

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

31 MARCH 2014

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

31 MARCH 2014

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ST LUKE'S HOSPITAL
(Incorporated in Singapore)

REPORT OF THE DIRECTORS - 31 MARCH 2014

The directors are pleased to present their report to the members together with the audited financial statements of St Luke's Hospital (the "Company") for the financial year ended 31 March 2014.

1 Directors

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

Peng Chung Mien	Chairman (Alternate director: Wong Kwok Wai Allan)
Chew Chin Tiong Ernest	Vice-Chairman (Alternate director: Quek Mong Hua)
Jeyaraj Indra Raj	Honorary Secretary (Alternate director: Ng Bock Hon Danny)
Tan Wee Liang	Honorary Treasurer (Alternate director: Tan Chee Koon Samuel)
Choo Eng Beng	(Appointed on 28 October 2013)
Chor Swee Suet Judy	(Alternate director: Tan Wee King)
Chua Song Khim	
Ho Yew Kee	
Khoo Teng Cheong	(Appointed 1 July 2013) (Alternate director: Francis Maniam; Appointed on 1 July 2013)
Lim Teck Chuan	(Alternate director: Lim Bee Lian Helen)

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.

3 Directors' Contractual Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, Chapter 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

4 Conflict of Interest

Statement of Purpose and Authority

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

ST LUKE'S HOSPITAL
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REPORT OF THE DIRECTORS - 31 MARCH 2014

4 Conflict of Interest (cont'd)

Statement of Purpose and Authority (cont'd)

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 Company or to protect the interests of the 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 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
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REPORT OF THE DIRECTORS - 31 MARCH 2014

5 Reserve Policy

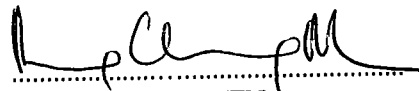
The principal activity of the Company is to establish, carry on and maintain a hospital for the community including the elderly.

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 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), inventories (unrestricted), trade and other receivables (unrestricted), cash and cash equivalents (unrestricted) less accounts payable (unrestricted). The reserves of the Company provide financial stability and the means for the development of their operations and activities. The Company 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 2014 and 2013.

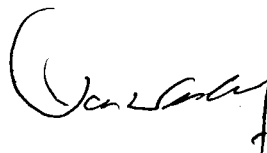
6 Independent Auditors

The independent auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors



.....
PENG CHUNG MIEN
Director



.....
TAN WEE LIANG
Director

Singapore
6 August 2014

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

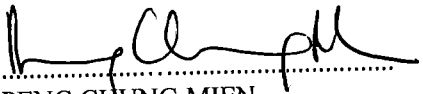
STATEMENT BY DIRECTORS

31 MARCH 2014

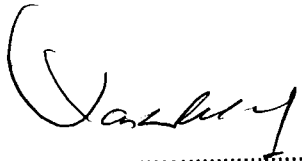
In the opinion of the directors;

- (a) the financial statements of the Company as set out on pages 7 to 45 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014, and of the results, and cash flows of the Company 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.

On behalf of the Board of Directors



.....
PENG CHUNG MIEN
Director



.....
TAN WEE LIANG
Director

Singapore

6 August 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

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

We have audited the accompanying financial statements of St Luke's Hospital (the "Company") as set out on pages 7 to 45, which comprise the balance sheet as at 31 March 2014, and the statement of financial activities and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and the Charities Accounting Standard, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements that give a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

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

(cont'd)

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, the Charities Act and the Charities Accounting Standard so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

- a. The use of the donation moneys was not in accordance with the objectives of the Charity as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- b. The Company has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
6 August 2014

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

1 April 2013 to 31 March 2014

	<u>Note</u>	<u>Unrestricted Funds</u> S\$	<u>Restricted Funds</u> S\$	<u>Total 2014</u> S\$	<u>Total 2013</u> S\$
INCOME					
Income from generated funds:					
Voluntary income	4	6,947,268	12,541,083	19,488,351	13,992,043
Activities for generating funds	5	1,618,137	-	1,618,137	751,693
Investment income	6	274,245	3,069	277,314	328,997
Income from charitable activities	7	18,962,933	-	18,962,933	16,943,783
Other income	8	701,275	1,747	703,022	534,946
Total income		28,503,858	12,545,899	41,049,757	32,551,462
EXPENDITURES					
Costs of generating funds:					
Voluntary income	9	533,292	-	533,292	486,663
Fundraising activities	9	264,060	-	264,060	45,897
Charitable activities	10	24,798,162	1,909,785	26,707,947	23,527,856
Governance costs	11	714,924	-	714,924	654,024
Total expenditures		26,310,438	1,909,785	28,220,223	24,714,440
Net income before tax expense	12	2,193,420	10,636,114	12,829,534	7,837,022
Tax expense	14	-	-	-	-
Net income		2,193,420	10,636,114	12,829,534	7,837,022
Gross transfers between funds					
Gross transfers (from) funds	21(v)	-	(1,315,563)	(1,315,563)	(275,509)
Gross transfers to funds	20	1,315,563	-	1,315,563	275,509
		1,315,563	(1,315,563)	-	-
Net income after funds transfer		3,508,983	9,320,551	12,829,534	7,837,022
Reconciliation of funds					
Total funds brought forward		18,230,250	15,457,776	33,688,026	26,489,241
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities					
	15	-	(702,419)	(702,419)	(495,574)
Write-off of building fund - chapel					
		-	-	-	(142,663)
Total funds carried forward		21,739,233	24,075,908	45,815,141	33,688,026

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

BALANCE SHEET

AS AT 31 MARCH 2014

	<u>Note</u>	<u>2014</u> S\$	<u>2013</u> S\$
Non-Current Assets			
Property, plant and equipment	15	21,113,754	11,607,458
Investments in financial assets	16	4,909,978	4,742,228
		26,023,732	16,349,686
Current Assets			
Inventories, at cost		237,893	205,147
Trade and other receivables	17	9,299,302	6,437,497
Cash and cash equivalents	18	16,410,095	15,402,775
		25,947,290	22,045,419
Current Liabilities			
Trade and other payables	19	4,925,337	4,697,593
Due to a related party	22	8,714	9,486
		4,934,051	4,707,079
Net Current Assets		21,013,239	17,338,340
Non-Current Liability			
Other payables	19	1,221,830	-
Total Assets Less Total Liabilities		45,815,141	33,688,026
Funds of Charity			
<u>Unrestricted Funds</u>			
Unrestricted income funds	20	13,111,697	9,102,153
Designated funds	20	8,627,536	9,128,097
		21,739,233	18,230,250
<u>Restricted Funds</u>			
Restricted income funds	21	24,075,908	15,457,776
Total Charity Funds		45,815,141	33,688,026

