

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

**ST LUKE'S ELDERCARE LTD**  
**(Incorporated in Singapore)**

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

**31 MARCH 2017**

**ST LUKE'S ELDERCARE LTD**  
**(Incorporated in Singapore)**

**31 MARCH 2017**

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**ST LUKE'S ELDERCARE LTD**  
**(Incorporated in Singapore)**

**DIRECTORS' STATEMENT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

The directors are pleased to present their statement to the members together with the audited financial statements of St Luke's Eldercare Ltd (the "Company") for the financial year ended 31 March 2017.

In the opinion of the directors;

- (a) the financial statements of the Company as set out on pages 7 to 36 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 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:

Teo Lai Wah Timothy	Chairman
Tan Wan Joo	Honorary Secretary
Lee Chee Yeng	Honorary Treasurer
Poh Mae Jean Jacqueline	
Choo Eng Beng	(Appointed on 1 October 2016)
Peng Chung Mien	(Appointed on 1 October 2016)
Yeong Zee Kin	(Appointed on 1 October 2016)
Hsiao Ginger	(Appointed on 1 February 2017)
Wong King Yoong	(Appointed on 1 February 2017)
Wong Siu Hong Alfred	(Appointed on 1 February 2017)
Lim Ai Ling	(Appointed on 1 May 2017)

**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.

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)**

**DIRECTORS' STATEMENT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**3 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**  
**(Incorporated in Singapore)**

**DIRECTORS' STATEMENT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**4 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 investments 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 2017 and 2016.

**5 External Auditors**

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

On behalf of the Board of Directors



.....  
TEO LAI WAH TIMOTHY  
Director



.....  
LEE CHEE YENG  
Director

Singapore

27 JUL 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**ST LUKE'S ELDERCARE LTD**  
**(Incorporated in Singapore)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of St Luke's Eldercare Ltd (the "Company"), as set out on pages 7 to 36, which comprise the balance sheet of the Company as at 31 March 2017, the statement of financial activities and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Charities Accounting Standards (CAS) so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in the funds and cash flows of the Company for the year ended on that date.

**Basis for Opinion**

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

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

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 3.

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**ST LUKE'S ELDERCARE LTD**  
**(Incorporated in Singapore)**

(cont'd)

**Responsibilities of Management and Those charged with Governance for the Financial Statements**

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

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

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

**Auditor's Responsibility for the Audit of the Financial Statements**

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**ST LUKE'S ELDERCARE LTD**  
**(Incorporated in Singapore)**

(cont'd)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

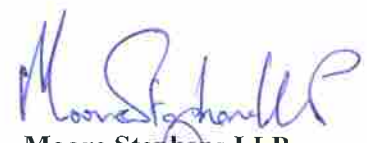
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

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

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

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

  
**Moore Stephens LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
27 July 2017



**ST LUKE'S ELDERCARE LTD**  
(Incorporated in Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**1 April 2016 to 31 March 2017**

	Note	Unrestricted Funds S\$	Restricted Funds S\$	Total 2017 S\$	Total 2016 S\$
<b>INCOME</b>					
Income from generated funds:					
Voluntary income	4	3,307,885	3,439,442	6,747,327	11,250,116
Activities for generating funds	5	651,803	-	651,803	1,001,336
Investment income	6	123,895	-	123,895	81,866
Income from charitable activities	7	16,436,419	-	16,436,419	12,336,648
Other income		83,083	-	83,083	59,597
<b>Total income</b>		<b>20,603,085</b>	<b>3,439,442</b>	<b>24,042,527</b>	<b>24,729,563</b>
<b>EXPENDITURES</b>					
Costs of generating funds:					
Voluntary income	8	344,373	-	344,373	247,437
Fundraising activities	8	74,486	60,804	135,290	215,477
Investment management cost	8	-	-	-	61,490
Charitable activities	9	17,536,217	1,029,873	18,566,090	13,563,544
Governance costs	10	468,385	104,250	572,635	470,467
<b>Total expenditures</b>		<b>18,423,461</b>	<b>1,194,927</b>	<b>19,618,388</b>	<b>14,558,415</b>
<b>Net income before tax expense</b>		<b>2,179,624</b>	<b>2,244,515</b>	<b>4,424,139</b>	<b>10,171,148</b>
<b>Tax expense</b>	12	-	-	-	-
<b>Net income</b>		<b>2,179,624</b>	<b>2,244,515</b>	<b>4,424,139</b>	<b>10,171,148</b>
<b>Gross transfers between funds</b>					
Gross transfers (from) funds	19	(1,642,411)	(62,715)	(1,705,126)	-
Gross transfers to funds	18	-	1,705,126	1,705,126	-
		(1,642,411)	1,642,411	-	-
<b>Net income after funds transfer</b>		<b>537,213</b>	<b>3,886,926</b>	<b>4,424,139</b>	<b>10,171,148</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<b>20,021,175</b>	<b>9,390,387</b>	<b>29,411,562</b>	<b>19,930,335</b>
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	13	-	(870,885)	(870,885)	(689,921)
<b>Total funds carried forward</b>		<b>20,558,388</b>	<b>12,406,428</b>	<b>32,964,816</b>	<b>29,411,562</b>

