

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

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

**DIRECTORS' STATEMENT**  
**AND FINANCIAL STATEMENTS**

**31 MARCH 2016**

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

**31 MARCH 2016**

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

**DIRECTORS' STATEMENT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

The directors are pleased to present their statement to the members together with the audited financial statements of St Luke's Hospital (the "Company") for the financial year ended 31 March 2016.

In the opinion of the directors;

- (a) the financial statements of the Company as set out on pages 6 to 43 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 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.

**1 Directors**

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

Peng Chung Mien	Chairman (Alternate director: Wong Kwok Wai Allan)
Chew Chin Tiong Ernest	Vice-Chairman (Alternate director: 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	(Alternate director: Kok Hei Mun Jonathan)

**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 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  
(Incorporated in Singapore)**

**DIRECTORS' STATEMENT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**3 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  
(Incorporated in Singapore)**

**DIRECTORS' STATEMENT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**4 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 2016 and 2015.

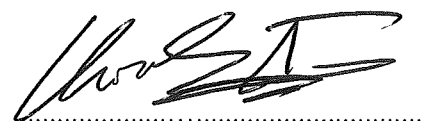
**5 Independent Auditors**

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

On behalf of the Board of Directors



PENG CHUNG MIEN  
Director



CHOO ENG BENG  
Director

Singapore  
25 July 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ST LUKE'S HOSPITAL  
(Incorporated in Singapore)

**Report on the Financial Statements**

We have audited the accompanying financial statements of St Luke's Hospital (the "Company") as set out on pages 6 to 43, which comprise the balance sheet as at 31 March 2016, 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 2016 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 11 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  
25 July 2016

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**1 April 2015 to 31 March 2016**

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> S\$	<u>Restricted</u> <u>Funds</u> S\$	<u>Total</u> <u>2016</u> S\$	<u>Total</u> <u>2015</u> S\$
<b>INCOME</b>					
Income from generated funds:					
Voluntary income	4	11,489,388	7,205,083	18,694,471	17,377,147
Activities for generating funds	5	1,368,448	-	1,368,448	1,812,140
Investment income	6	339,102	6,646	345,748	392,820
Income from charitable activities	7	25,000,289	-	25,000,289	24,133,904
Other income	8	1,114,682	2,361	1,117,043	968,692
<b>Total income</b>		<b>39,311,909</b>	<b>7,214,090</b>	<b>46,525,999</b>	<b>44,684,703</b>
<b>EXPENDITURES</b>					
Costs of generating funds:					
Voluntary income	9	612,209	-	612,209	548,172
Fundraising activities	9	252,387	-	252,387	204,754
Investment management cost	9	301,670	-	301,670	-
Charitable activities	10	38,293,499	2,845,282	41,138,781	31,464,092
Governance costs	11	1,109,495	-	1,109,495	873,167
<b>Total expenditures</b>		<b>40,569,260</b>	<b>2,845,282</b>	<b>43,414,542</b>	<b>33,090,185</b>
<b>Net (loss)/income before tax expense</b>	12	<b>(1,257,351)</b>	<b>4,368,808</b>	<b>3,111,457</b>	<b>11,594,518</b>
<b>Tax expense</b>	14	-	-	-	-
<b>Net (loss)/income</b>		<b>(1,257,351)</b>	<b>4,368,808</b>	<b>3,111,457</b>	<b>11,594,518</b>
<b>Gross transfers between funds</b>					
Gross transfers (from) funds	21(iv)	-	(2,064,435)	(2,064,435)	(1,393,032)
Gross transfers to funds	20	2,064,435	-	2,064,435	1,393,032
		2,064,435	(2,064,435)	-	-
<b>Net income after funds transfer</b>		<b>807,084</b>	<b>2,304,373</b>	<b>3,111,457</b>	<b>11,594,518</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<b>29,253,382</b>	<b>26,502,628</b>	<b>55,756,010</b>	<b>45,815,141</b>
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	15	-	(1,833,911)	(1,833,911)	(1,653,649)
<b>Total funds carried forward</b>		<b>30,060,466</b>	<b>26,973,090</b>	<b>57,033,556</b>	<b>55,756,010</b>

