50,037
- Healthcare Productivity Fund	-	29,702
- Seer Programme	25,935	25,860
- Others	309,404	22,605
	<u>8,178,839</u>	<u>10,167,157</u>
<i>Restricted Funds:</i>		
Donations	483,862	433,349
Grants:		
- Building expansion fund	3,251,513	322,503
- Community Silver Trust fund	2,800,156	2,863,011
- Community Silver Trust capital grant	-	180,767
- Chaplaincy fund	2,236	4,327
- Medifund	82,500	110,010
- Patient welfare fund	8,240	8,361
- Senior mobility fund	342,743	337,556
	<u>6,971,250</u>	<u>4,259,884</u>
	<u>15,150,089</u>	<u>14,427,041</u>

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5 Income from Generated Funds – Activities for Generating Funds

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
<i>Unrestricted Funds:</i>		
Fundraising:		
- Charity golf	588,700	-
- Christmas appeal	265,714	149,832
- Charity lunch	238,651	112,750
- Wesley Easter	172,340	154,271
- Chinese New Year	124,180	97,741
- Keppel golf	93,888	-
- Starhub mailer	52,251	70,698
- Charity Film	37,190	-
- Singapore Power mailer	100	11,261
- Singtel mailer	-	123,994
- Others	8,048	-
	1,581,062	720,547

6 Income from Generated Funds – Investment Income

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
<i>Unrestricted Funds:</i>		
Dividend from investments in financial assets	169,707	188,940
Gain on disposal of investments in financial assets	287,267	13,098
Reversal of impairment loss on investments in financial assets (Note 17)	57,825	72,317
Interest:		
- Bank balances	30,839	45,762
- Investments in financial assets	50,745	37,862
	596,383	357,979
<i>Restricted Funds:</i>		
Interest - Bank balances	2,854	5,914
	599,237	363,893

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7 Income from Charitable Activities

	Group and Company	Company
	<u>2018</u>	<u>2017</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Ward charges	4,487,125	4,399,074
Treatment charges	2,060,472	1,712,141
Rehabilitation charges	4,113,530	3,394,517
Procedures and investigations	886,585	781,363
Pharmaceuticals	1,032,450	952,303
Consumables	440,567	365,496
X-ray services	51,427	51,526
Day rehabilitation and outpatient clinic	1,352,770	1,139,629
Home care and home assessments	239,486	168,805
Ambulance and others services	172,723	126,551
Government subventions:		
- Rehabilitation	15,349,730	12,075,069
- Continuing care	701,494	602,474
- Day rehabilitation and home care	902,233	840,962
Hospital subsidies and discounts	(970,584)	(860,545)
Interim disability assistance programme for the elderly ("IDAPE") subsidy	-	372
Government grant:		
- Land lease rental	824,085	857,057
	<u>31,644,093</u>	<u>26,606,794</u>

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8 Other Income

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
<i>Unrestricted Funds:</i>		
Training and course fee	998,829	392,889
Professional service fees	468,229	504,655
Parking fee	95,181	75,292
Gain on disposal of property, plant and equipment	-	3,032
Management fee	-	77,426
Others	51,935	139,404
	1,614,174	1,192,698
 <i>Restricted Funds:</i>		
Others	505	2,299
	1,614,679	1,194,997

9 Costs of Generating Funds

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Direct operating costs	26,046	13,999
Support costs		
- Salaries and related costs (Note 13)	175,540	144,358
- Depreciation (Note 16)	18,336	15,678
- Amortisation (Note 16)	(10,270)	(9,156)
- Others	57,318	38,732
	266,970	203,611
 <u>Fundraising activities</u>		
Direct operating costs	161,767	127,364
	428,737	330,975

The support costs of the Company which include office functions such as key and general management are apportioned based on the amount of time spent, floor area occupied and the number of staff operating in the Company.