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

ST LUKE'S HOSPITAL
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STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	<u>Note</u>	<u>2014</u> S\$	<u>2013</u> S\$
Cash Flows from Operating Activities			
Net income before tax expense		12,829,534	7,837,022
Adjustments for:			
Depreciation of property, plant and equipment	15	1,103,574	896,150
Interest income	6	(109,251)	(109,294)
Dividend income	6	(169,313)	(167,300)
Amortisation of building fund	15	(464,490)	(464,490)
Amortisation of building expansion fund	15	(142,774)	-
Amortisation of plant and equipment fund	15	(2,218)	(8,332)
Amortisation of Community Silver Trust capital grant	15	(92,937)	(22,752)
Write-off of building fund - chapel		-	(142,663)
Loss/(Gain) on disposal of property, plant and equipment		29,100	(929)
Loss/(Gain) on disposal of investments in financial assets	6	1,250	(52,403)
Allowance for impairment loss recognised during the year	17	6,956	38,360
Write back of allowance for impairment loss	17	(7,567)	(13,995)
Funds received for plant and equipment fund		-	(673,488)
Funds received for building expansion fund		(8,448,841)	(1,420,372)
Funds received for Community Silver Trust capital grant		(108,934)	(274,828)
Operating cash flows before changes in operating assets and liabilities		4,424,089	5,420,686
Changes in operating assets and liabilities:			
Inventories		(32,746)	10,910
Trade and other receivables		(2,857,601)	(4,110,672)
Trade and other payables		1,448,802	2,295,764
Net cash flows from operating activities		2,982,544	3,616,688
Cash Flows from Investing Activities			
Acquisition of investments in financial assets	16	(669,000)	-
Acquisition of property, plant and equipment	15	(10,640,385)	(2,705,660)
Proceeds from disposal of investments in financial assets		500,000	527,592
Proceeds from disposal of property, plant and equipment		1,415	143,592
Interest received		105,658	109,564
Dividend received	6	169,313	167,300
Net cash flows used in investing activities		(10,532,999)	(1,757,612)
Cash Flows from Financing Activities			
Funds received for plant and equipment fund		-	673,488
Funds received for building expansion fund		8,448,841	1,420,372
Funds received for Community Silver Trust capital grant		108,934	274,828
Net cash flows from financing activities		8,557,775	2,368,688
Net increase in cash and cash equivalents		1,007,320	4,227,764
Cash and cash equivalents at the beginning of the year		15,402,775	11,175,011
Cash and cash equivalents at the end of the year	18	16,410,095	15,402,775

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Unrestricted Funds					Restricted Funds					Total 2013 S\$			
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Eldercare fund S\$	Scholarship fund S\$	Subtotal S\$	Building fund -General S\$	Building expansion fund S\$	Plant and equipment fund S\$	Community Silver Trust fund S\$		Community Silver Trust capital grant S\$	Other funds S\$	Subtotal S\$
INCOME														
Income from generated funds:														
Voluntary income	6,947,268	-	-	-	-	6,947,268	-	8,448,841	-	3,373,645	108,934	609,663	12,541,083	19,488,351
Activities for generating funds	1,618,137	-	-	-	-	1,618,137	-	-	-	-	-	-	-	1,618,137
Investment income	270,776	-	2,613	339	517	274,245	-	-	124	-	2,945	3,069	277,314	328,997
Income from charitable activities	18,962,933	-	-	-	-	18,962,933	-	-	-	-	-	-	-	18,962,933
Other income	701,275	-	-	-	-	701,275	-	-	-	-	1,747	1,747	703,022	16,943,783
Total income	28,500,389	-	2,613	339	517	28,503,858	-	8,448,841	-	3,373,769	108,934	614,355	12,545,899	41,049,757
EXPENDITURES														
Costs of generating funds:														
Voluntary income	533,292	-	-	-	-	533,292	-	-	-	-	-	-	-	533,292
Fundraising activities	264,060	-	-	-	-	264,060	-	-	-	-	-	-	-	264,060
Charitable activities	24,798,162	-	-	-	-	24,798,162	-	-	1,249,873	-	659,912	1,909,785	26,707,947	23,527,856
Governance costs	714,924	-	-	-	-	714,924	-	-	-	-	-	-	-	714,924
Total expenditures	26,310,438	-	-	-	-	26,310,438	-	1,249,873	-	1,249,873	-	659,912	1,909,785	28,220,223
Net income/(loss) before tax expense	2,189,951	-	2,613	339	517	2,193,420	-	8,448,841	-	2,123,896	108,934	(45,557)	10,636,114	12,829,534
Tax expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income/(loss)	2,189,951	-	2,613	339	517	2,193,420	-	8,448,841	-	2,123,896	108,934	(45,557)	10,636,114	12,829,534
Gross transfers between funds														
Gross transfers (from) funds	-	-	-	(504,030)	-	(504,030)	-	-	-	(1,315,563)	-	-	(1,315,563)	(1,819,593)
Gross transfers to funds	1,819,593	-	-	-	-	1,819,593	-	-	-	-	-	-	-	1,819,593
	1,819,593	-	-	(504,030)	-	1,315,563	-	-	-	(1,315,563)	-	-	(1,315,563)	-
Net income after funds transfer	4,009,544	-	2,613	(503,691)	517	3,508,983	-	8,448,841	-	808,333	108,934	(45,557)	9,320,551	12,829,534
														7,837,022

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Unrestricted Funds					Restricted Funds				Total 2013 S\$				
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Eldercare fund S\$	Scholarship fund S\$	Subtotal S\$	Building fund -General S\$	Building expansion fund S\$	Plant and equipment fund S\$		Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$	Subtotal S\$
<u>1 April 2013 to 31 March 2014</u> (cont'd)														
Reconciliation of funds														
Total funds brought forward	9,102,153	7,000,000	1,372,393	503,691	252,013	18,230,250	5,992,331	1,620,537	2,218	5,397,380	220,450	2,224,860	15,457,776	33,688,026
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	-	-	-	-	-	-	(464,490)	(142,774)	(2,218)	-	(92,937)	-	(702,419)	(495,574)
Write-off of building fund - chapel	-	-	-	-	-	-	-	-	-	-	-	-	-	(142,663)
Total funds carried forward	13,111,697	7,000,000	1,375,006	-	252,530	21,739,233	5,527,841	9,926,604	-	6,205,713	236,447	2,179,303	24,075,908	45,815,141
														33,688,026

