

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 2015

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

31 MARCH 2015

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ST LUKE'S HOSPITAL
(Incorporated in Singapore)

REPORT OF THE DIRECTORS - 31 MARCH 2015

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 2015.

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)
Choo Eng Beng	Honorary Treasurer (Alternate director: Tan Wee King)
Chor Swee Suet Judy	
Chua Song Khim	
Ho Yew Kee	
Khoo Teng Cheong	(Alternate director: Francis Maniam)
Lim Teck Chuan	(Alternate director: Lim Bee Lian Helen)
Tan Chee Koon Samuel	(Appointed on 1 Mar 2015) (Alternate director Kok Hei Mun Jonathan appointed on 1 Mar 2015)

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 2015

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 2015

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 2015 and 2014.

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



.....
CHOO ENG BENG
Director

Singapore
13 July 2015

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

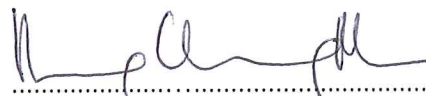
STATEMENT BY DIRECTORS

31 MARCH 2015

In the opinion of the directors;

- (a) the financial statements of the Company as set out on pages 7 to 44 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2015 and the financial performance 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



.....
CHOO ENG BENG
Director

Singapore
13 July 2015

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 44, which comprise the balance sheet as at 31 March 2015, 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 financial statements 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 the 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 financial position of the Company as at 31 March 2015 and the financial performance, 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
13 July 2015

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

1 April 2014 to 31 March 2015

	<u>Note</u>	<u>Unrestricted Funds</u> S\$	<u>Restricted Funds</u> S\$	<u>Total 2015</u> S\$	<u>Total 2014</u> S\$
INCOME					
Income from generated funds:					
Voluntary income	4	9,710,679	7,666,468	17,377,147	19,488,351
Activities for generating funds	5	1,812,140	-	1,812,140	1,618,137
Investment income	6	390,749	2,071	392,820	277,314
Income from charitable activities	7	24,133,904	-	24,133,904	18,962,933
Other income	8	966,005	2,687	968,692	703,022
Total income		37,013,477	7,671,226	44,684,703	41,049,757
EXPENDITURES					
Costs of generating funds:					
Voluntary income	9	548,172	-	548,172	533,292
Fundraising activities	9	204,754	-	204,754	264,060
Charitable activities	10	29,266,267	2,197,825	31,464,092	26,707,947
Governance costs	11	873,167	-	873,167	714,924
Total expenditures		30,892,360	2,197,825	33,090,185	28,220,223
Net income before tax expense	12	6,121,117	5,473,401	11,594,518	12,829,534
Tax expense	14	-	-	-	-
Net income		6,121,117	5,473,401	11,594,518	12,829,534
Gross transfers between funds					
Gross transfers (from) funds	21(iv)	-	(1,393,032)	(1,393,032)	(1,315,563)
Gross transfers to funds	20	1,393,032	-	1,393,032	1,315,563
		1,393,032	(1,393,032)	-	-
Net income after funds transfer		7,514,149	4,080,369	11,594,518	12,829,534
Reconciliation of funds					
Total funds brought forward		21,739,233	24,075,908	45,815,141	33,688,026
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	15	-	(1,653,649)	(1,653,649)	(702,419)
Total funds carried forward		29,253,382	26,502,628	55,756,010	45,815,141

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

BALANCE SHEET

AS AT 31 MARCH 2015

	<u>Note</u>	<u>2015</u> S\$	<u>2014</u> S\$
Non-Current Assets			
Property, plant and equipment	15	26,422,122	21,113,754
Investments in financial assets	16	5,893,653	4,909,978
		32,315,775	26,023,732
Current Assets			
Inventories, at cost		272,825	237,893
Trade and other receivables	17	10,106,316	9,299,302
Due from a related party	22	46,878	-
Cash and cash equivalents	18	20,314,926	16,410,095
		30,740,945	25,947,290
Current Liabilities			
Trade and other payables	19	5,544,821	4,925,337
Due to a related party	22	-	8,714
		5,544,821	4,934,051
Net Current Assets		25,196,124	21,013,239
Non-Current Liability			
Other payables	19	1,755,889	1,221,830
Total Assets Less Total Liabilities		55,756,010	45,815,141
Funds of Charity			
<u>Unrestricted Funds</u>			
Unrestricted income funds	20	20,607,813	13,111,697
Designated funds	20	8,645,569	8,627,536
		29,253,382	21,739,233
<u>Restricted Funds</u>			
Restricted income funds	21	26,502,628	24,075,908
Total Charity Funds		55,756,010	45,815,141

