

Company Registration No: 199904873Z
Charity Registration No: 01484
IPC No: 000155

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

31 MARCH 2015

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

31 MARCH 2015

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ST LUKE'S ELDERCARE LTD
(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 Eldercare Ltd (the "Company") for the financial year ended 31 March 2015.

1 Directors

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

Teo Lai Wah Timothy	Chairman appointed on 8 September 2014
Jeyaraj Indra Raj	Honorary Secretary
Lee Chee Yeng	Honorary Treasurer (Appointed on 8 September 2014)
Graham Berry	
Poh Mae Jean Jacqueline	
Tan Wan Joo	

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.

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.

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

REPORT OF THE DIRECTORS - 31 MARCH 2015

4 Conflict of Interest (cont'd)

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 ELDERCARE LTD
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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 rehabilitation clinics, day care centres for the care of elderly persons and providing wellness programmes.

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), 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 its 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 year 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



.....
TEO LAI WAH TIMOTHY
Director



.....
LEE CHEE YENG
Director

Singapore
31 July 2015

ST LUKE'S ELDERCARE LTD
(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 34 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



.....
TEO LAI WAH TIMOTHY
Director



.....
LEE CHEE YENG
Director

Singapore
31 July 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

We have audited the accompanying financial statements of St Luke's Eldercare Ltd (the "Company"), as set out on pages 7 to 34, 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 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 AUDITOR'S REPORT TO THE MEMBERS OF

ST LUKE'S ELDERCARE LTD
(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 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
31 July 2015

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	Unrestricted Funds S\$	Restricted Funds S\$	Total 2015 S\$	Total 2014 S\$
INCOME					
Income from generated funds:					
Voluntary income	4	1,055,941	1,698,453	2,754,394	3,982,540
Activities for generating funds	5	609,725	-	609,725	496,700
Investment income	6	43,643	-	43,643	16,940
Income from charitable activities	7	12,821,202	-	12,821,202	10,386,022
Other income		126,630	-	126,630	9,562
Total income		14,657,141	1,698,453	16,355,594	14,891,764
EXPENDITURES					
Costs of generating funds:					
Voluntary income	8	131,643	-	131,643	101,374
Fundraising activities	8	8,100	15,631	23,731	92,474
Investment management cost	8	11,430	-	11,430	-
Charitable activities	9	8,909,773	680,465	9,590,238	8,200,341
Governance costs	10	237,830	35,584	273,414	227,560
Total expenditures		9,298,776	731,680	10,030,456	8,621,749
Net income before tax expense		5,358,365	966,773	6,325,138	6,270,015
Tax expense	12	-	-	-	-
Net income		5,358,365	966,773	6,325,138	6,270,015
Gross transfers between funds					
Gross transfers (from) funds	19	-	(610,276)	(610,276)	(720,408)
Gross transfers to funds	18	610,276	-	610,276	720,408
		610,276	(610,276)	-	-
Net income after funds transfer		5,968,641	356,497	6,325,138	6,270,015
Reconciliation of funds					
Total funds brought forward		8,920,903	5,269,360	14,190,263	8,379,125
Amortisation expenses net of depreciation of plant and equipment credited to charitable activities	13	-	(585,066)	(585,066)	(458,877)
Total funds carried forward		14,889,544	5,040,791	19,930,335	14,190,263

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

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

BALANCE SHEET

AS AT 31 MARCH 2015

	<u>Note</u>	<u>2015</u> S\$	<u>2014</u> S\$
Non-Current Assets			
Plant and equipment	13	2,152,691	1,936,492
Investments in financial assets	14	150,600	79,880
		2,303,291	2,016,372
Current Assets			
Trade and other receivables	15	3,352,792	2,769,445
Cash and cash equivalents	16	15,902,776	10,504,101
		19,255,568	13,273,546
Current Liabilities			
Other payables and accruals	17	1,628,524	1,099,655
		17,627,044	12,173,891
Net Current Assets			
		19,930,335	14,190,263
Total Assets Less Total Liabilities			
Funds of Charity			
<u>Unrestricted Funds</u>			
Unrestricted income fund	18	14,466,166	8,497,863
Designated fund	18	423,378	423,040
		14,889,544	8,920,903
<u>Restricted Funds</u>			
Restricted income funds	19	5,040,791	5,269,360
		19,930,335	14,190,263
Total Charity Funds			