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2014

	Unrestricted Funds				Restricted Funds					Sub-total	Total	
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$			
Non-Current Assets												
Property, plant and equipment	4,973,047	-	-	-	5,527,841	9,926,604	-	236,447	449,815	16,140,707	21,113,754	
Investments in financial assets	4,973,047	4,909,978	-	-	5,527,841	9,926,604	-	236,447	449,815	16,140,707	4,909,978	4,909,978
Inventories	237,893	-	-	-	-	-	-	-	-	-	237,893	
Trade and other receivables	4,948,562	-	251	46	-	-	4,350,102	-	341	4,350,443	9,299,302	
Cash and cash equivalents	9,108,076	2,090,022	1,374,755	252,484	-	-	1,855,611	-	1,729,147	3,584,758	16,410,095	
	14,294,531	2,090,022	1,375,006	252,530	-	-	6,205,713	-	1,729,488	7,935,201	25,947,290	
Current Assets												
Trade and other payables	4,925,337	-	-	-	-	-	-	-	-	-	4,925,337	
Due to related party	8,714	-	-	-	-	-	-	-	-	-	8,714	
	4,934,051	-	-	-	-	-	-	-	-	-	4,934,051	
Net Current Assets	9,360,480	2,090,022	1,375,006	252,530	-	-	6,205,713	-	1,729,488	7,935,201	21,013,239	
Non-Current Liability												
Other payables	1,221,830	-	-	-	-	-	-	-	-	-	1,221,830	
Total Assets Less Total Liabilities	13,111,697	7,000,000	1,375,006	252,530	5,527,841	9,926,604	6,205,713	236,447	2,179,303	24,075,908	45,815,141	

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2014

	Unrestricted Funds				Restricted Funds				Total					
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Eldercare fund S\$	Scholarship fund S\$	Sub-total S\$	Building fund - General S\$	Building expansion fund S\$		Plant and equipment fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$	Sub-total S\$
2013														
Non-Current Assets														
Property, plant and equipment	3,771,922	-	-	-	-	3,771,922	5,992,331	1,620,537	2,218	-	220,450	-	7,835,536	11,607,458
Investments in financial assets	-	4,742,228	-	-	-	4,742,228	-	-	-	-	-	-	-	4,742,228
	<u>3,771,922</u>	<u>4,742,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,514,150</u>	<u>5,992,331</u>	<u>1,620,537</u>	<u>2,218</u>	<u>-</u>	<u>220,450</u>	<u>-</u>	<u>7,835,536</u>	<u>16,349,686</u>
Current Assets														
Inventories	205,147	-	-	-	-	205,147	-	-	-	-	-	-	-	205,147
Trade and other receivables	3,147,636	-	106	164	4	3,147,910	-	-	-	3,288,909	-	678	3,289,587	6,437,497
Cash and cash equivalents	6,684,527	2,257,772	1,372,287	503,527	252,009	11,070,122	-	-	-	2,108,471	-	2,224,182	4,332,653	15,402,775
	<u>10,037,310</u>	<u>2,257,772</u>	<u>1,372,393</u>	<u>503,691</u>	<u>252,013</u>	<u>14,423,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,397,380</u>	<u>-</u>	<u>2,224,860</u>	<u>7,622,240</u>	<u>22,045,419</u>
Current Liabilities														
Trade and other payables	4,697,593	-	-	-	-	4,697,593	-	-	-	-	-	-	-	4,697,593
Due to subsidiary	9,486	-	-	-	-	9,486	-	-	-	-	-	-	-	9,486
	<u>4,707,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,707,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,707,079</u>
Net Current Assets	<u>5,330,231</u>	<u>2,257,772</u>	<u>1,372,393</u>	<u>503,691</u>	<u>252,013</u>	<u>9,716,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,397,380</u>	<u>-</u>	<u>2,224,860</u>	<u>7,622,240</u>	<u>17,338,340</u>
Total Assets Less Total Liabilities	<u>9,102,153</u>	<u>7,000,000</u>	<u>1,372,393</u>	<u>503,691</u>	<u>252,013</u>	<u>18,230,250</u>	<u>5,992,331</u>	<u>1,620,537</u>	<u>2,218</u>	<u>5,397,380</u>	<u>220,450</u>	<u>2,224,860</u>	<u>15,457,776</u>	<u>33,688,026</u>

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

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 domiciled and incorporated 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. There were no significant changes in 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 Statement by Directors.

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 Singapore Companies Act, Chapter 50, Charities Act, Chapter 37 and Charities Accounting Standard ("CAS"). The accounting policies of the Company 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 Company'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 date of the financial statements, 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 to the financial statements.

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Control over St Luke's Eldercare Ltd

As at 31 March 2013, St Luke's Eldercare Ltd was a subsidiary to the Company as the Company could exercise control over St Luke's Eldercare Ltd.

Following the changes in the governing board members of St Luke's Eldercare Ltd during the financial year ended 31 March 2014, the directors have considered the control test guidelines under CAS. As at year end that the Company has no power to appoint and remove the majority of the board of directors of St Luke's Eldercare Ltd and no power to cast majority votes at the meetings of the governing board to direct the activities of St Luke's Eldercare Ltd. Consequently, the Company has no power to exercise, or actually exercise, control over St Luke's Eldercare Ltd as at year end and is not a parent of St Luke's Eldercare Ltd. Hence, consolidated financial statements are not prepared for the current financial year ended 31 March 2014.

(b) Currency Translation

Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements 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 statement of financial activities.

(c) 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 Company 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 Company. Unrestricted funds are expendable at the discretion of the Company's Board of Directors in furtherance of the Company'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.

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

2 Significant Accounting Policies (cont'd)

(c) Fund Accounting (cont'd)

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 fund will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds where the asset is held.

(d) 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 allocable 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 (e.g. the roof of a building), 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.

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
Motor vehicles	-	5 years

No depreciation is provided on building under construction.

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

2 Significant Accounting Policies (cont'd)

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

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 plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

(e) 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.

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.

(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.

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

2 Significant Accounting Policies (cont'd)

(g) Impairment of Financial Assets

The Company 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 Company considers assessable data that come to the attention of the Company.