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10 Charitable Activities

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 13)	24,429,436	23,642,614
Professional services		
- Medical & Allied Health services	551,615	1,403,535
- Nursing & Therapist services	834,747	514,096
Catering	1,141,958	1,053,234
Pharmaceuticals	992,935	789,891
Consumables	778,252	644,117
Laundry services	163,457	152,531
Laboratory	318,986	340,946
X-ray	75,318	78,836
Ambulance and others	203,004	141,413
	<u>29,489,708</u>	<u>28,761,213</u>
<u>Indirect operating costs</u>		
Salaries and related costs (Note 13)	4,250,693	3,300,751
Building maintenance	1,479,509	1,494,131
Depreciation (Note 16)	4,021,697	3,438,723
Amortisation (Note 16)	(2,252,690)	(2,008,294)
Land Lease rental/rental services	889,636	877,926
Repair and maintenance	458,858	398,036
Utilities	287,190	338,794
GST input tax disallowed	471,099	835,296
Security expenses	152,959	132,442
Publicity expenses	47,430	105,476
Others	690,367	683,494
	<u>10,496,748</u>	<u>9,596,775</u>
	<u>39,986,456</u>	<u>38,357,988</u>
<i>Restricted Funds:</i>		
Financial aid for needy patients	662,899	762,790
Salaries and related costs (Note 13)	518,128	653,259
Other operating costs	17,035	35,310
Utilisation of Community Silver Trust fund		
- Salaries and related costs (Note 13)	685,657	1,317,269
- Research and project expenses	128,811	203,100
- Others	131	74
	<u>2,012,661</u>	<u>2,971,802</u>
Total costs of charitable activities	<u>41,999,117</u>	<u>41,329,790</u>

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11 Governance Costs and Other Expenditures

	Group and Company	Company
	<u>2018</u>	<u>2017</u>
	S\$	S\$
<u>Governance costs</u>		
<i>Unrestricted Funds:</i>		
Salaries and related costs (Note 13)	784,156	712,680
Building maintenance	16,863	17,030
Depreciation (Note 16)	45,839	39,194
Amortisation (Note 16)	(25,676)	(22,890)
Repair and maintenance	14,600	12,837
Utilities	3,273	3,863
GST input tax disallowed	14,990	26,939
Others	29,687	32,094
Audit fees		
- Statutory audit	38,000	34,500
- Certification audit	7,600	7,600
Other professional fees	17,241	8,300
	<u>946,573</u>	<u>872,147</u>
 <u>Other expenditure</u>		
Impairment loss on investments in financial assets (Note 17)	<u>199,538</u>	<u>-</u>

12 Net Income Before Tax Expense

This was arrived at after charging/(crediting) to the statement of financial activities:

	Group and Company	Company
	<u>2018</u>	<u>2017</u>
	S\$	S\$
Cost of inventories sold (included in charitable activities expenses)		
- Pharmaceuticals	992,935	789,891
- Consumables	778,252	644,117
Land lease rental	870,061	857,057
Operating lease rental - Equipment rental expenses	33,771	35,880
Depreciation expenses	4,085,872	3,493,596
Amortisation expenses	(2,288,636)	(2,040,340)
Impairment loss on investments in financial assets	199,538	-
(Reversal of) impairment loss on investments in financial assets	(57,825)	(72,317)
Provision for doubtful debts (Note 18)	4,692	17,627
Write back of provision for doubtful debts (Note 18)	(3,580)	(13,608)
Gain on disposal of property, plant and equipment	-	(3,032)

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13 Employee Benefits

	Group and Company 2018	Company 2017
	S\$	S\$
<i>Unrestricted Funds:</i>		
<i>Included in Direct Operating Costs of Charitable Activities:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	20,555,118	19,164,900
- Foreign workers' levy	789,172	766,699
- Other staff benefits	1,117,485	1,736,618
Post-employment benefits (Defined Contribution Plans)	1,967,661	1,974,397
Total salaries and related costs (Note 10)	24,429,436	23,642,614
 <i>Included in Costs of Generating Funds, Indirect Operating Costs of Charitable Activities and Governance Costs (Notes 9, 10 and 11):</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	4,408,082	3,555,025
- Foreign workers' levy	27,103	34,959
- Other staff benefits	275,459	164,280
Post-employment benefits (Defined Contribution Plans)	499,745	403,525
Total salaries and related costs	5,210,389	4,157,789
 <i>Included in Charitable Activities – Restricted Funds:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	941,496	1,446,112
- Other staff benefits	171,647	328,661
Post-employment benefits (Defined Contribution Plans)	90,642	195,755
Total salaries and related costs (Note 10)	1,203,785	1,970,528
 Number of employees as at 31 March	482	478

14 Tax Expense

The Company is an approved charity under the Singapore Charities Act, Chapter 37 ("Charities Act") and an Institution of a Public Character under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Company is a registered charity with income tax exemption. As required by the Charities Act, the total fund-raising and sponsorship expenses of the Company for the financial year did not exceed 30% of the total gross receipts from fund-raising and sponsorship for that financial year.