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

ST LUKE'S ELDERCARE LTD
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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		6,325,138	6,270,015
Adjustments for:			
Depreciation of plant and equipment	13	801,135	834,445
Loss on disposal of plant and equipment		3,452	15,060
Impairment loss on investment in financial assets	8	11,430	-
Interest income	6	(38,673)	(14,740)
Dividend income	6	(4,970)	(2,200)
Amortisation of plant and equipment fund	13	(488,090)	(433,808)
Amortisation of operation grant	13	(7,814)	-
Amortisation of Community Silver Trust capital grant	13	(21,356)	(10,153)
Amortisation of capital fund	13	(67,806)	(14,916)
Funds received for plant and equipment fund	4	-	(1,113,409)
Funds received for Community Silver Trust capital grant	4	(58,465)	(34,321)
Funds received for capital fund	4	(32,787)	(314,449)
Operating cash flows before changes in operating assets and liabilities		6,421,194	5,181,524
Changes in operating assets and liabilities:			
Trade and other receivables		(597,153)	(385,550)
Other payables and accruals		481,991	150,340
Net cash flows from operating activities		6,306,032	4,946,314
Cash Flows from Investing Activities			
Acquisition of investments in financial assets	14	(82,150)	(79,880)
Acquisition of plant and equipment	13	(1,020,786)	(167,355)
Interest received		43,765	1,653
Dividend received		4,970	2,200
Net cash flows used in investing activities		(1,054,201)	(243,382)
Cash Flows from Financing Activities			
Funds received for plant and equipment fund		-	1,113,409
Funds received for Community Silver Trust capital grant		58,465	34,321
Funds received for capital fund		32,787	314,449
Advances from a related party		55,592	772
Net cash flows from financing activities		146,844	1,462,951
Net increase in cash and cash equivalents		5,398,675	6,165,883
Cash and cash equivalents at the beginning of the year		10,504,101	4,338,218
Cash and cash equivalents at the end of the year	16	15,902,776	10,504,101

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

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Note	Unrestricted Funds			Restricted Funds					Total			
	income fund S\$	Asset replacement fund S\$	Sub-total S\$	Plant and equipment fund S\$	Client welfare fund S\$	Operation grant S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Capital fund S\$	Sub-total S\$	2015 S\$	2014 S\$
INCOME												
Income from generated funds:												
Voluntary income	1,055,941	-	1,055,941	-	-	-	1,607,201	58,465	32,787	1,698,453	2,754,394	3,982,540
Activities for generating funds	609,725	-	609,725	-	-	-	-	-	-	-	609,725	496,700
Investment income	43,305	338	43,643	-	-	-	-	-	-	-	43,643	16,940
Income from charitable activities	12,821,202	-	12,821,202	-	-	-	-	-	-	-	12,821,202	10,386,022
Other income	126,650	-	126,650	-	-	-	-	-	-	-	126,650	9,562
Total income	14,656,803	338	14,657,141	-	-	-	1,607,201	58,465	32,787	1,698,453	16,355,594	14,891,764
EXPENDITURES												
Costs of generating funds:												
Voluntary income	131,643	-	131,643	-	-	-	-	-	-	-	131,643	101,374
Fundraising activities	8,100	-	8,100	-	-	-	15,631	-	-	15,631	23,731	92,474
Investment income	11,430	-	11,430	-	-	-	-	-	-	-	11,430	-
Charitable activities	8,909,773	-	8,909,773	-	2,559	-	677,906	-	-	680,465	9,590,238	8,200,341
Governance costs	237,830	-	237,830	-	-	-	35,584	-	-	35,584	273,414	227,560
Total expenditures	9,298,776	-	9,298,776	-	2,559	-	729,121	-	-	731,680	10,030,456	8,621,749
Net income before tax expense	5,358,027	338	5,358,365	-	(2,559)	-	878,080	58,465	32,787	966,773	6,325,138	6,270,015
Tax expense	-	-	-	-	-	-	-	-	-	-	-	-
Net income	5,358,027	338	5,358,365	-	(2,559)	-	878,080	58,465	32,787	966,773	6,325,138	6,270,015
Gross transfers between funds												
Gross transfers (from) funds	610,276	-	610,276	-	-	-	(610,276)	-	-	(610,276)	(610,276)	(720,408)
Gross transfers to funds	610,276	-	610,276	-	-	-	(610,276)	-	-	(610,276)	(610,276)	720,408
Net movement in funds	5,968,303	338	5,968,641	-	(2,559)	-	267,804	58,465	32,787	356,497	6,325,138	6,270,015
Reconciliation of funds												
Total funds brought forward	8,497,863	423,040	8,920,903	1,585,423	60,500	7,814	3,260,823	55,267	299,533	5,269,360	14,190,263	8,379,125
Amortisation expenses net of depreciation of plant and equipment credited to charitable activities	-	-	-	(488,090)	-	(7,814)	-	(21,556)	(67,806)	(585,066)	(585,066)	(458,877)
Total funds carried forward	14,466,166	423,378	14,889,544	1,097,333	57,941	-	3,528,627	92,376	264,514	5,040,791	19,930,335	14,190,263