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 Company expects to receive from the assets. In the case of equity investments classified as investments in financial assets, the impairment loss measured as the difference between the carrying amount of the investment and the best estimate (which will necessary be an approximation) of the amount (which might be zero) that the Company would receive for the investment if it was to be sold at the balance sheet. 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.

(h) 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.

(i) Financial Liabilities

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

(j) Trade and Other Payables

Trade and other payables, including due to related party but excluding accruals, are normally settled on 30 to 60 days term. These 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.

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(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

2 Significant Accounting Policies (cont'd)

(k) 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.

(l) Grants and Donations

The recognition of a promised grant or donation is evidence of entitlement which normally exists when the grant is formally expressed in writing. Where the entitlement is demonstrable, and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurability are met. When conditions are attached, they must be fulfilled before the Company has unconditional entitlement to the income. The income are deferred as a liability where uncertainty exists as to whether the Company can meet the conditions and are recognised as income when there are sufficient evidence that the conditions imposed can be met.

(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 Company 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 Company are not recognised as income until they have been received by the Company. 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 Company 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
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

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 Company has unconditional entitlement to the income. The income is deferred as a liability where uncertainty exists as to whether the Company 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 Company, other than those costs incurred in undertaking charitable activities in furtherance of the Company's objects.

Charitable Activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. 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 Company 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.

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

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 Company 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 Company 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 Company'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 Taxes

The Company is an approved charity under the 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.

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

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 Company 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

The Company assess at each balance sheet date whether there is objective evidence that trade and other receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated experience. During the financial year ended 31 March 2014, the Company provided for allowance of impairment loss amounting to S\$6,956 (2013: S\$38,360). The carrying amount of the Company's trade and other receivables as at 31 March 2014 amounted to S\$9,097,131 (2013: S\$6,235,608).

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 Company's particular circumstances. The bases for apportionment adopted by the Company were consistent between financial periods.

During the financial year ended 31 March 2014, the Company had costs of generating funds amounting to S\$797,352 (2013: S\$532,560), costs of charitable activities amounting to S\$26,707,947 (2013: S\$23,527,856) and governance costs amounting to S\$714,924 (2013: S\$654,024).

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

4 Income from Generated Funds – Voluntary Income

	<u>2014</u>	<u>2013</u>
	S\$	S\$
<u>Voluntary income</u>		
<i>Unrestricted Funds:</i>		
Donations - in cash	1,782,075	2,439,848
Donations - in kind	12,125	5,479
 Government grants:		
- Immediate and Long-Term Care (ILTC) Manpower Initiatives	3,794,008	2,410,166
- Improvements of Dementia Services Project	412,250	-
- Community Health Center Special Project	294,595	-
- Healthcare Performance Office fund	235,074	230,600
- Outpatient Risk Stratification Project	154,909	-
- Others	262,232	66,812
	<u>6,947,268</u>	<u>5,152,905</u>
 <i>Restricted Funds:</i>		
Donations	533,053	554,144
Grants:		
- Building expansion fund	8,448,841	1,420,372
- Community Silver Trust fund	3,373,645	6,621,420
- Community Silver Trust capital grant	108,934	243,202
- Medifund	75,469	-
- Patient welfare fund	1,141	-
	<u>12,541,083</u>	<u>8,839,138</u>
	<u>19,488,351</u>	<u>13,992,043</u>

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

5 Income from Generated Funds – Activities for Generating Funds

	<u>2014</u>	<u>2013</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Fundraising:		
- Christmas appeal	592,040	-
- Charity Golf	218,684	196,760
- Charity cycle	173,266	-
- Wesley Easter	142,464	231,572
- Bike and Blade	-	229,115
- Singtel Mailer	93,357	-
- Charity art sale	49,000	-
- Charity lunch	40,000	-
- Charity concert	35,276	-
- Flag day	17,068	27,768
- Others	256,982	66,478
	<u>1,618,137</u>	<u>751,693</u>

6 Income from Generated Funds – Investment Income

	<u>2014</u>	<u>2013</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Dividend from investments in financial assets	169,313	167,300
(Loss)/gain on disposal of investments in financial assets	(1,250)	52,403
Interest:		
- Bank balances	17,107	12,901
- Investments in financial assets	89,075	93,385
	<u>274,245</u>	<u>325,989</u>
<i>Restricted Funds:</i>		
Interest - Bank balances	3,069	3,008
	<u>277,314</u>	<u>328,997</u>

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

7 Income from Charitable Activities

	<u>2014</u>	<u>2013</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Ward charges	2,772,750	2,674,636
Treatment charges	1,269,330	1,253,231
Rehabilitation charges	1,241,584	1,295,520
Procedures and investigations	564,650	533,107
Pharmaceuticals	863,859	878,410
Consumables	253,133	227,715
X-ray services	51,633	56,606
Day rehabilitation and outpatient clinic	416,174	446,869
Home care and home assessments	102,012	75,925
Ambulance and others services	101,168	63,038
Government subvention*:		
- Rehabilitation	10,759,120	9,128,077
- Continuing care	136,640	96,441
- Day rehabilitation and home care	303,204	259,288
Hospital subsidies and discounts	(478,207)	(645,748)
Interim disability assistance programme for the elderly ("IDAPE") subsidy	11,905	6,690
Government grant:		
- Land lease rental	593,978	593,978
	<u>18,962,933</u>	<u>16,943,783</u>

* Government subventions are recurrent grants which relate to subsidies from the Ministry of Health for patients in six bedded and eight bedded wards and outpatients in day rehabilitation and home care services.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

8 Other Income

	<u>2014</u>	<u>2013</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Gain on disposal of property, plant and equipment	715	929
Management fee	156,000	70,524
Professional service fees	274,830	262,414
Others	269,730	196,060
	701,275	529,927
 <i>Restricted Funds:</i>		
Others	1,652	5,019
Sale of books	95	-
	1,747	5,019
	703,022	534,946

9 Costs of Generating Funds

	<u>2014</u>	<u>2013</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Direct operating costs	39,244	89,820
Support costs		
- Salaries and related costs (Note 13)	461,082	369,988
- Depreciation	4,865	3,945
- Amortisation	(3,098)	(2,177)
- Others	31,199	25,087
	533,292	486,663
 <u>Fundraising activities</u>		
Direct operating costs	264,060	45,897
	797,352	532,560

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.