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 2015

	<u>Note</u>	<u>2015</u> S\$	<u>2014</u> S\$
Cash Flows from Operating Activities			
Net income before tax expense		11,594,518	12,829,534
Adjustments for:			
Depreciation of property, plant and equipment	15	2,322,119	1,103,574
Interest income	6	124,295	(109,251)
Dividend income	6	(185,025)	(169,313)
Amortisation of building fund	15	(464,490)	(464,490)
Amortisation of building expansion fund	15	(1,103,371)	(142,774)
Amortisation of plant and equipment fund	15	-	(2,218)
Amortisation of Community Silver Trust capital grant	15	(85,788)	(92,937)
(Gain)/Loss on disposal/write off of property, plant and equipment		(3,765)	29,100
(Gain)/Loss on disposal of investments in financial assets	6	(83,500)	1,250
Allowance for impairment loss recognised during the year	17	8,181	6,956
Write back of allowance for impairment loss	17	(530)	(7,567)
Funds received for building expansion fund	21(ii)	(1,685,062)	(8,448,841)
Funds received for Community Silver Trust capital grant	21(v)	(99,064)	(108,934)
Operating cash flows before changes in operating assets and liabilities		10,089,928	4,424,089
Changes in operating assets and liabilities:			
Inventories		(34,932)	(32,746)
Trade and other receivables		(820,014)	(2,857,601)
Trade and other payables		1,153,543	1,448,802
Net cash flows from operating activities		<u>10,388,525</u>	<u>2,982,544</u>
Cash Flows from Investing Activities			
Acquisition of investments in financial assets	16	(1,396,175)	(669,000)
Acquisition of property, plant and equipment	15	(7,630,487)	(10,640,385)
Proceeds from disposal of investments in financial assets		496,000	500,000
Proceeds from disposal of property, plant and equipment		3,765	1,415
Advances to a related party		(55,592)	-
Interest received		129,644	105,658
Dividend received	6	185,025	169,313
Net cash flows used in investing activities		<u>(8,267,820)</u>	<u>(10,532,999)</u>
Cash Flows from Financing Activities			
Funds received for building expansion fund		1,685,062	8,448,841
Funds received for Community Silver Trust capital grant		99,064	108,934
Net cash flows from financing activities		<u>1,784,126</u>	<u>8,557,775</u>
Net increase in cash and cash equivalents		3,904,831	1,007,320
Cash and cash equivalents at the beginning of the year		16,410,095	15,402,775
Cash and cash equivalents at the end of the year	18	<u>20,314,926</u>	<u>16,410,095</u>

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

ST LUKE'S HOSPITAL
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STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Note	Unrestricted Funds					Restricted Funds					Total 2015	Total 2014	
	Unrestricted income fund	New project fund	Asset replacement fund	Scholarship fund	Subtotal	Building fund - General	Building expansion fund	Community Silver Trust fund	Community Silver Trust capital grant	Other funds			Subtotal
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
INCOME													
Income from generated funds:													
Voluntary income	9,710,679	-	-	-	9,710,679	-	1,685,062	4,810,032	99,064	1,072,310	7,666,468	17,377,147	19,488,351
Activities for generating funds	1,812,140	-	-	-	1,812,140	-	-	-	-	-	-	1,812,140	1,618,137
Investment income	372,716	-	15,221	2,812	390,749	-	-	124	-	1,947	2,071	392,820	277,314
Income from charitable activities	24,133,904	-	-	-	24,133,904	-	-	-	-	-	-	24,133,904	18,962,933
Other income	966,005	-	-	-	966,005	-	-	-	-	2,687	2,687	968,692	703,022
Total income	36,995,444	-	15,221	2,812	37,013,477	-	1,685,062	4,810,156	99,064	1,076,944	7,671,226	44,684,703	41,049,737
EXPENDITURES													
Costs of generating funds:													
Voluntary income	548,172	-	-	-	548,172	-	-	-	-	-	-	548,172	533,292
Fundraising activities	204,754	-	-	-	204,754	-	-	-	-	-	-	204,754	264,060
Charitable activities	29,266,267	-	-	-	29,266,267	-	-	1,173,526	-	1,024,299	2,197,825	31,464,092	26,707,947
Governance costs	873,167	-	-	-	873,167	-	-	-	-	-	-	873,167	714,924
Total expenditures	30,892,360	-	-	-	30,892,360	-	-	1,173,526	-	1,024,299	2,197,825	33,090,185	28,220,223
Net income before tax expense	6,103,084	-	15,221	2,812	6,121,117	-	1,685,062	3,636,630	99,064	52,645	5,473,401	11,594,518	12,829,534
Tax expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income	6,103,084	-	15,221	2,812	6,121,117	-	1,685,062	3,636,630	99,064	52,645	5,473,401	11,594,518	12,829,534
Gross transfers between funds													
Gross transfers (from) funds	1,393,032	-	-	-	1,393,032	-	-	(1,393,032)	-	-	(1,393,032)	(1,393,032)	(1,819,593) ⁽¹⁾
Gross transfers to funds	1,393,032	-	-	-	1,315,562	-	-	(1,393,032)	-	-	(1,393,032)	1,393,032	1,819,593 ⁽¹⁾
Net income after funds transfer	7,496,116	-	15,221	2,812	7,514,149	-	1,685,062	2,243,598	99,064	52,645	4,080,369	11,594,518	12,829,534