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15 Subsidiary

The Company's wholly owned subsidiary, St Luke's Outpatient Services Ltd., is a company, limited by guarantee, domiciled and incorporated in Singapore on 22 February 2018. The address of the subsidiary's registered office is 2 Bukit Batok Street 11, Singapore 659674. The principal activity of St Luke's Outpatient Services Ltd is to provide outpatient care and related medical services. At the balance sheet date, the Company considers St Luke's Outpatient Services Ltd. to be its subsidiary when there is power to give directions to the governing board members on board of directors or equivalent governing body and control of the subsidiary is by that board.

St Luke's Outpatient Services Ltd is dormant from 22 February 2018 (date of incorporation) to 31 March 2018.

16 Property, Plant and Equipment

	<u>Leasehold building</u> S\$	<u>Furniture and office equipment</u> S\$	<u>Hospital equipment</u> S\$	<u>Building under construction</u> S\$	<u>Total</u> S\$
Group and Company					
2018					
<u>Cost</u>					
At 1 April 2017	39,031,716	3,615,016	4,774,031	5,522,451	52,943,214
Additions	-	197,730	1,130,738	4,398,378	5,726,846
Disposals/write-off	-	-	(370)	-	(370)
Transfer	9,193,924	-	277,145	(9,471,069)	-
At 31 March 2018	<u>48,225,640</u>	<u>3,812,746</u>	<u>6,181,544</u>	<u>449,760</u>	<u>58,669,690</u>
<u>Accumulated depreciation</u>					
At 1 April 2017	15,442,389	2,852,191	2,916,908	-	21,211,488
Depreciation for the year	2,884,139	393,975	807,758	-	4,085,872
Disposals/write-off	-	-	(370)	-	(370)
At 31 March 2018	<u>18,326,528</u>	<u>3,246,166</u>	<u>3,724,296</u>	<u>-</u>	<u>25,296,990</u>
<u>Net book value</u>					
At 31 March 2018	<u>29,899,112</u>	<u>566,580</u>	<u>2,457,248</u>	<u>449,760</u>	<u>33,372,700</u>
Company					
2017					
<u>Cost</u>					
At 1 April 2016	37,463,619	3,434,235	4,005,430	411,274	45,314,558
Additions	-	199,716	733,816	6,737,904	7,671,436
Disposals/write-off	-	(20,435)	(22,345)	-	(42,780)
Transfer	1,568,097	1,500	57,130	(1,626,727)	-
At 31 March 2017	<u>39,031,716</u>	<u>3,615,016</u>	<u>4,774,031</u>	<u>5,522,451</u>	<u>52,943,214</u>
<u>Accumulated depreciation</u>					
At 1 April 2016	12,990,043	2,443,780	2,326,849	-	17,760,672
Depreciation for the year	2,452,346	428,846	612,404	-	3,493,596
Disposals/write-off	-	(20,435)	(22,345)	-	(42,780)
At 31 March 2017	<u>15,442,389</u>	<u>2,852,191</u>	<u>2,916,908</u>	<u>-</u>	<u>21,211,488</u>
<u>Net book value</u>					
At 31 March 2017	<u>23,589,327</u>	<u>762,825</u>	<u>1,857,123</u>	<u>5,522,451</u>	<u>31,731,726</u>

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16 Property, Plant and Equipment (cont'd)

During the financial year ended 31 March 2018, the Company completed the alteration of some existing blocks under the building expansion project which commenced in the prior financial year. Accordingly, the Company transferred the expenditure of S\$9,193,924 (2017: S\$1,568,097) incurred for the alteration of these existing blocks from "Building under construction" to the "Leasehold building" category. As at 31 March 2018, the building under construction comprises expenditure incurred for another on-going alteration of its existing blocks of the Company under the building expansion project which commenced in the current financial year.