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

10 Charitable Activities

	<u>2014</u>	<u>2013</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 13)	16,019,337	13,947,395
Professional services		
- Medical & Allied Health services	717,746	735,883
- Nursing & Therapist services	256,375	152,368
Catering	535,219	486,808
Pharmaceuticals	635,345	689,005
Consumables	501,190	415,320
Laundry services	80,736	80,555
Laboratory	257,149	253,363
X-ray	75,424	82,080
Ambulance and others	90,048	126,543
	<u>19,168,569</u>	<u>16,969,320</u>
<u>Indirect operating costs</u>		
Salaries and related costs (Note 13)	2,078,991	1,779,277
Building maintenance	940,440	756,802
Depreciation	1,090,602	885,634
Amortisation	(694,159)	(489,772)
Land Lease rental/rental services	586,993	593,978
Repair and maintenance	204,902	245,665
Utilities	320,613	340,412
GST input tax disallowed	340,374	324,887
Others	760,837	576,669
	<u>5,629,593</u>	<u>5,013,552</u>
	<u>24,798,162</u>	<u>21,982,872</u>
<i>Restricted Funds:</i>		
Financial aid for needy patients	191,741	197,284
Other operating costs	468,171	399,123
Utilisation of Community Silver Trust fund		
- Salaries and related costs (Note 13)	1,091,688	842,325
- Research and project expenses	158,160	106,244
- Others	25	8
	<u>1,909,785</u>	<u>1,544,984</u>
Total costs of charitable activities	<u>26,707,947</u>	<u>23,527,856</u>

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

11 Governance Costs

	<u>2014</u>	<u>2013</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Salaries and related costs (Note 13)	593,589	558,825
Building maintenance	6,994	5,625
Depreciation	8,108	6,571
Amortisation	(5,163)	(3,625)
Repair and maintenance	6,085	7,888
Utilities	2,385	2,536
GST input tax disallowed	10,108	10,432
Others	15,511	9,895
Audit fees	48,300	55,530
Insurance expenses	1,207	747
Professional fees	27,800	(400)
	<u>714,924</u>	<u>654,024</u>

The governance costs include costs of the preparation and examination of statutory accounts, the costs of governing board meetings and cost of governance arrangement which relate to the general running of the charity. The governance costs of the Company are apportioned based on the amount of time spent, floor area occupied and the number of staff operating in the Company. There are no other financial services incurred such as taxation advice, consultancy and financial advice for the financial years ended 31 March 2014 and 2013.

12 Net Income Before Tax Expense

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

	<u>2014</u>	<u>2013</u>
	S\$	S\$
Cost of inventories sold (included in charitable activities expenses)		
- Pharmaceuticals	635,345	689,005
- Consumables	501,190	415,320
Land lease rental	593,978	593,978
Operating lease rental - Equipment rental expenses	18,820	19,885
Depreciation expenses	1,103,574	896,150
Amortisation expenses	(702,419)	(495,574)
Allowance for impairment loss on trade receivables (Note 17)	6,956	38,360
Write-back of allowance for impairment loss (Note 17)	<u>(7,567)</u>	<u>(13,995)</u>

During the current financial year ended 31 March 2014, the Company recovered an amount of S\$7,567 (2013: S\$13,995) which had been previously provided for and accordingly these have been written back during the year. An allowance for impairment loss on trade receivables of S\$6,956 (2013: S\$38,360) has been made for the current financial year ended 31 March 2014 as these amounts are considered not recoverable.

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13 Employee Benefits

	<u>2014</u>	<u>2013</u>
	S\$	S\$
<i>Included in Direct Operating Costs of Charitable Activities:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	13,112,165	11,448,876
- Foreign workers' levy	466,156	334,097
- Other staff benefits	1,125,641	1,012,259
Post-employment benefits (Defined Contribution Plans)	1,315,375	1,152,163
Total salaries and related costs (Note 10)	16,019,337	13,947,395
 <i>Included in Costs of Generating Funds, Indirect Operating Costs of Charitable Activities and Governance Costs (Note 9, 10 and 11):</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	2,707,822	2,347,323
- Foreign workers' levy	11,912	5,017
- Other staff benefits	102,395	100,988
Post-employment benefits (Defined Contribution Plans)	311,533	254,762
Total salaries and related costs	3,133,662	2,708,090
 <i>Included in Charitable Activities – Restricted Funds:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	422,269	202,263
- Other staff benefits	613,161	614,308
Post-employment benefits (Defined Contribution Plans)	56,258	25,754
Total salaries and related costs (Note 10)	1,091,688	842,325
Average number of employee	371	345

14 Income Tax

The Company is an approved charity under the 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. As required by the Charities Act (Chapter 37), 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 Property, Plant and Equipment

	Leasehold building S\$	Furniture and office equipment S\$	Hospital equipment S\$	Building under construction S\$	Total S\$
2014					
<u>Cost</u>					
At 1 April 2013	16,704,777	1,922,592	2,214,446	2,510,285	23,352,100
Additions	18,672	196,467	167,067	10,258,179	10,640,385
Disposals/write-off	-	(8,068)	(40,795)	(29,815)	(78,678)
Transfer	10,050,556	205,325	413,206	(10,669,087)	-
At 31 March 2014	<u>26,774,005</u>	<u>2,316,316</u>	<u>2,753,924</u>	<u>2,069,562</u>	<u>33,913,807</u>
<u>Accumulated depreciation</u>					
At 1 April 2013	8,257,801	1,540,663	1,946,178	-	11,744,642
Depreciation for the year	764,573	210,918	128,083	-	1,103,574
Disposals/write-off	-	(7,368)	(40,795)	-	(48,163)
At 31 March 2014	<u>9,022,374</u>	<u>1,744,213</u>	<u>2,033,466</u>	<u>-</u>	<u>12,800,053</u>
<u>Net book value</u>					
At 31 March 2014	<u>17,751,631</u>	<u>572,103</u>	<u>720,458</u>	<u>2,069,562</u>	<u>21,113,754</u>
2013					
<u>Cost</u>					
At 1 April 2012	17,012,295	1,669,053	2,123,536	239,174	21,044,058
Additions	-	298,803	135,746	2,271,111	2,705,660
Disposals/write-off	(307,518)	(45,264)	(44,836)	-	(397,618)
At 31 March 2013	<u>16,704,777</u>	<u>1,922,592</u>	<u>2,214,446</u>	<u>2,510,285</u>	<u>23,352,100</u>
<u>Accumulated depreciation</u>					
At 1 April 2012	7,777,733	1,444,900	1,880,814	-	11,103,447
Depreciation for the year	644,923	141,027	110,200	-	896,150
Disposals/write-off	(164,855)	(45,264)	(44,836)	-	(254,955)
At 31 March 2013	<u>8,257,801</u>	<u>1,540,663</u>	<u>1,946,178</u>	<u>-</u>	<u>11,744,642</u>
<u>Net book value</u>					
At 31 March 2013	<u>8,446,976</u>	<u>381,929</u>	<u>268,268</u>	<u>2,510,285</u>	<u>11,607,458</u>