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

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2015

2015	Unrestricted Funds			Restricted Funds					Total
	Unrestricted income fund S\$	Asset replacement fund S\$	Sub-total S\$	Plant and equipment fund S\$	Client welfare fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Capital fund S\$	
Non-Current Assets									
Plant and equipment	962,982	-	962,982	1,097,333	-	-	92,376	-	2,152,691
Investment in financial assets	150,600	-	150,600	-	-	-	-	-	150,600
	1,113,582	-	1,113,582	1,097,333	-	-	92,376	-	2,303,291
Current Assets									
Trade and other receivables	161,359	76	161,435	-	-	3,191,357	-	-	3,352,792
Cash and cash equivalents	14,819,749	423,302	15,243,051	-	57,941	337,270	-	264,514	15,902,776
	14,981,108	423,378	15,404,486	-	57,941	3,528,627	-	264,514	19,255,568
Current Liabilities									
Other payables and accruals	1,628,524	-	1,628,524	-	-	-	-	-	1,628,524
Net Current Assets	13,352,584	423,378	13,775,962	-	57,941	3,528,627	-	264,514	17,627,044
Total Assets Less Total Liabilities	14,466,166	423,378	14,889,544	1,097,333	57,941	3,528,627	92,376	264,514	19,930,335

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

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2014

	Unrestricted Funds			Restricted Funds					Total
	Unrestricted income fund S\$	Asset replacement fund S\$	Sub-total S\$	Plant and equipment fund S\$	Client welfare fund S\$	Operation grant S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	
Non-Current Assets									
Plant and equipment	295,802	-	295,802	1,585,423	-	-	-	55,267	-
Investment in financial assets	79,880	-	79,880	-	-	-	-	-	-
	375,682	-	375,682	1,585,423	-	-	-	55,267	-
									1,640,690
									-
									1,936,492
									79,880
									2,016,372
Current Assets									
Trade and other receivables	251,433	75	251,508	-	-	-	2,517,937	-	-
Cash and cash equivalents	8,970,405	422,963	9,393,368	-	60,500	7,814	742,886	-	299,533
	9,221,838	423,038	9,644,876	-	60,500	7,814	3,260,823	-	299,533
									3,628,670
									2,517,937
									1,110,733
									10,504,101
									13,273,546
Current Liabilities									
Other payables and accruals	1,099,655	-	1,099,655	-	-	-	-	-	-
									1,099,655
Net Current Assets									
	8,122,183	423,038	8,545,221	-	60,500	7,814	3,260,823	-	299,533
									3,628,670
									12,173,891
Total Assets Less Total Liabilities									
	8,497,865	423,038	8,920,903	1,585,423	60,500	7,814	3,260,823	55,267	299,533
									5,269,360
									14,190,263

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

ST LUKE'S ELDERCARE LTD
(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 Eldercare Ltd (the "Company") is a company, limited by guarantee, and domiciled and incorporated in Singapore. The address of 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 rehabilitation clinics, day care centres for the care of elderly persons and providing wellness programmes. 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 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.