(1) This included S\$504,030 reallocated between Unrestricted funds; from designated funds – Eldercare fund to unrestricted income funds to be used for general purposes of the charity.

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 2015

	Unrestricted Funds				Restricted Funds				Total 2015 S\$	Total 2014 S\$			
	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\$	Subtotal S\$	
1 April 2014 to 31 March 2015 (cont'd)	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
Reconciliation of funds	-	-	-	-	-	(464,490)	(1,103,371)	-	(85,788)	-	(1,653,649)	(1,653,649)	(702,419)
Total funds brought forward	20,607,813	7,000,000	1,390,227	255,342	29,253,382	5,063,351	10,508,295	8,449,311	249,723	2,231,948	26,502,628	55,756,010	45,815,141
Total funds carried forward	-	-	-	-	-	-	-	-	-	-	-	-	-

Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities

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 2015

	Unrestricted Funds				Restricted Funds				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	10,600,753	-	-	-	5,063,351	10,508,295	-	249,723	-	15,821,369
Investments in financial assets	-	5,893,653	-	-	-	-	-	-	-	-
	10,600,753	5,893,653	-	-	5,063,351	10,508,295	-	249,723	-	15,821,369
Current Assets										
Inventories	272,825	-	-	-	-	-	-	-	-	-
Trade and other receivables	5,196,223	-	212	55	-	-	4,909,096	-	730	4,909,826
Due from a related party	46,878	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	11,791,844	1,106,347	1,390,015	255,287	-	-	3,540,215	-	2,231,218	5,771,433
	17,307,770	1,106,347	1,390,227	255,342	-	-	8,449,311	-	2,231,948	10,681,259
Current Liabilities										
Trade and other payables	5,544,821	-	-	-	-	-	-	-	-	-
	11,762,949	1,106,347	1,390,227	255,342	-	-	8,449,311	-	2,231,948	10,681,259
Net Current Assets										
	1,755,889	-	-	-	-	-	-	-	-	-
Total Assets Less Total Liabilities										
	20,607,813	7,000,000	1,390,227	255,342	5,063,351	10,508,295	8,449,311	249,723	2,231,948	26,502,628
										1,755,889
										55,756,010

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 2015

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
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

2 Significant Accounting Policies (cont'd)

(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 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

2 Significant Accounting Policies (cont'd)

(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

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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

2 Significant Accounting Policies (cont'd)

(e) 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.

(f) 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.

(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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

2 Significant Accounting Policies (cont'd)

(g) Impairment of Financial Assets (cont'd)

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 expired.

(j) 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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

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) 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

2 Significant Accounting Policies (cont'd)

(l) Income Recognition (cont'd)

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.

(m) 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

2 Significant Accounting Policies (cont'd)

(m) Expenditure (cont'd)

Other Expenditure

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

(n) 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.

(o) 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.

(p) 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.

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

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 allowances are adjusted periodically to reflect the actual and anticipated experience. During the financial year ended 31 March 2015, the Company provided for allowance of impairment loss amounting to S\$8,181 (2014: S\$6,956). The carrying amount of the Company's trade and other receivables as at 31 March 2015 amounted to S\$10,106,316 (2014: S\$9,299,302).

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 2015, the Company had costs of generating funds amounting to S\$752,926 (2014: S\$797,352), costs of charitable activities amounting to S\$31,464,092 (2014: S\$26,707,947) and governance costs amounting to S\$873,167 (2014: S\$714,924).