During the financial year ended 31 March 2014, the Company completed the construction of its seven-storey wing building and received the occupant certificate in January 2014. Accordingly, the Company transferred the new seven-storey wing building, furniture, office equipment and hospital equipment located in the new building from "Building under construction" to the other Property, Plant and Equipment categories. As at 31 March 2014, the building under construction comprises of expenses incurred for the on-going alteration of existing blocks of the Company.

Management are 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.

During the financial year ended 31 March 2013, the Company had demolished a chapel and wrote off the remaining net book value amounting to S\$142,663 against the balance in the Building Fund – Chapel (Note 21(ii)).

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15 Property, Plant and Equipment (cont'd)

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

	<u>2014</u> S\$	<u>2013</u> S\$
Net depreciation charged to statement of financial activities:		
Depreciation for the year	1,103,574	896,150
Amortisation of building fund (Note 21 (i) and (ii))	(464,490)	(464,490)
Amortisation of building expansion fund (Note 21 (iii))	(142,774)	-
Amortisation of plant and equipment fund (Note 21 (iv))	(2,218)	(8,332)
Amortisation of Community Silver Trust capital grant (Note 21 (vi))	(92,937)	(22,752)
Net depreciation of plant and equipment	<u>401,155</u>	<u>400,576</u>

16 Investments in Financial Assets

	<u>2014</u> S\$	<u>2013</u> S\$
Balance at beginning of the year	4,742,228	5,217,417
Acquisitions	669,000	-
Disposals	(501,250)	(475,189)
Balance at end of the year	<u>4,909,978</u>	<u>4,742,228</u>

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

	<u>2014</u> S\$	<u>2013</u> S\$
At cost:		
Quoted bonds, convertible bonds, preference shares and equities	<u>4,909,978</u>	<u>4,742,228</u>
Fair values	<u>5,844,232</u>	<u>5,782,278</u>

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

	<u>2014</u> %	<u>2013</u> %
Quoted preference shares	4.80	4.17
Quoted convertible bonds	3.80	3.48
Quoted bonds	<u>4.17</u>	<u>5.29</u>

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17 Trade and Other Receivables

	<u>2014</u> S\$	<u>2013</u> S\$
<u>Trade Receivables</u>		
Patient's fees	1,071,507	893,924
Less: Allowance for impairment loss	(118,755)	(140,067)
	<u>952,752</u>	<u>753,857</u>
<u>Other Receivables</u>		
Interest receivable	36,964	33,371
Other receivables	1,726,785	764,859
Deposits	48,599	48,630
Government grants and Community Silver Trust funds receivable	6,332,031	4,634,891
	<u>8,144,379</u>	<u>5,481,751</u>
Prepayments	<u>202,171</u>	<u>201,889</u>
Total trade and other receivables	<u>9,299,302</u>	<u>6,437,497</u>

Trade receivables are stated net of allowance for impairment loss. Allowance for impairment loss on trade receivables is analysed as follows:

	<u>2014</u> S\$	<u>2013</u> S\$
Balance at beginning of the year	140,067	167,840
Allowance for impairment loss recognised during the year (Note 12)	6,956	38,360
Write-back of allowance for impairment loss (Note 12)	(7,567)	(13,995)
Write-off against allowance for impairment loss	(20,701)	(52,138)
Balance at end of the year	<u>118,755</u>	<u>140,067</u>

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

The Company has written back allowance for impairment loss amounted to S\$7,567 (2013: S\$13,995) during the financial year ended 31 March 2014 (2013: 2013) due to settlements made by the debtors.

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18 Cash and Cash Equivalents

	<u>2014</u> S\$	<u>2013</u> S\$
Fixed deposits placed with financial institutions	4,735,242	5,234,563
Cash and bank balances	11,674,853	10,168,212
	<u>16,410,095</u>	<u>15,402,775</u>

For the purposes of the statement of cash flows, the cash and cash equivalents comprised the following:

	<u>2014</u> S\$	<u>2013</u> S\$
Cash and bank balances	<u>16,410,095</u>	<u>15,402,775</u>

The weighted average effective interest rate earned on fixed deposits is 0.69% (2013: 0.30%) per annum with maturity dates ranging from 1 to 12 months (2013: 3 to 9 months).

Included in the cash and cash equivalents are S\$3,584,758 (2013: S\$4,332,653), the use of which are subject to relevant restricted funds' operating terms.

19 Trade and Other Payables

	<u>2014</u> S\$	<u>2013</u> S\$
<i>Current</i>		
<u>Trade Payables</u>		
Trade payables	1,327,312	1,490,516
<u>Other Payables</u>		
Other creditors	380,744	372,890
Claw back of government subsidy	1,117,569	1,641,966
Accruals	2,099,712	1,192,221
	<u>4,925,337</u>	<u>4,697,593</u>
<i>Non-Current</i>		
<u>Other Payables</u>		
Claw back of government subsidy	<u>1,221,830</u>	-
Total trade and other payables	<u>6,147,167</u>	<u>4,697,593</u>

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19 Trade and Other Payables (cont'd)

The Company receives government subvention from Ministry of Health ("MOH") based on the patient's family income (i.e. "Means-testing"). During the financial year, the Company has recognised claw back amounting to S\$697,433 (2013: S\$1,245,898) related to the government subvention. The carrying amount of the claw back as at 31 March 2014 amounted to S\$2,339,399 (2013: S\$1,641,966). The claw back arises due to an overlap in claims under the same patients, one being the sub-acute care funding for sub-acute patients transferred from National University Hospital ("NUH"), and the other being the government subvention for patients based on means-testing.

The claw back will be offset against government subvention receivable from MOH on quarterly basis commencing from July 2014.