Management is of the view that it is not meaningful to obtain market valuation on the leasehold building on state land which is restricted for use as a community hospital.

Net depreciation charged to the statement of financial activities as indirect operating costs are:

	Group and Company 2018 S\$	Company 2017 S\$
Net depreciation charged to statement of financial activities:		
Depreciation for the year	4,085,872	3,493,596
Amortisation of building fund (Note 22(i))	(464,490)	(464,490)
Amortisation of building expansion fund (Note 22(ii))	(1,443,921)	(1,322,167)
Amortisation of Community Silver Trust capital grant (Note 22(iv))	(380,225)	(253,683)
	<u>(2,288,636)</u>	<u>(2,040,340)</u>
Net depreciation of plant and equipment	<u>1,797,236</u>	<u>1,453,256</u>

17 Investments in Financial Assets

	Group and Company 2018 S\$	Company 2017 S\$
Cost:		
Balance at beginning of the year	4,820,595	5,819,173
Acquisitions	1,357,191	510,625
Disposals	(375,945)	(1,509,203)
Balance at end of the year	<u>5,801,841</u>	<u>4,820,595</u>
Accumulated impairment loss:		
Balance at beginning of the year	183,723	256,040
Reversal of impairment loss on investments in financial assets (Note 6)	(57,825)	(72,317)
Impairment loss on investments in financial assets (Note 11)	199,538	-
Balance at end of the year	<u>325,436</u>	<u>183,723</u>
Net investments in financial assets	<u>5,476,405</u>	<u>4,636,872</u>

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17 Investments in Financial Assets (cont'd)

During the financial year, an impairment loss of S\$199,538 (2017: S\$Nil) for investments in financial assets was made due to a sustained and prolonged decline in the market value of these investments below their costs.

At the balance sheet date, investments in financial assets in Singapore included the following:

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
At carrying amount:		
Quoted bonds, convertible bonds, preference shares and equities	<u>5,476,405</u>	<u>4,636,872</u>
Market values	<u><u>6,119,507</u></u>	<u><u>5,382,936</u></u>

The effective interest rates for the interest-bearing financial assets are as follows:

	Group and Company <u>2018</u> %	Company <u>2017</u> %
Quoted preference shares	4.51	4.80
Quoted bonds	<u><u>2.86</u></u>	<u><u>4.17</u></u>

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18 Trade and Other Receivables

	Group and Company 2018 S\$	Company 2017 S\$
<u>Trade Receivables</u>		
Patient's fees	2,467,733	1,787,779
Less: Provision for doubtful debts	(11,246)	(39,001)
	<u>2,456,487</u>	<u>1,748,778</u>
<u>Other Receivables</u>		
Interest receivable	18,006	17,025
Other receivables	555,090	689,250
Deposits	12,603	10,096
Government grants	5,659,856	3,334,330
Community Silver Trust funds receivable	5,886,883	6,793,248
	<u>12,132,438</u>	<u>10,843,949</u>
Prepayments	<u>103,620</u>	<u>202,545</u>
Total trade and other receivables	<u>14,692,545</u>	<u>12,795,272</u>

Trade receivables are stated net of provision for doubtful debts. Provision for doubtful debts is analysed as follows:

	Group and Company 2018 S\$	Company 2017 S\$
Balance at beginning of the year	39,001	83,873
Provision for doubtful debts recognised during the year (Note 12)	4,692	17,627
Write back of provision for doubtful debts (Note 12)	(3,580)	(13,608)
Write off against provision for doubtful debts	(28,867)	(48,891)
Balance at end of the year	<u>11,246</u>	<u>39,001</u>

Trade receivables that are determined to be impaired at the balance sheet date relates to the debtors that are in financial difficulties or have defaulted on payments.

During the financial year ended 31 March 2018, the Company recovered an amount of S\$3,580 (2017: S\$13,608) which had been previously provided for, and accordingly, these have been written back during the year. A provision for doubtful debts of S\$4,692 (2017: S\$17,627) has been made for the current financial year ended 31 March 2018 as these amounts are considered not recoverable.