(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.

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

2 Significant Accounting Policies (cont'd)

(b) Currency Translation (cont'd)

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 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 the specific purposes such as purchase of depreciable assets are taken to relevant restricted fund account. The relevant fund will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds where the asset is held.

(d) Plant and Equipment

Plant and equipment are initially stated at cost. Subsequently, plant and equipment are stated at cost less accumulated depreciation. The cost of an item of 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. The projected cost of dismantlement, removal or restoration is also included as part of the cost of 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 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 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 plant and equipment is recognised as expenditure in the statement of financial activities in the period in which the costs are incurred. Plant and equipment shall not be revalued and are not required to be assessed for impairment.

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

2 Significant Accounting Policies (cont'd)

(d) Plant and Equipment (cont'd)

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

Fixtures & fittings	- 5 years
Furniture	- 5 years
Equipment	- 5 years
Motor vehicles	- 5 years
Computers	- 3 years

No depreciation is provided on renovation in progress.

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 plant and equipment are reviewed and adjusted, as appropriate, at each balance sheet date. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise. The carrying amount of the plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

(e) 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.

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2 Significant Accounting Policies (cont'd)

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

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

(g) Impairment of Financial Assets

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

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

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

In the case of trade and other receivables, the amount of impairment loss is the difference between the financial asset's carrying amount and the undiscounted future cash flows, excluding unearned interest of interest-bearing assets that the Company expects to receive from the assets. In the case of equity investments classified as investments in financial assets, the impairment loss is measured as the difference between the carrying amount of the investment and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the 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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

2 Significant Accounting Policies (cont'd)

(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) Other Payables

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.

(k) 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)

(k) 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.

(l) 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. The governance costs are apportioned based on the number of centres operated by the Company.

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)

(l) 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.

(m) 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 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 are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(n) 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.

(o) 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.

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.

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

3 Critical Accounting Estimates, Assumptions and Judgments

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 assesses 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. As at 31 March 2015 and 2014, no allowance for impairment losses is considered necessary. The carrying amount of the Company's trade and other receivables as at 31 March 2015 amounted to S\$3,352,792 (2014: S\$2,769,445).

Apportionment of Costs

In determining the apportionment of costs between the governance costs, charitable activities and fundraising activities 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 and the number of centres operated by the Company. 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\$158,704 (2014: S\$193,848), costs of charitable activities amounting to S\$9,597,602 (2014: S\$8,200,341) and governance costs amounting to S\$274,150 (2014: S\$227,560).

4 Income from Generated Funds - Voluntary Income

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Donations - in cash	791,601	856,161
Church commitments	264,340	172,830
	1,055,941	1,028,991
<i>Restricted Funds:</i>		
Grants:		
- Community Silver Trust fund	1,607,201	1,491,370
- Plant and Equipment fund	-	1,113,409
- Community Silver Trust capital grant	58,465	34,321
- Capital fund	32,787	314,449
	1,698,453	2,953,549
	2,754,394	3,982,540