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

4 Income from Generated Funds – Voluntary Income

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<u>Voluntary income</u>		
<i>Unrestricted Funds:</i>		
Donations - in cash	3,102,868	1,782,075
Donations - in kind	6,633	12,125
 Government grants:		
- Immediate and Long-Term Care (ILTC) Manpower Initiatives	4,954,683	3,794,008
- Improvements of Dementia Services Project	499,920	412,250
- Community Health Center Special Project	164,828	294,595
- Healthcare Performance Office fund	316,456	235,074
- Outpatient Risk Stratification Project	309,427	154,909
- Healthcare Productivity Fund	179,465	-
- Others	176,399	262,232
	<u>9,710,679</u>	<u>6,947,268</u>
 <i>Restricted Funds:</i>		
Donations	766,514	533,053
Grants:		
- Building expansion fund	1,685,062	8,448,841
- Community Silver Trust fund	4,810,032	3,373,645
- Community Silver Trust capital grant	99,064	108,934
- Chaplaincy fund	5,980	-
- Medifund	6,920	75,469
- Patient welfare fund	7,405	1,141
- Senior mobility fund	285,491	-
	<u>7,666,468</u>	<u>12,541,083</u>
	<u>17,377,147</u>	<u>19,488,351</u>

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

5 Income from Generated Funds – Activities for Generating Funds

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Fundraising:		
- Annual giving	411,343	-
- Charity golf	262,709	218,684
- Christmas appeal	216,532	592,040
- Golf 99	201,985	-
- Charity lunch	163,350	40,000
- Wesley Easter	157,960	142,464
- Lexus golf	108,477	-
- Chinese New Year appeal	93,439	-
- Singtel mailer	83,154	93,357
- Charity cycle	-	173,266
- Charity art sale	-	49,000
- Charity concert	-	35,276
- Flag day	-	17,068
- Others	113,191	256,982
	<u>1,812,140</u>	<u>1,618,137</u>

6 Income from Generated Funds – Investment Income

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Dividend from investments in financial assets	185,025	169,313
Gain/(loss) on disposal of investments in financial assets	83,500	(1,250)
Interest:		
- Bank balances	47,848	17,107
- Investments in financial assets	74,376	89,075
	<u>390,749</u>	<u>274,245</u>
<i>Restricted Funds:</i>		
Interest - Bank balances	2,071	3,069
	<u>392,820</u>	<u>277,314</u>

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

7 Income from Charitable Activities

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Ward charges	5,403,752	2,772,750
Treatment charges	1,734,769	1,269,330
Rehabilitation charges	1,598,445	1,241,584
Procedures and investigations	693,540	564,650
Pharmaceuticals	1,034,992	863,859
Consumables	288,938	253,133
X-ray services	44,563	51,633
Day rehabilitation and outpatient clinic	845,608	416,174
Home care and home assessments	99,382	102,012
Ambulance and others services	105,373	101,168
Government subventions*:		
- Rehabilitation	13,473,492	10,759,120
- Continuing care	187,249	136,640
- Day rehabilitation and home care	581,865	303,204
Hospital subsidies and discounts	(2,883,782)	(478,207)
Interim disability assistance programme for the elderly ("IDAPE") subsidy	7,842	11,905
Government grant:		
- Land lease rental	917,876	593,978
	<u>24,133,904</u>	<u>18,962,933</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.

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

8 Other Income

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Gain on disposal of property, plant and equipment	3,765	715
Management fee	201,600	156,000
Professional service fees	435,489	274,830
Others	325,151	269,730
	966,005	701,275
 <i>Restricted Funds:</i>		
Others	2,478	1,652
Sale of books	209	95
	2,687	1,747
	968,692	703,022

9 Costs of Generating Funds

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Direct operating costs	95,253	39,244
Support costs		
- Salaries and related costs (Note 13)	406,896	461,082
- Depreciation	12,330	4,865
- Amortisation	(8,781)	(3,098)
- Others	42,474	31,199
	548,172	533,292
 <u>Fundraising activities</u>		
Direct operating costs	204,754	264,060
Total costs of generating funds	752,926	797,352

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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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