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



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

**BALANCE SHEET**

**AS AT 31 MARCH 2016**

	<u>Note</u>	<u>2016</u> S\$	<u>2015</u> S\$
<b>Non-Current Assets</b>			
Property, plant and equipment	15	27,553,886	26,422,122
Investments in financial assets	16	5,563,133	5,893,653
		33,117,019	32,315,775
<b>Current Assets</b>			
Inventories, at cost		173,299	272,825
Trade and other receivables	17	17,140,570	10,106,316
Due from a related party	22	-	46,878
Cash and cash equivalents	18	16,778,941	20,314,926
		34,092,810	30,740,945
<b>Current Liabilities</b>			
Trade and other payables	19	8,809,551	5,544,821
Due to a related party	22	672	-
		8,810,223	5,544,821
<b>Net Current Assets</b>		25,282,587	25,196,124
<b>Non-Current Liability</b>			
Other payables	19	1,366,050	1,755,889
<b>Total Assets Less Total Liabilities</b>		57,033,556	55,756,010
<b>Funds of Charity</b>			
<u>Unrestricted Funds</u>			
Unrestricted income funds	20	21,394,542	20,607,813
Designated funds	20	8,665,924	8,645,569
		30,060,466	29,253,382
<u>Restricted Funds</u>			
Restricted income funds	21	26,973,090	26,502,628
<b>Total Charity Funds</b>		57,033,556	55,756,010

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

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

**STATEMENT OF CASH FLOWS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

	<u>Note</u>	<u>2016</u> S\$	<u>2015</u> S\$
<b>Cash Flows from Operating Activities</b>			
Net income before tax expense		3,111,457	11,594,518
Adjustments for:			
Depreciation of property, plant and equipment	15	3,158,687	2,322,119
Interest income	6	(142,749)	(124,295)
Dividend income	6	(202,999)	(185,025)
Amortisation of building fund	15	(464,490)	(464,490)
Amortisation of building expansion fund	15	(1,180,827)	(1,103,371)
Amortisation of Community Silver Trust capital grant	15	(188,594)	(85,788)
Gain on disposal of property, plant and equipment		(150)	(3,765)
Loss/(Gain) on disposal of investments in financial assets	9 / 6	45,630	(83,500)
Allowance for impairment loss on investments in financial assets	9	256,040	-
Allowance for impairment loss on trade receivables	12	23,465	8,181
Write back of allowance for impairment loss	12	(709)	(530)
Write off for stock obsolescence	12	44,371	-
Funds received for building expansion fund	21(ii)	(1,990,518)	(1,685,062)
Funds received for Community Silver Trust Capital Grant	21(v)	(495,438)	(99,064)
Operating cash flows before changes in operating assets and liabilities		1,973,176	10,089,928
Changes in operating assets and liabilities:			
Inventories		55,155	(34,932)
Trade and other receivables		(7,054,795)	(820,014)
Trade and other payables		2,874,891	1,153,543
<b>Net cash flows (used in)/ generated from operating activities</b>		<u>(2,151,573)</u>	<u>10,388,525</u>
<b>Cash Flows from Investing Activities</b>			
Acquisition of investments in financial assets	16	-	(1,396,175)
Acquisition of property, plant and equipment	15	(4,290,451)	(7,630,487)
Proceeds from disposal of investments in financial assets		28,850	496,000
Proceeds from disposal of property, plant and equipment		150	3,765
Repayments from/(Advances to) a related party		47,550	(55,592)
Interest received		140,534	129,644
Dividend received	6	202,999	185,025
<b>Net cash flows used in investing activities</b>		<u>(3,870,368)</u>	<u>(8,267,820)</u>
<b>Cash Flows from Financing Activities</b>			
Funds received for building expansion fund		1,990,518	1,685,062
Funds received for Community Silver Trust capital grant		495,438	99,064
<b>Net cash flows generated from financing activities</b>		<u>2,485,956</u>	<u>1,784,126</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(3,535,985)	3,904,831
<b>Cash and cash equivalents at the beginning of the year</b>		20,314,926	16,410,095
<b>Cash and cash equivalents at the end of the year</b>	18	<u>16,778,941</u>	<u>20,314,926</u>