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19 Cash and Cash Equivalents

	Group and Company	Company
	<u>2018</u>	<u>2017</u>
	S\$	S\$
Fixed deposits placed with financial institutions	4,316,128	2,596,778
Cash and bank balances	10,908,418	12,258,184
Cash and cash equivalents per statement of cash flows	<u>15,224,546</u>	<u>14,854,962</u>

The weighted average effective interest rate earned on fixed deposits is 1.26% (2017: 1.19%) per annum with maturity dates ranging from 3 to 12 months (2017: 3 to 12 months).

Included in the cash and cash equivalents are S\$1,581,867 (2017: S\$452,923) which are short-term assets easily and readily converted into cash, the use of which are subject to relevant restricted funds' operating terms.

20 Trade and Other Payables

	Group and Company	Company
	<u>2018</u>	<u>2017</u>
	S\$	S\$
<i>Current</i>		
<u>Trade Payables</u>		
Trade payables	1,922,017	2,291,423
<u>Other Payables</u>		
Other creditors ⁽¹⁾	920,498	394,373
CPF payables	653,713	685,701
Claw back of government subsidy ⁽²⁾	1,722,807	2,851,590
Accrued staff cost	2,772,357	2,120,743
Other accruals	400,547	46,486
	<u>8,391,939</u>	<u>8,390,316</u>

⁽¹⁾ Includes an amount of S\$459,238 advances from the MOH pertaining to a grant receivable by the Hospital for the operation of a new palliative ward. This amount may be recognised as a grant or clawed back by the MOH subsequently in June 2018.

⁽²⁾ The Company receives government subvention from the MOH based on the patient's family income (i.e. "Means-testing"). During the financial year ended 31 March 2018, the Company has recognised claw back amounted to S\$1,810,316 (2017: S\$1,272,818) relating to the government subvention. The carrying amount of the claw back as at 31 March 2018 amounted to S\$1,722,807 (2017: S\$2,851,590). The claw back arises due to an overlap in claims under the same patients, one being the sub-acute care funding for sub-acute, hip fracture and palliative patients transferred from NUH, and the other being the government subvention for these patients based on means-testing.

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21 Unrestricted Funds

		Group and Company 2018 S\$	Company 2017 S\$
Unrestricted income funds	(i)	33,549,146	22,074,318
Designated funds:			
- Asset replacement fund	(ii)	367,885	1,427,098
- New project fund	(iii)	-	7,000,000
- Scholarship fund	(iv)	-	263,606
Total designated funds		367,885	8,690,704
Total unrestricted funds		33,917,031	30,765,022

- (i) The unrestricted income funds are available to the Company to apply for the general purposes of the charity as set out in its governing document.
- (ii) Asset replacement fund is set up to finance future building upgrading and equipment replacement.
- (iii) New project fund was to provide funds for future new project requirements.
- (iv) Scholarship fund was set up to attract medical and healthcare students to join the Company's healthcare team as doctors, nurses and therapists after they complete their studies.

Movements of the unrestricted funds during the current and previous financial years are disclosed as follows:

		Group and Company 2018 S\$	Company 2017 S\$
Funds balance at beginning of the year		30,765,022	30,060,466
Total income		43,614,551	39,045,175
Total expenditure		(41,561,304)	(39,561,110)
Net income/(expenditure)		2,053,247	(515,935)
Gross transfers between funds			
- Transfer from Community Silver Trust Fund (Note 22(iii))		1,098,762	1,220,491
Funds balance at end of the year		33,917,031	30,765,022

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21 Unrestricted Funds (cont'd)

With effect from 1 April 2013, the Company is allowed to claim its recurrent operating expenses under the Community Silver Trust matching grant up to 40% of the donations received and channelled to ILTC services in the preceding financial year. As of 1 April 2014, the underlying basis with respect to the 40% of donations received has been changed from the preceding to the prevailing financial year. The Company has 5 years to utilise the funds for projects.

During the financial year ended 31 March 2018, the Company transferred from the Community Silver Trust fund of an amount of S\$1,098,762 (2017: S\$1,220,491) to utilise for recurrent operating expenses.