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

5	Income from Generated Funds - Activities for Generating Funds	<u>2015</u> S\$	<u>2014</u> S\$
	<i>Unrestricted Funds:</i>		
	Fundraising:		
	- Christmas Mailer	237,241	50,000
	- Hong Bao project	147,078	52,455
	- Chinese New Year	106,904	91,401
	- Charity lunch	106,185	-
	- President Challenge	-	150,000
	- Bike and Blade	-	63,909
	- SingTel Mailer	12,317	28,473
	- Charity concert	-	26,647
	- Flag day	-	17,507
	- Cycle, Skate & Scoot	-	16,308
		<u>609,725</u>	<u>496,700</u>
6	Income from Generated Funds - Investment Income	<u>2015</u> S\$	<u>2014</u> S\$
	<i>Unrestricted Funds:</i>		
	Dividend from investment in financial assets	4,970	2,200
	Interest:		
	- Bank balances	38,673	14,740
		<u>43,643</u>	<u>16,940</u>
7	Income from Charitable Activities	<u>2015</u> S\$	<u>2014</u> S\$
	<i>Unrestricted Funds:</i>		
	Fees (Daycare, Rehabilitation, Wellness, Dementia Care and Weekend Respite)	4,681,163	4,709,419
	Government subventions:		
	- Funding from Ministry of Health ("MOH") and Ministry of Social and Family Development ("MSF")	8,140,039	5,676,603
		<u>12,821,202</u>	<u>10,386,022</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

8 Costs of Generating Funds

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Support costs:		
- Salaries and related costs	131,643	101,374
Total voluntary income	<u>131,643</u>	<u>101,374</u>
<i>Unrestricted Funds:</i>		
<u>Fundraising activities</u>		
Direct operating costs:		
- SingTel Mailer	3,200	21,533
- Bike and Blade	-	15,092
- Christmas Mailer	4,900	14,537
- Cycle, Skate & Scoot	-	12,349
- Charity concert	-	8,970
- Hong Bao project	-	6,159
- Flag day	-	928
	<u>8,100</u>	<u>79,568</u>
<i>Restricted Funds:</i>		
<u>Fundraising activities</u>		
Indirect operating costs:		
- Salaries and related costs	15,631	12,906
Total fundraising activities	<u>23,731</u>	<u>92,474</u>
<i>Unrestricted Funds:</i>		
<u>Investment management cost</u>		
Impairment loss on investment in financial assets (Note 14)	11,430	-
Total investment management cost	<u>11,430</u>	<u>-</u>
Total costs of generating funds	<u>166,804</u>	<u>193,848</u>

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 and the number of centres operated by the Company.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

9 Charitable Activities

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 11)	5,320,769	4,532,744
Catering	465,203	428,366
Consumables	48,751	41,978
Programme and social expenses	62,413	58,534
Motor and transport expenses	359,691	321,828
Others	18,361	13,093
	<u>6,275,188</u>	<u>5,396,543</u>
 <u>Indirect operating costs</u>		
Salaries and related costs	1,433,559	1,248,568
Management fee	201,600	156,000
Operating lease - rental services/conservancy fees	133,338	125,281
Net depreciation of plant and equipment (Note 13)	216,069	375,568
Bad debts on trade receivables	6,908	-
Others	643,111	510,725
	<u>2,634,585</u>	<u>2,416,142</u>
	<u>8,909,773</u>	<u>7,812,685</u>
 <i>Restricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 11)	42,438	6,889
 <u>Indirect operating costs</u>		
Salaries and related costs	578,694	351,997
Others	59,333	28,770
	<u>638,027</u>	<u>380,767</u>
	<u>680,465</u>	<u>387,656</u>
 Total costs of charitable activities	<u>9,590,238</u>	<u>8,200,341</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

10 Governance Costs

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Salaries and related costs	196,385	169,255
Others	9,172	4,554
Audit fees:		
- current year	30,000	30,000
- under provision in respect of prior year	490	8,300
Insurance expenses	1,783	7,738
	237,830	219,847
 <i>Restricted Funds:</i>		
Salaries and related costs	35,584	7,713
	273,414	227,560

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 are apportioned based on the amount of time spent and the number of centres operated by the Company. The Company operated 11 centres (2014: 12 centres) during the financial year. 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.