10 Charitable Activities

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 13)	17,925,947	16,019,337
Professional services		
- Medical & Allied Health services	1,027,378	717,746
- Nursing & Therapist services	351,626	256,375
Catering	696,384	535,219
Pharmaceuticals	705,613	635,345
Consumables	549,853	501,190
Laundry services	124,941	80,736
Laboratory	324,333	257,149
X-ray	72,877	75,424
Ambulance and others	121,547	90,048
	<u>21,900,499</u>	<u>19,168,569</u>
<u>Indirect operating costs</u>		
Salaries and related costs (Note 13)	2,557,282	2,078,991
Building maintenance	1,090,636	940,440
Depreciation	2,289,238	1,090,602
Amortisation	(1,630,233)	(694,159)
Land Lease rental/rental services	937,425	586,993
Repair and maintenance	412,183	204,902
Utilities	414,645	320,613
GST input tax disallowed	432,376	340,374
Others	862,216	760,837
	<u>7,365,768</u>	<u>5,629,593</u>
	<u>29,266,267</u>	<u>24,798,162</u>
<i>Restricted Funds:</i>		
Financial aid for needy patients	549,694	191,741
Other operating costs	474,605	468,171
Utilisation of Community Silver Trust fund		
- Salaries and related costs (Note 13)	975,428	1,091,688
- Research and project expenses	198,074	158,160
- Others	24	25
	<u>2,197,825</u>	<u>1,909,785</u>
Total costs of charitable activities	<u>31,464,092</u>	<u>26,707,947</u>

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

11 Governance Costs

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Salaries and related costs (Note 13)	734,637	593,589
Building maintenance	9,791	6,994
Depreciation	20,551	8,108
Amortisation	(14,635)	(5,163)
Repair and maintenance	13,330	6,085
Utilities	3,722	2,385
GST input tax disallowed	13,984	10,108
Others	24,687	15,511
Audit fees	48,800	48,300
Insurance expenses	-	1,207
Professional fees	18,300	27,800
	<u>873,167</u>	<u>714,924</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 2015 and 2014.

12 Net Income Before Tax Expense

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

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Cost of inventories sold (included in charitable activities expenses)		
- Pharmaceuticals	705,613	635,345
- Consumables	549,853	501,190
Land lease rental	917,876	593,978
Operating lease rental - Equipment rental expenses	34,230	18,820
Depreciation expenses	2,322,119	1,103,574
Amortisation expenses	(1,653,649)	(702,419)
Write off of property, plant and equipment	-	(29,815)
Allowance for impairment loss on trade receivables (Note 17)	8,181	6,956
Write-back of allowance for impairment loss (Note 17)	(530)	(7,567)

During the current financial year ended 31 March 2015, the Company recovered an amount of S\$530 (2014: S\$7,567) 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\$8,181 (2014: S\$6,956) has been made for the current financial year ended 31 March 2015 as these amounts are considered not recoverable.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

13 Employee Benefits

	<u>2015</u>	<u>2014</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	14,565,519	13,112,165
- Foreign workers' levy	635,666	466,156
- Other staff benefits	1,339,742	1,125,641
Post-employment benefits (Defined Contribution Plans)	1,385,020	1,315,375
Total salaries and related costs (Note 10)	17,925,947	16,019,337
 <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	3,158,513	2,707,822
- Foreign workers' levy	17,648	11,912
- Other staff benefits	170,214	102,395
Post-employment benefits (Defined Contribution Plans)	352,440	311,533
Total salaries and related costs	3,698,815	3,133,662
 <i>Included in Charitable Activities – Restricted Funds:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	477,138	422,269
- Other staff benefits	445,678	613,161
Post-employment benefits (Defined Contribution Plans)	52,612	56,258
Total salaries and related costs (Note 10)	975,428	1,091,688
Average number of employee	415	371

14 Tax Expense

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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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

15 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\$
2015					
<u>Cost</u>					
At 1 April 2014	26,774,005	2,316,316	2,753,924	2,069,562	33,913,807
Additions	-	318,163	1,026,747	6,285,577	7,630,487
Disposals/write-off	-	(1,875)	(395,971)	-	(397,846)
Transfer	2,610,083	103,326	51,574	(2,764,983)	-
At 31 March 2015	<u>29,384,088</u>	<u>2,735,930</u>	<u>3,436,274</u>	<u>5,590,156</u>	<u>41,146,448</u>
<u>Accumulated depreciation</u>					
At 1 April 2014	9,022,374	1,744,213	2,033,466	-	12,800,053
Depreciation for the year	1,695,238	322,141	304,740	-	2,322,119
Disposals/write-off	-	(1,875)	(395,971)	-	(397,846)
At 31 March 2015	<u>10,717,612</u>	<u>2,064,479</u>	<u>1,942,235</u>	<u>-</u>	<u>14,724,326</u>
<u>Net book value</u>					
At 31 March 2015	<u>18,666,476</u>	<u>671,451</u>	<u>1,494,039</u>	<u>5,590,156</u>	<u>26,422,122</u>
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>

During the financial year ended 31 March 2015, the Company completed the construction of its link bridge and the renovation of its low building. Accordingly, the Company transferred the new link bridge, low building and furniture, office equipment and hospital equipment located in the low building from "Building under construction" to the other Property, Plant and Equipment categories. As at 31 March 2015, the building under construction comprises of expenses incurred for the on-going alteration of existing blocks of the Company.