22 Restricted Funds – Restricted Income Funds

	Group and Company	Company
	<u>2018</u>	<u>2017</u>
	S\$	S\$
Restricted income funds:		
- Building fund – General	(i) 3,669,881	4,134,371
- Building expansion fund	(ii) 12,125,914	10,318,322
- Community Silver Trust fund	(iii) 5,967,696	5,612,970
- Community Silver Trust capital grant	(iv) 3,457,658	3,305,690
- Other funds	(v) 1,361,955	1,637,201
Total restricted income funds	<u>26,583,104</u>	<u>25,008,554</u>

Movements of the restricted income funds during the current and previous financial years are disclosed as follows:

	Group and Company	Company
	<u>2018</u>	<u>2017</u>
	S\$	S\$
Funds balance at beginning of the year	25,008,554	26,973,090
Total income	6,974,609	4,268,097
Total expenditure	(2,012,661)	(2,971,802)
Net income	4,961,948	1,296,295
Gross transfers between funds	(1,098,762)	(1,220,491)
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities (Note 16)	(2,288,636)	(2,040,340)
Funds balance at end of the year	<u>26,583,104</u>	<u>25,008,554</u>

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22 Restricted Funds – Restricted Income Funds (cont'd)

(i) *Building fund – General*

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
Balance at beginning and end of the year	13,045,322	13,045,322
Amount amortised:		
Balance at beginning of the year	8,910,951	8,446,461
Amortisation for the year (Note 16)	464,490	464,490
Balance at end of the year	9,375,441	8,910,951
Net balance at end of the year	3,669,881	4,134,371

These are capital grants received from the MOH and donations received from the public for the building of the hospital for the Company. These amounts are amortised to net off the corresponding depreciation in the statement of financial activities.

(ii) *Building expansion fund*

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
Balance at beginning of the year	14,067,461	13,744,958
Grants received/receivable	3,251,513	322,503
Balance at end of the year	17,318,974	14,067,461
Amount amortised:		
Balance at beginning of the year	3,749,139	2,426,972
Amortisation for the year (Note 16)	1,443,921	1,322,167
Balance at end of the year	5,193,060	3,749,139
Net balance at end of the year	12,125,914	10,318,322

These are grants received/receivable from MOH for the building expansion. The Company recognised the grants in the statement of financial activities at the point when it has entitlement to the income and not deferred over the life of the asset. These amounts are amortised to net off the corresponding depreciation in the statement of financial activities.

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22 Restricted Funds – Restricted Income Funds (cont'd)

(iii) Community Silver Trust fund

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
Balance at beginning of the year	5,612,970	8,312,808
Add: Income		
Community Silver Trust Matching Grant	2,800,156	2,863,011
Investment income	124	124
Less: Expenditure	(814,599)	(1,520,443)
Net income	1,985,681	1,342,692
Gross transfers between funds		
- Transfer to unrestricted funds (Note 21)	(1,098,762)	(1,220,491)
- Transfer to Community Silver Trust capital grant (Note 22(iv))	(532,193)	(2,822,039)
Balance at end of the year	5,967,696	5,612,970

These are dollar-for-dollar donation matching grants provided by the MOH through Agency for Integrated Care (“AIC”) to enhance the services of voluntary welfare organisations (“VWOs”) in the intermediate and long-term care (“ILTC”) sector for eligible donations received by the Company.

During the financial year ended 31 March 2018, the Company recognised matching grant income amounted to S\$2,835,656 (2017: S\$3,051,228), being eligible donation income earned during the financial year, which met the terms and conditions under the agreement of the matching grant. Included in the matching grant income in 2017 was an amount of S\$180,767 used to purchase the fixed assets of the Company (Note 22(iv)).

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22 Restricted Funds – Restricted Income Funds (cont'd)

(iv) *Community Silver Trust capital grant*

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
Balance at beginning of the year	3,305,690	556,567
Add: Income		
Community Silver Trust Matching Grant	-	180,767
Less: Expenditure	-	-
Net income	-	180,767
Gross transfers between funds		
- Transfer from Community Silver Trust fund (Note 22(iii))	532,193	2,822,039
Amortisation for the year (Note 16)	(380,225)	(253,683)
Balance at end of the year	3,457,658	3,305,690

The Community Silver Trust capital grant was set up from the Community Silver Trust fund for the purpose of capitalising the fixed assets purchased with the fund proceeds. These amounts are amortised to net-off the corresponding depreciation in the statement of financial activities.