20 Unrestricted Funds

		<u>2014</u>	<u>2013</u>
		S\$	S\$
Unrestricted income funds	(i)	<u>13,111,697</u>	<u>9,102,153</u>
Designated funds:			
- New project fund	(ii)	7,000,000	7,000,000
- Asset replacement fund	(iii)	1,375,006	1,372,393
- Eldercare fund	(iv)	-	503,691
- Scholarship fund	(v)	252,530	252,013
Total designated funds		<u>8,627,536</u>	<u>9,128,097</u>
Total unrestricted funds		<u>21,739,233</u>	<u>18,230,250</u>

- (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) New project fund is to provide funds for future new project requirements.
- (iii) Asset replacement fund is set up to finance future building upgrading and equipment replacement.
- (iv) Eldercare project fund is set up to finance the operations of the Eldercare Centres in Singapore. During the financial year, the balance in Eldercare fund amounted to S\$504,030 has been released and reallocated to unrestricted income funds to be used for general purposes of the charity.
- (v) Scholarship fund is 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.

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20 Unrestricted Funds (cont'd)

	<u>2014</u> S\$	<u>2013</u> S\$
Funds balance at beginning of the year	18,230,250	17,419,900
Total income	28,503,858	23,704,297
Total expenditures	(26,310,438)	(23,169,456)
Net income	2,193,420	534,841
Gross transfers between funds	1,315,563	275,509
Funds balance at end of the year	21,739,233	18,230,250

With effect from 1 April 2013, the Company is allowed to claim its recurrent operating expenses under the Community Silver Trust matching grants up to 40% of the donations received and channelled to ILTC services in the preceding financial year. In this connection, an amount of S\$1,315,563 (2013: Nil) recurrent operating expenses was transferred to "Unrestricted Funds – Unrestricted Income Fund" from "Restricted Funds – Community Silver Trust Fund" during the financial year ended 31 March 2014.

21 Restricted Funds – Restricted Income Funds

	<u>2014</u> S\$	<u>2013</u> S\$
Restricted income funds		
- Building fund - General (i)	5,527,841	5,992,331
- Building fund - Chapel (ii)	-	-
- Building expansion fund (iii)	9,926,604	1,620,537
- Plant and equipment fund (iv)	-	2,218
- Community Silver Trust fund (v)	6,205,713	5,397,380
- Community Silver Trust capital grant (vi)	236,447	220,450
- Other funds (vii)	2,179,303	2,224,860
Total restricted income funds	24,075,908	15,457,776

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

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

	<u>2014</u> S\$	<u>2013</u> S\$
<u>2014</u>		
Funds balance at beginning of the year	15,457,776	9,069,341
Total income	12,545,899	8,847,165
Total expenditures	(1,909,785)	(1,544,984)
Net income	10,636,114	7,302,181
Gross transfers between funds	(1,315,563)	(275,509)
Amortisation expenses net of depreciation of plant and equipment credited to charitable activities	(702,419)	(495,574)
Write-off of building fund - chapel	-	(142,663)
Funds balance at end of the year	24,075,908	15,457,776

(i) Building fund – General

	<u>2014</u> S\$	<u>2013</u> S\$
Balance at beginning and end of the year	13,045,322	13,045,322
Amount amortised:		
Balance at beginning of year	7,052,991	6,588,501
Amortisation for the year (Note 15)	464,490	464,490
Balance at end of the year	7,517,481	7,052,991
Net balance at end of the year	5,527,841	5,992,331

These are capital grants received from the Ministry of Health 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.

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

(ii) *Building fund – Chapel*

	<u>2014</u>	<u>2013</u>
	S\$	S\$
Balance at beginning and end of the year	307,518	307,518
Amount amortised:		
Balance at beginning of the year	307,518	164,855
Write-off for the year	-	142,663
Balance at end of the year	307,518	307,518
Net balance at end of the year	-	-

The fund was set up for the building of the chapel. These amounts are amortised to net off the corresponding depreciation in the statement of financial activities. During the financial year ended 31 March 2013, with the demolition of the chapel, the remaining net book value of S\$142,663 in the chapel building fund was written off.

(iii) *Building expansion fund*

	<u>2014</u>	<u>2013</u>
	S\$	S\$
Balance at beginning of the year	1,620,537	200,165
Voluntary income	8,448,841	1,420,372
Balance at end of the year	10,069,378	1,620,537
Amount amortised:		
Amortisation for the year (Note 15)	142,774	-
Balance at end of the year	142,774	-
Net balance at end of the year	9,926,604	-

These are grants received from Ministry of Health 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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21 Restricted Funds – Restricted Income Funds (cont'd)

(iv) *Plant and equipment fund*

	<u>2014</u>	<u>2013</u>
	S\$	S\$
Balance at beginning and end of the year	93,176	93,176
Amount amortised:		
Balance at beginning of the year	90,958	82,626
Amortisation for the year (Note 15)	2,218	8,332
Balance at end of the year	93,176	90,958
Net balance at end of the year	-	2,218

These are capital grants received from the National Council of Social Service under the VWOs-Charities Capability Fund Info-Communications Technology (“VCF ICT”) Core Components Grant for the purchase of equipment for the Company. These amounts are amortised to net off the corresponding depreciation in the statement of financial activities.

(v) *Community Silver Trust fund*

	<u>2014</u>	<u>2013</u>
	S\$	S\$
Balance at beginning of the year	5,397,380	-
Add: Income		
Voluntary income - Community Silver Trust Matching Grant	3,373,645	6,621,420
Investment income	124	46
Less: Expenditures	(1,249,873)	(948,577)
Surplus of the fund	2,123,896	5,672,889
Gross transfers between funds	(1,315,563)	(275,509)
Balance at end of the year	6,205,713	5,397,380

These are dollar-for-dollar donation matching grants provided by the Government 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. Ministry of Health is the manager of the agency of AIC.

During the financial year ended 31 March 2014, the Company recognised matching grant income amounted to S\$3,482,579 (2013: S\$6,864,622), 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 was an amount of S\$108,934 (2013: S\$243,202) used to purchase the fixed assets of the Company (Note 21(vi)).

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

(v) *Community Silver Trust fund (cont'd)*

With effect from 1 April 2013, the Company is allowed to claim its recurrent operating expenses under the Community Silver Trust matching grants up to 40% of the donations received and channelled to ILTC services in the preceding financial year. In this connection, an amount of S\$1,315,563 (2013: Nil) recurrent operating expenses was transferred to “Unrestricted Funds – Unrestricted Income Fund” from “Restricted Funds – Community Silver Trust Fund” during the financial year ended 31 March 2014.