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15 Property, Plant and Equipment (cont'd)

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.

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

	<u>2015</u> S\$	<u>2014</u> S\$
Net depreciation charged to statement of financial activities:		
Depreciation for the year	2,322,119	1,103,574
Amortisation of building fund (Note 21(i))	(464,490)	(464,490)
Amortisation of building expansion fund (Note 21(ii))	(1,103,371)	(142,774)
Amortisation of plant and equipment fund (Note 21(iii))	-	(2,218)
Amortisation of Community Silver Trust capital grant (Note 21(v))	(85,788)	(92,937)
	<u>(1,653,649)</u>	<u>(702,419)</u>
Net depreciation of plant and equipment	<u>668,470</u>	<u>401,155</u>

16 Investments in Financial Assets

	<u>2015</u> S\$	<u>2014</u> S\$
Balance at beginning of the year	4,909,978	4,742,228
Acquisitions	1,396,175	669,000
Disposals	(412,500)	(501,250)
Balance at end of the year	<u>5,893,653</u>	<u>4,909,978</u>

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

	<u>2015</u> S\$	<u>2014</u> S\$
At cost:		
Quoted bonds, convertible bonds, preference shares and equities	<u>5,893,653</u>	<u>4,909,978</u>
Fair values	<u>6,864,060</u>	<u>5,844,232</u>

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16 Investments in Financial Assets (cont'd)

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

	<u>2015</u> %	<u>2014</u> %
Quoted preference shares	4.80	4.80
Quoted convertible bonds	1.40	3.80
Quoted bonds	4.17	4.17

17 Trade and Other Receivables

	<u>2015</u> S\$	<u>2014</u> S\$
<u>Trade Receivables</u>		
Patient's fees	1,268,325	1,071,507
Less: Allowance for impairment loss	(95,898)	(118,755)
	<u>1,172,427</u>	<u>952,752</u>
<u>Other Receivables</u>		
Interest receivable	31,615	36,964
Other receivables	183,555	1,726,785
Deposits	49,099	48,599
Government grants and Community Silver Trust funds receivable	8,371,390	6,332,031
	<u>8,635,659</u>	<u>8,144,379</u>
Prepayments	<u>298,230</u>	<u>202,171</u>
Total trade and other receivables	<u>10,106,316</u>	<u>9,299,302</u>

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

	<u>2015</u> S\$	<u>2014</u> S\$
Balance at beginning of the year	118,755	140,067
Allowance for impairment loss recognised during the year (Note 12)	8,181	6,956
Write-back of allowance for impairment loss (Note 12)	(530)	(7,567)
Write-off against allowance for impairment loss	(30,508)	(20,701)
Balance at end of the year	<u>95,898</u>	<u>118,755</u>

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17 Trade and Other Receivables (cont'd)

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\$530 (2014: S\$7,567) during the financial year ended 31 March 2015 due to settlements made by the debtors.

18 Cash and Cash Equivalents

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Fixed deposits placed with financial institutions	4,153,445	4,735,242
Cash and bank balances	16,161,481	11,674,853
	20,314,926	16,410,095

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

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Cash and bank balances	20,314,926	16,410,095

The weighted average effective interest rate earned on fixed deposits is 0.71% (2014: 0.69%) per annum with maturity dates ranging from 3 to 12 months (2014: 1 to 12 months).

Included in the cash and cash equivalents are S\$5,771,433 (2014: S\$3,584,758), the use of which are subject to relevant restricted funds' operating terms.

19 Trade and Other Payables

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Current</i>		
<u>Trade Payables</u>		
Trade payables	2,047,703	1,327,312
<u>Other Payables</u>		
Other creditors	460,191	380,744
Claw back of government subsidy	1,544,024	1,117,569
Accruals	1,492,903	2,099,712
	5,544,821	4,925,337

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19 Trade and Other Payables (cont'd)

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Non-Current</i>		
<u>Other Payables</u>		
Claw back of government subsidy	1,755,889	1,221,830
Total trade and other payables	<u>7,300,710</u>	<u>6,147,167</u>

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\$1,709,165 (2014: S\$697,433) related to the government subvention. The carrying amount of the claw back as at 31 March 2015 amounted to S\$3,299,913 (2014: S\$2,339,399). 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.