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 2016**

Note	Unrestricted Funds					Restricted Funds					Total 2016 S\$	Total 2015 S\$	
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Subtotal S\$	Building fund -General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$			Subtotal S\$
<b>INCOME</b>													
Income from generated funds:													
Voluntary income	11,489,388	-	-	-	11,489,388	-	1,990,518	3,246,582	495,438	1,472,545	7,205,083	18,694,471	17,377,147
Activities for generating funds	1,368,448	-	-	-	1,368,448	-	-	-	-	-	-	1,368,448	1,812,140
Investment income	318,747	-	16,985	3,370	339,102	-	-	124	-	6,522	6,646	345,748	392,820
Income from charitable activities	25,000,289	-	-	-	25,000,289	-	-	-	-	-	-	25,000,289	24,133,904
Other income	1,114,682	-	-	-	1,114,682	-	-	-	-	2,361	2,361	1,117,043	968,692
<b>Total income</b>	<b>39,291,554</b>	<b>-</b>	<b>16,985</b>	<b>3,370</b>	<b>39,311,909</b>	<b>-</b>	<b>1,990,518</b>	<b>3,246,706</b>	<b>495,438</b>	<b>1,481,428</b>	<b>7,214,090</b>	<b>46,525,999</b>	<b>44,684,703</b>
<b>EXPENDITURES</b>													
Costs of generating funds:													
Voluntary income	612,209	-	-	-	612,209	-	-	-	-	-	-	612,209	548,172
Fundraising activities	252,387	-	-	-	252,387	-	-	-	-	-	-	252,387	204,754
Investment management cost	301,670	-	-	-	301,670	-	-	-	-	-	-	301,670	-
Charitable activities	38,293,499	-	-	-	38,293,499	-	1,318,774	-	-	1,526,508	2,845,282	41,138,781	31,464,092
Governance costs	1,109,495	-	-	-	1,109,495	-	-	-	-	-	-	1,109,495	873,167
<b>Total expenditures</b>	<b>40,569,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,569,260</b>	<b>-</b>	<b>1,318,774</b>	<b>-</b>	<b>-</b>	<b>1,526,508</b>	<b>2,845,282</b>	<b>43,414,542</b>	<b>33,090,185</b>
<b>Net (loss)/ income before tax expense</b>	<b>(1,277,706)</b>	<b>-</b>	<b>16,985</b>	<b>3,370</b>	<b>(1,257,351)</b>	<b>-</b>	<b>1,990,518</b>	<b>1,927,932</b>	<b>495,438</b>	<b>(45,080)</b>	<b>4,368,808</b>	<b>3,111,457</b>	<b>11,594,518</b>
<b>Tax expense</b>	<b>-</b>	<b>-</b>	<b>16,985</b>	<b>3,370</b>	<b>(1,257,351)</b>	<b>-</b>	<b>1,990,518</b>	<b>1,927,932</b>	<b>495,438</b>	<b>(45,080)</b>	<b>4,368,808</b>	<b>3,111,457</b>	<b>11,594,518</b>
<b>Net (loss)/ income</b>	<b>(1,277,706)</b>	<b>-</b>	<b>16,985</b>	<b>3,370</b>	<b>(1,257,351)</b>	<b>-</b>	<b>1,990,518</b>	<b>1,927,932</b>	<b>495,438</b>	<b>(45,080)</b>	<b>4,368,808</b>	<b>3,111,457</b>	<b>11,594,518</b>
<b>Gross transfers between funds</b>													
Gross transfers (from) funds	2,064,435	-	-	-	2,064,435	-	-	(2,064,435)	-	-	(2,064,435)	(2,064,435)	(1,393,052)
Gross transfers to funds	2,064,435	-	-	-	2,064,435	-	-	(2,064,435)	-	-	(2,064,435)	2,064,435	1,393,032
<b>Net income after funds transfer</b>	<b>786,729</b>	<b>-</b>	<b>16,985</b>	<b>3,370</b>	<b>807,084</b>	<b>-</b>	<b>1,990,518</b>	<b>(136,503)</b>	<b>495,438</b>	<b>(45,080)</b>	<b>2,304,373</b>	<b>3,111,457</b>	<b>11,594,518</b>

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 2016**

	Unrestricted Funds					Restricted Funds					Total 2016 S\$	Total 2015 S\$	
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Subtotal S\$	Building fund -General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$			Subtotal S\$
<b>1 April 2015 to 31 March 2016</b> (cont'd)	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
<b>Reconciliation of funds</b>													
<b>Total funds brought forward</b>													
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities						(464,490)	(1,180,827)	-	(188,594)	-	(1,833,911)	(1,833,911)	(1,653,649)
<b>Total funds carried forward</b>	21,394,542	7,000,000	1,407,212	258,712	30,060,466	4,598,861	11,317,986	8,312,808	556,567	2,186,868	26,973,090	57,033,556	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**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

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 Directors' Statement.

**2 Significant Accounting Policies**

(a) Basis of Preparation

The financial statements, which are expressed in Singapore dollars, have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50, the Singapore 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 balance sheet date, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity are disclosed in Note 3.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**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 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**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**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, 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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**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. Transactions 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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**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 is 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 date. The impairment loss is recognised in the statement of financial activities.

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

**(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**

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**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**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**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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**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**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 (excluding prepayments)*

The Company assess at each balance sheet date whether there is objective evidence that trade and other receivables (excluding prepayments) have been impaired. Allowance for impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such allowance is adjusted periodically to reflect the actual and anticipated experience. During the financial year ended 31 March 2016, the Company has provided for allowance of impairment loss amounted to S\$23,465 (2015: S\$8,181). The carrying amount of the Company's trade and other receivables (excluding prepayments) as at 31 March 2016 amounted to S\$16,896,110 (2015: S\$9,808,086).