11 Employee Benefits

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<i>Included in Direct Operating Costs of Charitable Activities:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	4,515,652	3,864,258
- Foreign workers' levy	91,541	93,447
- Other staff benefits	223,810	181,728
Post-employment benefits (Defined Contribution Plans)	489,766	393,311
Total salaries and related costs (<i>Note 9</i>)	5,320,769	4,532,744
 <i>Included in Cost of Generating Funds, Charitable Activities and Governance Costs (Note 8,9 and 10):</i>		
<u>Manpower costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	1,461,257	1,288,461
- Foreign workers' levy	35,447	26,000
- Other staff benefits	97,246	62,533
Post-employment benefits (Defined Contribution Plans)	167,637	142,203
Total salaries and related costs	1,761,587	1,519,197

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

11 Employee Benefits (Cont'd)

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<i>Restricted Funds:</i>		
<i>Included in Direct Operating Costs of Charitable Activities:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	-	6,889
- Other staff benefits	42,438	-
- Total salaries and related costs (Note 9)	42,438	6,889
<i>Included in Cost of Generating Funds, Charitable Activities and Governance Costs (Note 8,9 and 10):</i>		
<u>Manpower costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	515,910	304,698
- Other staff benefits	62,542	43,088
Post-employment benefits (Defined Contribution Plans)	51,457	24,830
Total salaries and related costs	629,909	372,616
Average number of employee	196	174

12 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

13 Plant and Equipment

	<u>Fixtures & Fittings</u> S\$	<u>Furniture</u> S\$	<u>Equipment</u> S\$	<u>Motor Vehicles</u> S\$	<u>Computers</u> S\$	<u>Renovation in Progress</u> S\$	<u>Total</u> S\$
2015							
<u>Cost</u>							
At 1 April 2014	4,134,628	555,121	1,236,127	1,263,242	123,407	-	7,312,525
Additions	26,400	5,438	50,528	57,986	97,223	783,211	1,020,786
Disposals/write-off	-	(10,562)	(88,374)	-	(13,236)	-	(112,172)
At 31 March 2015	4,161,028	549,997	1,198,281	1,321,228	207,394	783,211	8,221,139
<u>Accumulated depreciation</u>							
At 1 April 2014	3,108,138	501,352	825,175	851,376	89,992	-	5,376,033
Depreciation for the year	409,311	22,199	150,753	185,596	33,276	-	801,135
Disposals/write-off	-	(10,562)	(84,922)	-	(13,236)	-	(108,720)
At 31 March 2015	3,517,449	512,989	891,006	1,036,972	110,032	-	6,068,448
<u>Net book value</u>							
At 31 March 2015	643,579	37,008	307,275	284,256	97,362	783,211	2,152,691
2014							
<u>Cost</u>							
At 1 April 2013	4,077,124	588,700	1,248,828	1,263,242	141,602	-	7,319,496
Additions	67,244	5,169	77,910	-	17,032	-	167,355
Disposals/write-off	(9,740)	(38,748)	(90,611)	-	(35,227)	-	(174,326)
At 31 March 2014	4,134,628	555,121	1,236,127	1,263,242	123,407	-	7,312,525
<u>Accumulated depreciation</u>							
At 1 April 2013	2,676,283	510,977	755,746	657,314	100,534	-	4,700,854
Depreciation for the year	437,678	24,928	153,092	194,062	24,685	-	834,445
Disposals/write-off	(5,823)	(34,553)	(83,663)	-	(35,227)	-	(159,266)
At 31 March 2014	3,108,138	501,352	825,175	851,376	89,992	-	5,376,033
<u>Net book value</u>							
At 31 March 2014	1,026,490	53,769	410,952	411,866	33,415	-	1,936,492

As at 31 March 2015, the renovation in progress comprises of expenses incurred for the on-going renovation of Clementi, Tampines and Hougang centres.

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	801,135	834,445
Amortisation of plant and equipment fund (Note 19 (i))	(488,090)	(433,808)
Amortisation of operation grant (Note 19 (iii))	(7,814)	-
Amortisation of Community Silver Trust capital grant (Note 19 (v))	(21,356)	(10,153)
Amortisation of capital fund (Note 19 (vi))	(67,806)	(14,916)
	(585,066)	(458,877)
Net depreciation of plant and equipment (Note 9)	216,069	375,568

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

14 Investments in Financial Assets

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Balance at beginning of the year	79,880	-
Acquisitions	82,150	79,880
Impairment loss (Note 8)	(11,430)	-
Balance at end of the year	150,600	79,880