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22 Restricted Funds – Restricted Income Funds (cont'd)

(v) *Other Funds*

	← Restricted Funds →					
<u>1 April 2017 to 31 March 2018</u>	<u>Chaplaincy⁽ⁱ⁾</u>	<u>Medifund⁽ⁱⁱ⁾</u>	<u>Memorial⁽ⁱⁱⁱ⁾</u>	<u>Patient welfare^(iv)</u>	<u>Senior Mobility fund^(v)</u>	<u>Total funds</u>
Group and Company	S\$	S\$	S\$	S\$	S\$	S\$
Income						
Income from generated funds						
- Voluntary income	486,008	82,500	-	8,330	342,743	919,581
Investment income	336	124	62	2,208	-	2,730
Other income	-	-	-	505	-	505
Total incoming resources	486,344	82,624	62	11,043	342,743	922,816
Expenditures						
Charitable activities	(535,163)	(167,861)	-	(150,864)	(344,174)	(1,198,062)
Net expenditure before tax expense	(48,819)	(85,237)	62	(139,821)	(1,431)	(275,246)
Transfer between funds	-	-	-	-	-	-
Net expenditure after funds transfer	(48,819)	(85,237)	62	(139,821)	(1,431)	(275,246)
Total funds brought forward	754,866	363,644	105,000	410,386	3,305	1,637,201
Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses	-	-	-	-	-	-
Total funds carried forward	706,047	278,407	105,062	270,565	1,874	1,361,955

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22 Restricted Funds – Restricted Income Funds (cont'd)

(v) *Other Funds (cont'd)*

	← Restricted Funds →					
<u>1 April 2016 to 31 March 2017</u>	<u>Chaplaincy⁽ⁱ⁾</u>	<u>Medifund⁽ⁱⁱ⁾</u>	<u>Memorial⁽ⁱⁱⁱ⁾</u>	<u>Patient welfare^(iv)</u>	<u>Senior Mobility fund^(v)</u>	<u>Total Funds</u>
Company	S\$	S\$	S\$	S\$	S\$	S\$
Income						
Income from generated funds						
- Voluntary income	414,409	110,010	-	31,628	337,556	893,603
Investment income	3,071	124	-	2,595	-	5,790
Other income	580	-	-	1,719	-	2,299
Total incoming resources	418,060	110,134	-	35,942	337,556	901,692
Expenditures						
Charitable activities	688,569	123,102	-	172,529	467,159	1,451,359
Net expenditure before tax expense	(270,509)	(12,968)	-	(136,587)	(129,603)	(549,667)
Transfer between funds	-	-	-	-	-	-
Net expenditure after funds transfer	(270,509)	(12,968)	-	(136,587)	(129,603)	(549,667)
Total funds brought forward	1,025,375	376,612	105,000	546,973	132,908	2,186,868
Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses	-	-	-	-	-	-
Total funds carried forward	754,866	363,644	105,000	410,386	3,305	1,637,201

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22 Restricted Funds – Restricted Income Funds (cont'd)

(v) *Other Funds* (cont'd)

- (i) Chaplaincy fund was set up to finance the chaplaincy ministry in the Hospital.
- (ii) Medifund is funded by MOH to pay the fees of needy patients.
- (iii) Memorial fund was set up in memory of Mr and Mrs Lee Teck Hock. Monies in the fund are placed in fixed deposits and only the interest earned was used to finance the Hospital's operating expenditure.
- (iv) Patient welfare fund was set up for the purpose specified from the donors to help those patients in financial hardship.
- (v) Senior mobility fund is funded by MOH to purchase mobile friendly equipment and daily consumables for needy patients.

23 Due from a Former Related Party

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
Due from a former related party	-	<u>5,315</u>

In 2017, the amount due from the former related party, St Luke's Eldercare Ltd was unsecured, non-interest bearing and repayable on demand.

St Luke's Eldercare Ltd has ceased to be a related party in 2018.

24 Related Party Transactions

Related parties may be individuals or corporate entities.

- (a) Parties are considered to be related if an individual or a close member of that individual's family is related to a Company if that individual (i) has control or joint control over the Company; (ii) has significant influence over the Company or (iii) is a governing board member, trustee, or member of the key management personnel of the Company or of a parent of the Company.