*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 2016, the Company had costs of generating funds amounted to S\$1,166,266 (2015: S\$752,926), costs of charitable activities amounted to S\$41,138,781 (2015: S\$31,464,092) and governance costs amounted to S\$1,109,495 (2015: S\$873,167).

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**4 Income from Generated Funds – Voluntary Income**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Donations - in cash	2,373,572	3,102,868
Donations - in kind	17,623	6,633
Government grants:		
- Intermediate and Long-Term Care (ILTC) Manpower Initiatives	7,015,818	4,954,683
- Improvements of Dementia Services Project	520,000	499,920
- Community Health Center Special Project	210,575	164,828
- Healthcare Performance Office fund	177,444	316,456
- Outpatient Risk Stratification Project	-	309,427
- Healthcare Productivity Fund	32,134	179,465
- National University Hospital (Singapore) Innovation and Creativity in Education Fund	224,860	-
- Aged Care Transition Project	317,473	156,239
- Advanced Care Planning Project	143,260	-
- Cyclical Maintenance Project	456,629	-
- Others	-	20,160
	<u>11,489,388</u>	<u>9,710,679</u>
<i>Restricted Funds:</i>		
Donations	540,597	766,514
Grants:		
- Building expansion fund	1,990,518	1,685,062
- Community Silver Trust fund	3,246,582	4,810,032
- Community Silver Trust capital grant	495,438	99,064
- Chaplaincy fund	458	5,980
- Medifund	242,765	6,920
- Patient welfare fund	6,036	7,405
- Senior mobility fund	682,689	285,491
	<u>7,205,083</u>	<u>7,666,468</u>
	<u>18,694,471</u>	<u>17,377,147</u>



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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**5 Income from Generated Funds – Activities for Generating Funds**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Fundraising:		
- Christmas appeal	313,077	216,532
- Chinese New Year appeal	187,105	93,439
- Annual giving	174,847	411,343
- Wesley Easter	160,232	157,960
- Charity golf	110,000	262,709
- Keppel Golf	90,888	-
- UOB	58,075	-
- Singtel mailer	53,897	83,154
- Singapore Power mailer	51,583	-
- Starhub mailer	50,222	-
- Golf 99	-	201,985
- Charity lunch	-	163,350
- Lexus golf	-	108,477
- Others	118,522	113,191
	<u>1,368,448</u>	<u>1,812,140</u>

**6 Income from Generated Funds – Investment Income**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Dividend from investments in financial assets	202,999	185,025
Gain on disposal of investments in financial assets	-	83,500
Interest:		
- Bank balances	53,461	47,848
- Investments in financial assets	82,642	74,376
	<u>339,102</u>	<u>390,749</u>
<i>Restricted Funds:</i>		
Interest - Bank balances	6,646	2,071
	<u>345,748</u>	<u>392,820</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**7 Income from Charitable Activities**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Ward charges	5,159,624	5,403,752
Treatment charges	1,615,003	1,734,769
Rehabilitation charges	2,694,088	1,598,445
Procedures and investigations	732,994	693,540
Pharmaceuticals	1,009,191	1,034,992
Consumables	366,332	288,938
X-ray services	56,758	44,563
Day rehabilitation and outpatient clinic	978,086	845,608
Home care and home assessments	125,176	99,382
Ambulance and others services	134,065	105,373
Government subventions*:		
- Rehabilitation	13,073,997	13,473,492
- Continuing care	352,109	187,249
- Day rehabilitation and home care	621,071	581,865
Hospital subsidies and discounts	(2,781,685)	(2,883,782)
Interim disability assistance programme for the elderly ("IDAPE") subsidy	6,423	7,842
Government grant:		
- Land lease rental	857,057	917,876
	<u>25,000,289</u>	<u>24,133,904</u>

\* Government subventions are recurrent grants which relate to subsidies from the Ministry of Health for patients in 'C' class wards and outpatients in day rehabilitation and home care services.

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**8 Other Income**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Gain on disposal of property, plant and equipment	150	3,765
Management fee	201,600	201,600
Professional service fees	403,806	435,489
Others	509,126	325,151
	1,114,682	966,005
 <i>Restricted Funds:</i>		
Others	2,361	2,478
Sale of books	-	209
	2,361	2,687
	1,117,043	968,692

**9 Costs of Generating Funds**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Direct operating costs	84,490	95,253
Support costs		
- Salaries and related costs (Note 13)	470,987	406,896
- Depreciation	16,773	12,330
- Amortisation	(9,738)	(8,781)
- Others	49,697	42,474
	612,209	548,172
 <u>Fundraising activities</u>		
Direct operating costs	252,387	204,754
 <u>Investment management cost</u>		
Impairment loss on investments in financial assets (Note 16)	256,040	-
Loss on sale of investments	45,630	-
	301,670	-
Total costs of generating funds	1,166,266	752,926