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

	<u>2015</u>	<u>2014</u>
	S\$	S\$
At cost:		
Equities	150,600	79,880
Fair values	154,850	82,000

15 Trade and Other Receivables

	<u>2015</u>	<u>2014</u>
	S\$	S\$
<u>Trade Receivables</u>		
Clients' fees	14,019	30,565
<u>Other Receivables</u>		
Interest receivable	8,118	13,210
Other receivables	28,834	32,868
Deposits	10,188	35,827
Community Silver Trust funds receivable	3,191,357	2,517,937
Ministry of Health funds receivable	30,445	-
Amount due from a related party	-	8,714
	3,268,942	2,608,556
Prepayments	69,831	130,324
Total trade and other receivables	3,352,792	2,769,445

The amount due from a related party, St Luke's Hospital is non-trade in nature, unsecured, interest-free and repayable in cash on demand.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

16 Cash and Cash Equivalents

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Fixed deposits placed with financial institutions	6,423,976	5,380,211
Cash and bank balances	9,478,800	5,123,890
	15,902,776	10,504,101

The weighted average effective interest rate earned on fixed deposits is 0.57% (2014: 0.57%) per annum with fixed maturity dates ranging from 1 to 12 months (2014: 1 to 12 months).

Included in the cash and cash equivalents are S\$659,725 (2014: S\$1,110,733), the use of which are subject to relevant restricted funds' operating terms.

17 Other Payables and Accruals

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Deposits received	161,686	156,018
Fees received in advance	43,129	45,186
Accruals	1,316,901	898,451
Claw back of government subsidy	59,930	-
Amount due to a related party	46,878	-
	1,628,524	1,099,655

The amount due to a related party, St Luke's Hospital is non-trade in nature, unsecured, interest-free and repayable in cash on demand.

The Company receives government subvention from Ministry of Health ("MOH") based on the household income (i.e. "Means-testing"). During the financial year, the Company recognised provision of claw back ("claw back") amounting to S\$59,930 (2014: Nil) in relation to the government subvention. The claw back arises due to an overlap in claims under the same patient who attends the active rehabilitation and social day care sessions on the same day and receives government subvention for both of the services. MOH claimed that patient undergoing both active rehabilitation and social day care services should receive funding based on the integrated rehabilitation service category. The carrying amount of the claw back as at 31 March 2015 amounted to S\$59,930 (2014: Nil). The claw back will be offset against government subvention receivable from MOH in future years.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

18 Unrestricted Funds

		<u>2015</u> S\$	<u>2014</u> S\$
Unrestricted income funds	(i)	14,466,166	8,497,863
Designated fund:			
- Asset replacement fund	(ii)	423,378	423,040
Total unrestricted funds		<u>14,889,544</u>	<u>8,920,903</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) Asset replacement fund is set up to finance the upgrade and repair of centres and their facilities and equipment replacement.

Movements of the unrestricted 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	8,920,903	4,475,754
Total income	14,657,141	11,938,215
Total expenditure	(9,298,776)	(8,213,474)
Net income	5,358,365	3,724,741
Gross transfers between funds (Note 19(iv))	610,276	720,408
Funds balance at end of the year	<u>14,889,544</u>	<u>8,920,903</u>

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. In this connection, an amount of S\$610,276 (2014: S\$720,408) 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.

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19 Restricted Funds

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Restricted income funds:		
- Plant and equipment fund	(i) 1,097,333	1,585,423
- Client welfare fund	(ii) 57,941	60,500
- Operation grant	(iii) -	7,814
- Community Silver Trust fund	(iv) 3,528,627	3,260,823
- Community Silver Trust capital grant	(v) 92,376	55,267
- Capital fund	(vi) 264,514	299,533
Total restricted income funds	5,040,791	5,269,360

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

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Funds balance at beginning of the year	5,269,360	3,903,371
Total income	1,698,453	2,953,549
Less: expenditure	(731,680)	(408,275)
Surplus of the fund	966,773	2,545,274
Gross transfers between funds	(610,276)	(720,408)
Amortisation expenses net of depreciation of plant and equipment credited to charitable activities	(585,066)	(458,877)
Funds balance at end of the year	5,040,791	5,269,360