(vi) *Community Silver Trust capital grant*

	<u>2014</u>	<u>2013</u>
	S\$	S\$
Balance at beginning of the year	220,450	-
Add: Income		
Voluntary income - Community Silver Trust Matching Grant	108,934	243,202
Less: Expenditures	-	-
Surplus of the fund	108,934	243,202
Amortisation for the year (Note 15)	(92,937)	(22,752)
Net balance at end of the year	236,447	220,450

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

(vii) *Other Funds*

		← Restricted Funds →					
	Note	Chaplaincy ^(c) S\$	Medifund ^(b) S\$	Memorial ^(a) S\$	Patient welfare ^(v) S\$	Senior Mobility fund ^(v) S\$	Total funds S\$
1 April 2013 to 31 March 2014							
Income							
Income from generated funds							
- Voluntary income	4	450,686	75,469	-	83,508	-	609,663
Investment income	6	1,017	560	-	1,368	-	2,945
Other income	8	895	-	-	852	-	1,747
Total incoming resources		452,598	76,029	-	85,728	-	614,355
Expenditures							
Charitable activities	10	468,171	106,619	-	73,399	11,723	659,912
Net income/(loss) before tax expense		(15,573)	(30,590)	-	12,329	(11,723)	(45,557)
Transfer between funds		-	-	-	-	-	-
Net income after funds transfer		(15,573)	(30,590)	-	12,329	(11,723)	(45,557)
Total funds brought forward		749,611	645,310	105,000	724,939	-	2,224,860
Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses		-	-	-	-	-	-
Total funds carried forward		734,038	614,720	105,000	737,268	(11,723)	2,179,303

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

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

	Note	Restricted Funds				Total funds S\$
		Chaplaincy ⁽ⁱ⁾ S\$	Medifund ⁽ⁱⁱ⁾ S\$	Memorial ⁽ⁱⁱⁱ⁾ S\$	Patient welfare ^(iv) S\$	
1 April 2012 to 31 March 2013						
Income						
Income from generated funds						
- Voluntary income	4	456,777	-	-	97,367	554,144
Investment income	6	1,164	709	-	1,089	2,962
Other income	8	-	-	-	5,019	5,019
Total incoming resources		457,941	709	-	103,475	562,125
Expenditures						
Charitable activities	10	399,123	133,739	-	63,545	596,407
Net income/(loss) before tax expense		58,818	(133,030)	-	39,930	(34,282)
Transfer between funds		-	-	-	-	-
Net income after funds transfer		58,818	(133,030)	-	39,930	(34,282)
Total funds brought forward		690,793	778,340	105,000	685,009	2,259,142
Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses		-	-	-	-	-
Total funds carried forward		749,611	645,310	105,000	724,939	2,224,860

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

- (i) Chaplaincy fund was set up to finance the chaplaincy ministry in the Hospital.
- (ii) Medifund is funded by the Ministry of Health 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 the Ministry of Health to purchase mobile friendly equipment and daily consumables for needy patients.

22 Due to a Related Party

	<u>2014</u>	<u>2013</u>
	S\$	S\$
Due to a related party (a former subsidiary)	<u>8,714</u>	<u>9,486</u>

The amount due to the related party (common directors) (a former subsidiary) is unsecured, non-interest bearing and repayable on demand.

23 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.
- (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).

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23 Related Party Transactions (cont'd)

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

	<u>2014</u> S\$	<u>2013</u> S\$
<i>With St. Luke's Eldercare Ltd</i>		
Management fee	156,000	70,524
Rental expenses	7,200	7,200
	<u>163,200</u>	<u>77,724</u>

Balances outstanding with related party (a former subsidiary) at the balance sheet date are disclosed in Note 22.

24 Commitments

(a) Operating Lease Commitments

At the balance sheet date, the 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:

	<u>2014</u> S\$	<u>2013</u> S\$
Within one year	34,620	16,200
Between two to five years	122,360	2,700
	<u>156,980</u>	<u>18,900</u>

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

(b) Capital Commitments

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

	<u>2014</u> S\$	<u>2013</u> S\$
Building expansion contracts	<u>3,400,417</u>	<u>9,909,994</u>

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25 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.

	<u>2014</u> S\$	<u>2013</u> S\$
Tax deductible donations	3,279,978	3,159,464
Non tax deductible donations	202,601	129,444
Non tax deductible donations in kind	12,125	5,479
Total (Note 4, 5 and 21(vii))	<u>3,494,704</u>	<u>3,294,387</u>

26 Key Management Remuneration

	<u>2014</u>	<u>2013</u>
Number of staff in the following remuneration bands of:		
S\$250,001 to S\$300,000	1	2
S\$200,001 to S\$250,000	2	-
S\$150,001 to S\$200,000	-	1
	<u>3</u>	<u>3</u>
	<u>2014</u> S\$	<u>2013</u> S\$
Compensation of key management personnel		
Salaries and bonuses	705,238	662,196
Defined contribution plans	39,502	34,813
	<u>744,740</u>	<u>697,009</u>

All the directors of the Company or any close member of the Company's director's family do not receive any remuneration, benefits, allowances or other manner of compensation for the financial years ended 31 March 2014 and 2013.

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27 Reserve Policy

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

	<u>2014</u> S\$	<u>2013</u> S\$
Unrestricted funds (Reserves)	21,739,233	18,230,250
Net liquid assets available to meet expenditure obligations	16,766,187	14,253,181
Total operating expenditure (Unrestricted funds)	<u>26,310,438</u>	<u>23,169,456</u>
Ratio of net liquid assets to total operating expenditure	<u>0.64</u>	<u>0.62</u>

The Company does not have any externally imposed capital requirements for the financial years ended 31 March 2014 and 2013. There were no changes in the Company's reserve policy during the financial year.

28 Comparative Figures

Certain reclassifications have been made to the Company's prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended on the face of Statement of Financial Activities of the Company as summarised below:

	<u>As previously reported</u> S\$	<u>Reclassifications</u> S\$	<u>As restated</u> S\$
Statement of Financial Activities			
<u>Expenditures</u>			
Costs of generating funds			
- Voluntary income	1,435,240	(948,577)	486,663
Charitable activities	<u>22,579,279</u>	<u>948,577</u>	<u>23,527,856</u>

The expenses reclassified to costs of charitable activities include salaries and related costs, and research and project expenses funded by the Community Silver Trust matching grant.