As at 31 March 2015, the claw back will be offset against government subvention receivable from MOH on quarterly basis commencing from June 2015 (2014: July 2014).

20 Unrestricted Funds

		<u>2015</u>	<u>2014</u>
		S\$	S\$
Unrestricted income funds	(i)	20,607,813	13,111,697
Designated funds:			
- New project fund	(ii)	7,000,000	7,000,000
- Asset replacement fund	(iii)	1,390,227	1,375,006
- Scholarship fund	(iv)	255,342	252,530
Total designated funds		<u>8,645,569</u>	<u>8,627,536</u>
Total unrestricted funds		<u>29,253,382</u>	<u>21,739,233</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) 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>2015</u> S\$	<u>2014</u> S\$
Funds balance at beginning of the year	21,739,233	18,230,250
Total income	37,013,477	28,503,858
Total expenditures	(30,892,360)	(26,310,438)
Net income	6,121,117	2,193,420
Gross transfers between funds	1,393,032	1,315,563
Funds balance at end of the year	29,253,382	21,739,233

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\$1,393,032 (2014: S\$1,315,563) 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 2015 and 2014.

The Company had previously set up the Eldercare project fund to finance the operations of the Eldercare Centres in Singapore. During the financial year ended 31 March 2014, the balance in Eldercare fund amounted to S\$504,030 has been released and reallocated from designated funds - Eldercare fund to unrestricted income funds to be used for general purposes of the charity.

21 Restricted Funds – Restricted Income Funds

	<u>2015</u> S\$	<u>2014</u> S\$
Restricted income funds:		
- Building fund - General	(i) 5,063,351	5,527,841
- Building expansion fund	(ii) 10,508,295	9,926,604
- Plant and equipment fund	(iii) -	-
- Community Silver Trust fund	(iv) 8,449,311	6,205,713
- Community Silver Trust capital grant	(v) 249,723	236,447
- Other funds	(vi) 2,231,948	2,179,303
Total restricted income funds	26,502,628	24,075,908

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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>2015</u> S\$	<u>2014</u> S\$
Funds balance at beginning of the year	24,075,908	15,457,776
Total income	7,671,226	12,545,899
Total expenditures	(2,197,825)	(1,909,785)
Net income	5,473,401	10,636,114
Gross transfers between funds	(1,393,032)	(1,315,563)
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	(1,653,649)	(702,419)
Funds balance at end of the year	26,502,628	24,075,908

(i) Building fund – General

	<u>2015</u> S\$	<u>2014</u> S\$
Balance at beginning and end of the year	13,045,322	13,045,322
Amount amortised:		
Balance at beginning of year	7,517,481	7,052,991
Amortisation for the year (Note 15)	464,490	464,490
Balance at end of the year	7,981,971	7,517,481
Net balance at end of the year	5,063,351	5,527,841

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 expansion fund

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Balance at beginning of the year	10,069,378	1,620,537
Voluntary income	1,685,062	8,448,841
Balance at end of the year	11,754,440	10,069,378
Amount amortised:		
Balance at beginning of the year	142,774	-
Amortisation for the year (Note 15)	1,103,371	142,774
Balance at end of the year	1,246,145	142,774
Net balance at end of the year	10,508,295	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.

(iii) Plant and equipment fund

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Balance at beginning and end of the year	93,176	93,176
Amount amortised:		
Balance at beginning of the year	93,176	90,958
Amortisation for the year (Note 15)	-	2,218
Balance at end of the year	93,176	93,176
Net balance at end of the year	-	-

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.

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

(iv) Community Silver Trust fund

	<u>2015</u> S\$	<u>2014</u> S\$
Balance at beginning of the year	6,205,713	5,397,380
Add: Income		
Voluntary income - Community Silver Trust Matching Grant	4,810,032	3,373,645
Investment income	124	124
Less: Expenditures	(1,173,526)	(1,249,873)
Surplus of the fund	3,636,630	2,123,896
Gross transfers between funds	(1,393,032)	(1,315,563)
Balance at end of the year	8,449,311	6,205,713

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 2015, the Company recognised matching grant income amounted to S\$4,909,096 (2014: S\$3,482,579), 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\$99,064 (2014: S\$108,934) used to purchase the fixed assets of the Company (Note 21(v)).