- (i) Plant and equipment fund pertains to grants received for the acquisition of plant and equipment of the centres operated by the Company. During the financial year ended 31 March 2014, the Company received funds of S\$1,063,409 from Ministry of Social and Family Development and S\$50,000 from Ayer Rajah Community Centre. These grants are amortised to net off the corresponding depreciation in the statement of financial activities. During the financial year, amortisation of S\$488,090 (2014: S\$433,808) has been recognised in statement of financial activities (Note 13).
- (ii) Client welfare fund was set up for the purpose specified from the donors to help those clients in financial hardship.
- (iii) Operation grant was set up from the proceeds of a fundraising event organised by the Bukit Timah Citizens' Consultative Committee for the purpose of financing the setting up of the Bukit Timah Eldercare centre. During the financial year, the centre generated operation surplus of S\$401,230 (2014: S\$74,539) and amortisation of S\$7,814 (2014: Nil) has been recognised in statement of financial activities (Note 13).

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19 Restricted Funds (cont'd)

(iv) Community Silver Trust fund

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Balance at beginning of the year	3,260,823	2,898,136
Add: Income		
Voluntary income - Community Silver Trust matching grant	1,607,201	1,491,370
Less: Expenditures	(729,121)	(408,275)
Surplus of the fund	878,080	1,083,095
Gross transfers between funds (Note 18)	(610,276)	(720,408)
Balance at end of the year	3,528,627	3,260,823

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\$1,665,666 (2014: S\$1,525,691), 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\$58,465 (2014: S\$34,321) used to purchase the fixed assets of the Company (Note 19(v)).

(v) Community Silver Trust capital grant

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Balance at beginning of the year	55,267	31,099
Add: Income		
Voluntary income - Community Silver Trust matching grant	58,465	34,321
Less: Expenditures	-	-
Surplus of the fund	58,465	34,321
Amortisation for the year (Note 13)	(21,356)	(10,153)
Balance at end of the year	92,376	55,267

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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19 Restricted Funds (cont'd)

(vi) Capital fund

Capital fund was set up for the purpose specified from the donors for the acquisition of plant and equipment of the centres. These amounts are amortised to net off the corresponding depreciation in the statement of financial activities. During the financial year, the Company received funds of S\$32,787 from Ministry of Health (2014: S\$10,163 from Ministry of Social and Family Development and S\$304,286 from Ministry of Health) and amortisation of S\$67,806 (2014: S\$14,916) has been recognised in statement of financial activities (Note 13).

20 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).

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 Hospital</i>		
Management fee	201,600	156,000
Rental expenses	7,200	7,200
	208,800	163,200

Balances outstanding with a related party at the balance sheet date are disclosed in Note 15 and 17.

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21 Capital Commitments

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

	<u>2015</u> S\$	<u>2014</u> S\$
Renovation contracts	1,849,830	-

22 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	1,332,037	1,095,211
Non tax deductible donations	333,629	430,480
Total (Note 4 and Note 5)	<u>1,665,666</u>	<u>1,525,691</u>

23 Key Management Remuneration

	<u>2015</u>	<u>2014</u>
Number of staff in the following remuneration band of: S\$100,000 to S\$150,000	3	2
	<u>2015</u> S\$	<u>2014</u> S\$
Compensation of key management personnel		
Salaries and bonuses	432,477	230,680
Defined contribution plans	48,565	23,944
	<u>481,042</u>	<u>254,624</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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24 Reserve Policy

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

	<u>2015</u> S\$	<u>2014</u> S\$
Unrestricted funds (Reserves)	14,889,544	8,920,903
Net liquid assets available to meet expenditure obligations	13,926,562	8,625,101
Total operating expenditure (Unrestricted funds)	<u>9,298,776</u>	<u>8,213,474</u>
Ratio of net liquid assets to total operating expenditure	<u>1.50</u>	<u>1.05</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.