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**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**10 Charitable Activities**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 13)	23,639,608	17,925,947
Professional services		
- Medical & Allied Health services	1,536,953	1,027,378
- Nursing & Therapist services	533,404	351,626
Catering	1,027,896	696,384
Pharmaceuticals	803,183	705,613
Consumables	672,635	549,853
Laundry services	157,674	124,941
Laboratory	329,406	324,333
X-ray	84,722	72,877
Ambulance and others	159,397	121,547
	<u>28,944,878</u>	<u>21,900,499</u>
 <u>Indirect operating costs</u>		
Salaries and related costs (Note 13)	3,109,949	2,557,282
Building maintenance	1,794,682	1,090,636
Depreciation	3,113,960	2,289,238
Amortisation	(1,807,943)	(1,630,233)
Land Lease rental/rental services	878,650	937,425
Repair and maintenance	345,412	412,183
Utilities	317,171	414,645
GST input tax disallowed	809,743	432,376
Others	786,997	862,216
	<u>9,348,621</u>	<u>7,365,768</u>
	<u>38,293,499</u>	<u>29,266,267</u>
 <i>Restricted Funds:</i>		
Financial aid for needy patients	971,178	549,694
Other operating costs	555,330	474,605
Utilisation of Community Silver Trust fund		
- Salaries and related costs (Note 13)	950,646	975,428
- Research and project expenses	368,104	198,074
- Others	24	24
	<u>2,845,282</u>	<u>2,197,825</u>
Total costs of charitable activities	<u>41,138,781</u>	<u>31,464,092</u>



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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**13 Employee Benefits**

	<u>2016</u>	<u>2015</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	19,406,888	14,565,519
- Foreign workers' levy	742,296	635,666
- Other staff benefits	1,649,374	1,339,742
Post-employment benefits (Defined Contribution Plans)	1,841,050	1,385,020
Total salaries and related costs (Note 10)	23,639,608	17,925,947
 <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	3,825,030	3,158,513
- Foreign workers' levy	25,511	17,648
- Other staff benefits	252,969	170,214
Post-employment benefits (Defined Contribution Plans)	401,744	352,440
Total salaries and related costs	4,505,254	3,698,815
 <i>Included in Charitable Activities – Restricted Funds:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	564,114	477,138
- Other staff benefits	323,861	445,678
Post-employment benefits (Defined Contribution Plans)	62,671	52,612
Total salaries and related costs (Note 10)	950,646	975,428
 Average number of employee	 460	 415

**14 Tax Expense**

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

**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\$
<b>2016</b>					
<u>Cost</u>					
At 1 April 2015	29,384,088	2,735,930	3,436,274	5,590,156	41,146,448
Additions	-	732,026	657,776	2,900,649	4,290,451
Disposals/write-off	-	(33,721)	(88,620)	-	(122,341)
Transfer	8,079,531	-	-	(8,079,531)	-
At 31 March 2016	<u>37,463,619</u>	<u>3,434,235</u>	<u>4,005,430</u>	<u>411,274</u>	<u>45,314,558</u>
<u>Accumulated depreciation</u>					
At 1 April 2015	10,717,612	2,064,479	1,942,235	-	14,724,326
Depreciation for the year	2,272,431	413,022	473,234	-	3,158,687
Disposals/write-off	-	(33,721)	(88,620)	-	(122,341)
At 31 March 2016	<u>12,990,043</u>	<u>2,443,780</u>	<u>2,326,849</u>	<u>-</u>	<u>17,760,672</u>
<u>Net book value</u>					
At 31 March 2016	<u>24,473,576</u>	<u>990,455</u>	<u>1,678,581</u>	<u>411,274</u>	<u>27,553,886</u>
<b>2015</b>					
<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>

During the financial year ended 31 March 2016, the Company completed the alteration of its existing blocks from prior year. Accordingly, the Company transferred the expenses of S\$8,079,531 (2015: S\$2,764,983) incurred for the alteration of these existing blocks from "Building under construction" to the "Leasehold building" category. As at 31 March 2016, the building under construction comprises of expenses incurred for the on-going alteration of other existing blocks of the Company relating to the next phase of the building expansion project which commenced during the year.

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

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>2016</u>	<u>2015</u>
	S\$	S\$
Net depreciation charged to statement of financial activities:		
Depreciation for the year	3,158,687	2,322,119
Amortisation of building fund (Note 21(i))	(464,490)	(464,490)
Amortisation of building expansion fund (Note 21(ii))	(1,180,827)	(1,103,371)
Amortisation of Community Silver Trust capital grant (Note 21(v))	(188,594)	(85,788)
	(1,833,911)	(1,653,649)
Net depreciation of plant and equipment	1,324,776	668,470

**16 Investments in Financial Assets**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
Balance at beginning of the year	5,893,653	4,909,978
Acquisitions	-	1,396,175
Disposals	(74,480)	(412,500)
Impairment loss (Note 9)	(256,040)	-
Balance at end of the year	5,563,133	5,893,653

During the financial year, an impairment loss of S\$256,040 (2015: S\$Nil) for investments in financial assets was made due to a sustained and prolonged decline in the market value of these investments below their costs.