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24 Related Party Transactions (cont'd)

- (b) Parties are also considered to be related if an entity is related to the Company if (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others; (ii) the Company is an associate or joint venture of the Company (or an associate or joint venture of a member of a group of which the charity is a member) and vice versa; (iii) the entity and the Company are joint ventures of the same third party; (iv) the entity is a joint venture of a third entity and the Company is an associate of the third entity and vice versa; (v) the entity is controlled or jointly controlled by a person identified in (a); and (vi) an individual identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the Company).

The Company had the following significant transactions with a related party in the previous financial year at terms agreed, as detailed below:

	Group and Company 2018 S\$	Company 2017 S\$
<i>With St. Luke's Eldercare Ltd</i>		
Management fee	-	77,426
Office maintenance fees	-	6,364
Payment on behalf of St. Luke's Eldercare Ltd	-	190,010
Payment on behalf by St. Luke's Eldercare Ltd	-	3,397

Balances outstanding with a related party at the balance sheet date was disclosed in Note 23.

25 Commitments

- (a) Operating Lease Commitments

At the balance sheet date, the Group and Company had no contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements. The future minimum lease payment under non-cancellable operating leases with an original term of more than one year of the Company is as follows:

	Group and Company 2018 S\$	Company 2017 S\$
Within one year	29,900	35,880
Between two to five years	-	29,900
	29,900	65,780

The operating lease payment is for rental payable in respect of operating lease of office equipment.

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25 Commitments (cont'd)

(b) Capital Commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statement is as follows:

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
Building expansion contracts	147,718	3,239,935

26 Donations Schedule

The Company is approved as an Institution of a Public Character ("IPC") under the provision of the Income Tax Act. Donors to the Company are granted tax deduction.

	Group and Company <u>2018</u> S\$	Company <u>2017</u> S\$
Tax deductible donations	2,567,155	2,385,619
Non tax deductible donations	268,501	665,609
Non tax deductible donations in kind	20,897	17,460
Total (Notes 4, 5 and 21(v))	2,856,553	3,068,688

27 Key Management Remuneration

	Group and Company <u>2018</u>	Company <u>2017</u>
Number of key management personnel in the following remuneration bands of:		
S\$400,001 to S\$500,000	1	1
S\$300,001 to S\$400,000	1	1
S\$200,001 to S\$300,000	1	1
	3	3
	<u>2018</u>	<u>2017</u>
	S\$	S\$
Compensation of key management personnel:		
Salaries and bonuses	1,017,328	1,069,511
Defined contribution plans (Employer CPF)	41,198	43,090
	1,058,526	1,112,601

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27 Key Management Remuneration (cont'd)

None of the directors of the Company receive any remuneration, benefits, allowances or other manner of compensation for the financial years ended 31 March 2018 and 2017.

Remunerations paid to the close members of the governing board member's family under the provision in the governing document of the charity are disclosed as follows:

	Group and Company <u>2018</u>	Company <u>2017</u>
Number of close member of the governing board member's family receiving remuneration in the following bands of:		
Less than S\$100,001	1	-
S\$100,001 to S\$200,000	1	-
S\$200,001 to S\$300,000	-	1
	2	1
	<u>2018</u>	<u>2017</u>
	S\$	S\$
Compensation of remunerations		
Salaries and bonuses	201,487	183,760
Defined contribution plans (Employer CPF)	20,184	16,558
	221,671	200,318

28 Reserve Policy

As set out in the Directors' Statement, the Board has established a reserve policy for the Group and Company, pursuant to the Code of Governance for Charities and IPCs Guidelines 6.4.1. The reserve measurement is calculated as follows:

	Group and Company <u>2018</u>	Company <u>2017</u>
	S\$	S\$
Unrestricted funds (Reserves)	33,917,031	30,765,022
Net liquid assets available to meet expenditure obligations	19,671,906	16,651,934
Total operating expenditure (Unrestricted funds)	41,561,304	39,561,110
Ratio of net liquid assets to total operating expenditure	0.47	0.42

The Company does not have any externally imposed capital requirements for the financial years ended 31 March 2018 and 2017. There were no changes in the Company's reserve policy during the financial year.