(v) Community Silver Trust capital grant

	<u>2015</u> S\$	<u>2014</u> S\$
Balance at beginning of the year	236,447	220,450
Add: Income		
Voluntary income - Community Silver Trust Matching Grant	99,064	108,934
Less: Expenditures	-	-
Surplus of the fund	99,064	108,934
Amortisation for the year (Note 15)	(85,788)	(92,937)
Balance at end of the year	249,723	236,447

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)

(vi) *Other Funds*

		← Restricted Funds →						
	Note	Chaplaincy ⁽ⁱ⁾ S\$	Medifund ⁽ⁱⁱ⁾ S\$	Memorial ⁽ⁱⁱⁱ⁾ S\$	Patient welfare ^(iv) S\$	Senior Mobility fund ^(v) S\$	Total funds S\$	
1 April 2014 to 31 March 2015								
Income								
Income from generated funds								
- Voluntary income	4	778,405	6,920	-	1,494	285,491	1,072,310	
Investment income	6	379	159	-	1,409	-	1,947	
Other income	8	409	-	-	2,278	-	2,687	
Total incoming resources		779,193	7,079	-	5,181	285,491	1,076,944	
Expenditures								
Charitable activities	10	474,605	194,430	-	82,442	272,822	1,024,299	
Net income/(loss) before tax expense		304,588	(187,351)	-	(77,261)	12,669	52,645	
Transfer between funds		-	-	-	-	-	-	
Net income/(loss) after funds transfer		304,588	(187,351)	-	(77,261)	12,669	52,645	
Total funds brought forward		734,038	614,720	105,000	737,268	(11,723)	2,179,303	
Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses		-	-	-	-	-	-	
Total funds carried forward		1,038,626	427,369	105,000	660,007	946	2,231,948	

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

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

		← Restricted Funds →						
	Note	Chaplaincy ⁽ⁱ⁾ S\$	Medifund ⁽ⁱⁱ⁾ S\$	Memorial ⁽ⁱⁱⁱ⁾ S\$	Patient welfare ^(iv) 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 (loss)/income before tax expense		(15,573)	(30,590)	-	12,329	(11,723)	(45,557)	
Transfer between funds		-	-	-	-	-	-	
Net (loss)/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)

- (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 from/(to) a Related Party

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Due from/(to) a related party	46,878	(8,714)

The amount due from the related party, St Luke's Eldercare Ltd 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>2015</u>	<u>2014</u>
	S\$	S\$
<i>With St. Luke's Eldercare Ltd</i>		
Management fee	201,600	156,000
Rental expenses	7,200	7,200
	<u>208,800</u>	<u>163,200</u>

Balances outstanding with related party 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>2015</u>	<u>2014</u>
	S\$	S\$
Within one year	31,920	34,620
Between two to five years	90,440	122,360
	<u>122,360</u>	<u>156,980</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>2015</u>	<u>2014</u>
	S\$	S\$
Building expansion contracts	<u>1,665,136</u>	<u>3,400,417</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>2015</u> S\$	<u>2014</u> S\$
Tax deductible donations	4,384,420	3,279,978
Non tax deductible donations	524,677	202,601
Non tax deductible donations in kind	6,633	12,125
Total (Note 4, 5 and 21(vi))	<u>4,915,730</u>	<u>3,494,704</u>

26 Key Management Remuneration

	<u>2015</u>	<u>2014</u>
Number of staff in the following remuneration bands of:		
S\$300,001 to S\$350,000	1	-
S\$250,001 to S\$300,000	-	1
S\$200,001 to S\$250,000	2	2
	<u>3</u>	<u>3</u>

	<u>2015</u> S\$	<u>2014</u> S\$
Compensation of key management personnel		
Salaries and bonuses	749,482	705,238
Defined contribution plans	37,232	39,502
	<u>786,714</u>	<u>744,740</u>

All the directors of the Company or any close member of the Company’s director’s family did not receive any remuneration, benefits, allowances or other manner of compensation for the financial years ended 31 March 2015 and 2014.

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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>2015</u> S\$	<u>2014</u> S\$
Unrestricted funds (Reserves)	29,253,382	21,739,233
Net liquid assets available to meet expenditure obligations	18,652,629	16,766,186
Total operating expenditure (Unrestricted funds)	<u>30,892,360</u>	<u>26,310,438</u>
Ratio of net liquid assets to total operating expenditure	<u>0.60</u>	<u>0.64</u>

The Company does not have any externally imposed capital requirements for the financial years ended 31 March 2015 and 2014. There were no changes in the Company's reserve policy during the financial year.