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**16 Investments in Financial Assets (cont'd)**

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

	<u>2016</u> S\$	<u>2015</u> S\$
At cost:		
Quoted bonds, convertible bonds, preference shares and equities	5,563,133	5,893,653
Market values	<u>6,219,939</u>	<u>6,864,060</u>

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

	<u>2016</u> %	<u>2015</u> %
Quoted preference shares	4.80	4.80
Quoted convertible bonds	-	1.40
Quoted bonds	<u>4.17</u>	<u>4.17</u>

**17 Trade and Other Receivables**

	<u>2016</u> S\$	<u>2015</u> S\$
<u>Trade Receivables</u>		
Patient's fees	2,217,972	1,268,325
Less: Allowance for impairment loss	(83,873)	(95,898)
	<u>2,134,099</u>	<u>1,172,427</u>
<u>Other Receivables</u>		
Interest receivable	33,830	31,615
Other receivables <sup>(1)</sup>	1,681,751	183,555
Deposits	12,196	49,099
Government grants	4,383,118	3,462,294
Community Silver Trust funds receivable	8,651,116	4,909,096
	<u>14,762,011</u>	<u>8,635,659</u>
Prepayments	<u>244,460</u>	<u>298,230</u>
Total trade and other receivables	<u>17,140,570</u>	<u>10,106,316</u>

<sup>(1)</sup> Includes a building expansion project claim of S\$1,295,731 (2015: S\$Nil) receivable from National University Hospital ("NUH") for the building expansion funded by Ministry of Health ("MOH").

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**17 Trade and Other Receivables (cont'd)**

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

	<u>2016</u>	<u>2015</u>
	S\$	S\$
Balance at beginning of the year	95,898	118,755
Allowance for impairment loss recognised during the year (Note 12)	23,465	8,181
Write-back of allowance for impairment loss (Note 12)	(709)	(530)
Write-off against allowance for impairment loss	<u>(34,781)</u>	<u>(30,508)</u>
Balance at end of the year	<u>83,873</u>	<u>95,898</u>

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

During the current financial year ended 31 March 2016, the Company recovered an amount of S\$709 (2015: S\$530) 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\$23,465 (2015: S\$8,181) has been made for the current financial year ended 31 March 2016 as these amounts are considered not recoverable.

**18 Cash and Cash Equivalents**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
Fixed deposits placed with financial institutions	3,690,246	4,153,445
Cash and bank balances	<u>13,088,695</u>	<u>16,161,481</u>
Cash and cash equivalents per statement of cash flows	<u>16,778,941</u>	<u>20,314,926</u>

The weighted average effective interest rate earned on fixed deposits is 1.12% (2015: 0.71%) per annum with maturity dates ranging from 3 to 12 months (2015: 3 to 12 months).

Included in the cash and cash equivalents are S\$1,848,186 (2015: S\$5,771,433), the use of which are subject to relevant restricted funds' operating terms.

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**19 Trade and Other Payables**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
<i>Current</i>		
<u>Trade Payables</u>		
Trade payables	1,829,319	2,047,703
<u>Other Payables</u>		
Other creditors	1,110,114	460,191
Claw back of government subsidy	2,102,875	1,544,024
Accruals	3,767,243	1,492,903
	8,809,551	5,544,821
<i>Non-Current</i>		
<u>Other Payables</u>		
Claw back of government subsidy	1,366,050	1,755,889
	10,175,601	7,300,710

The Company receives government subvention from MOH based on the patient's family income (i.e. "Means-testing"). During the financial year, the Company has recognised claw back amounted to S\$1,520,177 (2015: S\$1,709,165) relating to the government subvention. The carrying amount of the claw back as at 31 March 2016 amounted to S\$3,468,925 (2015: S\$3,299,913). 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 NUH, and the other being the government subvention for these patients based on means-testing.

MOH has approved for the claw back to be offset against government subvention receivable from MOH on quarterly basis.

**20 Unrestricted Funds**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
Unrestricted income funds	(i) 21,394,542	20,607,813
Designated funds:		
- New project fund	(ii) 7,000,000	7,000,000
- Asset replacement fund	(iii) 1,407,212	1,390,227
- Scholarship fund	(iv) 258,712	255,342
Total designated funds	8,665,924	8,645,569
Total unrestricted funds	30,060,466	29,253,382

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**20 Unrestricted Funds (cont'd)**

- (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.

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

	<u>2016</u>	<u>2015</u>
	S\$	S\$
Funds balance at beginning of the year	29,253,382	21,739,233
Total income	39,311,909	37,013,477
Total expenditures	(40,569,260)	(30,892,360)
Net (loss)/income	(1,257,351)	6,121,117
Gross transfers between funds	2,064,435	1,393,032
Funds balance at end of the year	30,060,466	29,253,382

With effect from 1 April 2013, the Company is allowed to claim its recurrent operating expenses under the Community Silver Trust matching grant up to 40% of the donations received and channelled to ILTC services in the preceding financial year. As of 1 April 2014, the underlying basis with respect to the 40% of donations received has been changed from the preceding to the prevailing financial year. The Company has 2 years to utilise the funds for recurrent operating expenses and 5 years to utilise the funds for projects.

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**21 Restricted Funds – Restricted Income Funds**

		<u>2016</u>	<u>2015</u>
		S\$	S\$
Restricted income funds:			
- Building fund - General	(i)	4,598,861	5,063,351
- Building expansion fund	(ii)	11,317,986	10,508,295
- Plant and equipment fund	(iii)	-	-
- Community Silver Trust fund	(iv)	8,312,808	8,449,311
- Community Silver Trust capital grant	(v)	556,567	249,723
- Other funds	(vi)	2,186,868	2,231,948
Total restricted income funds		26,973,090	26,502,628

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

		<u>2016</u>	<u>2015</u>
		S\$	S\$
Funds balance at beginning of the year		26,502,628	24,075,908
Total income		7,214,090	7,671,226
Total expenditures		(2,845,282)	(2,197,825)
Net income		4,368,808	5,473,401
Gross transfers between funds		(2,064,435)	(1,393,032)
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities		(1,833,911)	(1,653,649)
Funds balance at end of the year		26,973,090	26,502,628

*(i) Building fund – General*

		<u>2016</u>	<u>2015</u>
		S\$	S\$
Balance at beginning and end of the year		13,045,322	13,045,322
Amount amortised:			
Balance at beginning of the year		7,981,971	7,517,481
Amortisation for the year (Note 15)		464,490	464,490
Balance at end of the year		8,446,461	7,981,971
Net balance at end of the year		4,598,861	5,063,351

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>2016</u>	<u>2015</u>
	S\$	S\$
Balance at beginning of the year	11,754,440	10,069,378
Grant	1,990,518	1,685,062
Balance at end of the year	<u>13,744,958</u>	<u>11,754,440</u>
Amount amortised:		
Balance at beginning of the year	1,246,145	142,774
Amortisation for the year (Note 15)	1,180,827	1,103,371
Balance at end of the year	<u>2,426,972</u>	<u>1,246,145</u>
Net balance at end of the year	<u>11,317,986</u>	<u>10,508,295</u>

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>2016</u>	<u>2015</u>
	S\$	S\$
Balance at beginning and end of the year	<u>-</u>	<u>93,176</u>
Amount amortised:		
Balance at beginning and end of the year	<u>-</u>	<u>93,176</u>
Net balance at end of the year	<u>-</u>	<u>-</u>

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 were 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>2016</u>	<u>2015</u>
	S\$	S\$
Balance at beginning of the year	8,449,311	6,205,713
Add: Income		
Community Silver Trust Matching Grant	3,246,582	4,810,032
Investment income	124	124
Less: Expenditures	(1,318,774)	(1,173,526)
Surplus of the fund	1,927,932	3,636,630
Gross transfers between funds	(2,064,435)	(1,393,032)
Balance at end of the year	8,312,808	8,449,311

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

During the financial year ended 31 March 2016, the Company recognised matching grant income amounted to S\$3,742,020 (2015: S\$4,909,096), 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\$495,438 (2015: S\$99,064) used to purchase the fixed assets of the Company (Note 21(v)).

*(v) Community Silver Trust capital grant*

	<u>2016</u>	<u>2015</u>
	S\$	S\$
Balance at beginning of the year	249,723	236,447
Add: Income		
Community Silver Trust Matching Grant	495,438	99,064
Less: Expenditures	-	-
Surplus of the fund	495,438	99,064
Amortisation for the year (Note 15)	(188,594)	(85,788)
Balance at end of the year	556,567	249,723

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 →					
	Chaplaincy <sup>(d)</sup> S\$	Medifund <sup>(b)</sup> S\$	Memorial <sup>(iii)</sup> S\$	Patient welfare <sup>(v)</sup> S\$	Senior Mobility fund <sup>(v)</sup> S\$	Total funds S\$
<b>1 April 2015 to 31 March 2016</b>						
<b>Income</b>						
Income from generated funds	539,292	242,765	-	7,799	682,689	1,472,545
- Voluntary income	2,687	125	-	3,710	-	6,522
Investment income	100	-	-	1,186	1,075	2,361
Other income	542,079	242,890	-	12,695	683,764	1,481,428
Total incoming resources	555,330	293,647	-	125,729	551,802	1,526,508
<b>Expenditures</b>						
Charitable activities	(13,251)	(50,757)	-	(113,034)	131,962	(45,080)
<b>Net income/(loss) before tax expense</b>	(13,251)	(50,757)	-	(113,034)	131,962	(45,080)
Transfer between funds	-	-	-	-	-	-
<b>Net income/(loss) after funds transfer</b>	(13,251)	(50,757)	-	(113,034)	131,962	(45,080)
<b>Total funds brought forward</b>	1,038,626	427,369	105,000	660,007	946	2,231,948
Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses	-	-	-	-	-	-
<b>Total funds carried forward</b>	1,025,375	376,612	105,000	546,973	132,908	2,186,868



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

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

	Restricted Funds					Total funds S\$
	Chaplaincy <sup>(i)</sup> S\$	Medifund <sup>(ii)</sup> S\$	Memorial <sup>(iii)</sup> S\$	Patient welfare <sup>(iv)</sup> S\$	Senior Mobility fund <sup>(v)</sup> S\$	
<b>1 April 2014 to 31 March 2015</b>						
<b>Income</b>						
Income from generated funds	778,405	6,920	-	1,494	285,491	1,072,310
- Voluntary income	379	159	-	1,409	-	1,947
Investment income	409	-	-	2,278	-	2,687
Other income						
Total incoming resources	779,193	7,079	-	5,181	285,491	1,076,944
<b>Expenditures</b>						
Charitable activities	474,605	194,430	-	82,442	272,822	1,024,299
<b>Net income/(loss) before tax expense</b>	304,588	(187,351)	-	(77,261)	12,669	52,645
Transfer between funds	-	-	-	-	-	-
<b>Net income/(loss) after funds transfer</b>	304,588	(187,351)	-	(77,261)	12,669	52,645
<b>Total funds brought forward</b>	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	-	-	-	-	-	-
<b>Total funds carried forward</b>	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)*

- (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)/from a Related Party**

	<u>2016</u>	<u>2015</u>
	S\$	S\$
Due (to)/from a related party	<u>(672)</u>	<u>46,878</u>

The amount due (to)/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.

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**23 Related Party Transactions (cont'd)**

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

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

	<u>2016</u>	<u>2015</u>
	S\$	S\$
<i>With St. Luke's Eldercare Ltd</i>		
Management fee	201,600	201,600
Rental income	7,200	7,200
	<u>208,800</u>	<u>208,800</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>2016</u>	<u>2015</u>
	S\$	S\$
Within one year	31,920	31,920
Between two to five years	58,520	90,440
	<u>90,440</u>	<u>122,360</u>

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

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**24 Commitments (cont'd)**

(b) Capital Commitments

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

	<u>2016</u>	<u>2015</u>
	S\$	S\$
Building expansion contracts	9,231,600	1,665,136

**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>2016</u>	<u>2015</u>
	S\$	S\$
Tax deductible donations	3,656,100	4,384,420
Non tax deductible donations	85,920	524,676
Non tax deductible donations in kind	17,623	6,633
Total (Notes 4 and 5)	<u>3,759,643</u>	<u>4,915,729</u>

**26 Key Management Remuneration**

	<u>2016</u>	<u>2015</u>
Number of key management personnel in the following remuneration bands of:		
S\$400,001 to S\$500,000	1	-
S\$300,001 to S\$400,000	-	1
S\$200,001 to S\$300,000	2	2
	<u>3</u>	<u>3</u>

	<u>2016</u>	<u>2015</u>
	S\$	S\$
Compensation of key management personnel:		
Salaries and bonuses	855,843	749,482
Defined contribution plans	33,045	37,232
	<u>888,888</u>	<u>786,714</u>

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**26 Key Management Remuneration (cont'd)**

All the directors of the Company or their family members, did not receive any remuneration, benefits, allowances or other manner of compensation for the financial years ended 31 March 2016 and 2015.

**27 Reserve Policy**

As set out in the Directors' Statement, 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>2016</u>	<u>2015</u>
	S\$	S\$
Unrestricted funds (Reserves)	30,060,466	29,253,382
Net liquid assets available to meet expenditure obligations	18,806,695	18,379,804
Total operating expenditure (Unrestricted funds)	<u>40,569,260</u>	<u>30,892,360</u>
Ratio of net liquid assets to total operating expenditure	<u>0.46</u>	<u>0.59</u>

The Company does not have any externally imposed capital requirements for the financial years ended 31 March 2016 and 2015. There were no changes in the Company's reserve policy during the financial year.