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 2017**

	<u>Note</u>	<u>2017</u> S\$	<u>2016</u> S\$
<b>Non-Current Assets</b>			
Property, plant and equipment	13	9,871,110	3,822,784
Investments in financial assets	14	323,410	302,280
		10,194,520	4,125,064
<b>Current Assets</b>			
Trade and other receivables	15	8,510,253	5,426,083
Due from a related party	20	-	672
Cash and cash equivalents	16	19,111,044	22,762,099
		27,621,297	28,188,854
<b>Current Liabilities</b>			
Other payables and accruals	17	4,845,686	2,902,356
Due to a related party	20	5,315	-
		4,851,001	2,902,356
<b>Net Current Assets</b>		22,770,296	25,286,498
<b>Total Assets Less Total Liabilities</b>		32,964,816	29,411,562
<b>Funds of Charity</b>			
<u>Unrestricted Funds</u>			
Unrestricted income fund	18	20,134,331	19,597,457
Designated fund	18	424,057	423,718
		20,558,388	20,021,175
<u>Restricted Funds</u>			
Restricted income funds	19	12,406,428	9,390,387
<b>Total Charity Funds</b>		32,964,816	29,411,562

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

**ST LUKE'S ELDERCARE LTD**  
(Incorporated in Singapore)

**STATEMENT OF CASH FLOWS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	<u>Note</u>	<u>2017</u> S\$	<u>2016</u> S\$
<b>Cash Flows from Operating Activities</b>			
Net income before tax expense		4,424,139	10,171,148
Adjustments for:			
Depreciation of property, plant and equipment	13	1,304,037	959,453
Interest income	6	(87,865)	(72,376)
Dividend income	6	(14,900)	(9,490)
Amortisation of Plant and Equipment fund	13	(731,137)	(575,472)
Amortisation of Community Silver Trust capital grant	13	(55,511)	(45,002)
Amortisation of Capital fund	13	(84,237)	(69,447)
Bad debts on trade receivables written off	9	451	1,513
Loss on disposal of property, plant and equipment	9	7,122	14,427
Reversal of impairment loss on investments in financial assets	6	(21,130)	-
Impairment loss on investment in financial assets	8	-	61,490
Funds received for Plant and Equipment fund	4	(1,623,909)	(1,450,701)
Funds received for Community Silver Trust capital grant	4	-	(146,334)
Funds received for Capital fund	4	(73,952)	-
Operating cash flows before changes in working capital		3,043,108	8,839,209
Trade and other receivables		(3,062,230)	(1,935,327)
Other payables and accruals		1,247,674	1,320,710
<b>Net cash flows from operating activities</b>		<b>1,228,552</b>	<b>8,224,592</b>
<b>Cash Flows from Investing Activities</b>			
Acquisition of investments in financial assets	14	-	(213,170)
Acquisition of property, plant and equipment	13/17	(6,677,040)	(2,643,973)
Proceeds from disposal of property, plant and equipment		13,211	-
Interest received		102,590	52,085
Dividend received		14,900	9,490
<b>Net cash flows used in investing activities</b>		<b>(6,546,339)</b>	<b>(2,795,568)</b>
<b>Cash Flows from Financing Activities</b>			
Funds received for Plant and Equipment fund		1,586,793	1,331,515
Funds received for Community Silver Trust capital grant		-	146,334
Funds received for Capital fund		73,952	-
Advances from/(Repayment to) a related party		5,987	(47,550)
<b>Net cash flows from financing activities</b>		<b>1,666,732</b>	<b>1,430,299</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(3,651,055)	6,859,323
<b>Cash and cash equivalents at the beginning of the year</b>		22,762,099	15,902,776
<b>Cash and cash equivalents at the end of the year</b>	16	<b>19,111,044</b>	<b>22,762,099</b>

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 2017**

Note	Unrestricted Funds		Restricted Funds					Total 2016 S\$			
	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\$	Innovation fund S\$	Sub-total S\$
<b>INCOME</b>											
Income from generated funds:											
4 Voluntary income	3,307,885	-	3,307,885	1,623,909	-	1,741,581	-	73,952	-	3,439,442	6,747,327
5 Activities for generating funds	651,803	-	651,803	-	-	-	-	-	-	651,803	1,001,336
6 Investment income	123,556	339	123,895	-	-	-	-	-	-	123,895	81,866
7 Income from charitable activities	16,436,419	-	16,436,419	-	-	-	-	-	-	16,436,419	12,336,648
Other income	83,083	-	83,083	-	-	-	-	-	-	83,083	59,597
<b>Total income</b>	<b>20,602,746</b>	<b>339</b>	<b>20,603,085</b>	<b>1,623,909</b>	<b>-</b>	<b>1,741,581</b>	<b>-</b>	<b>73,952</b>	<b>-</b>	<b>3,439,442</b>	<b>24,042,527</b>
<b>EXPENDITURES</b>											
Costs of generating funds:											
8 Voluntary income	344,373	-	344,373	-	-	-	-	-	-	-	344,373
8 Fundraising activities	74,486	-	74,486	-	-	60,804	-	-	-	60,804	215,477
14 Investment management cost	-	-	-	-	-	-	-	-	-	-	61,490
9 Charitable activities	17,536,217	-	17,536,217	36,132	18,618	951,792	-	-	23,331	1,029,873	13,563,544
10 Governance costs	468,385	-	468,385	-	-	104,250	-	-	-	104,250	572,635
<b>Total expenditures</b>	<b>18,423,461</b>	<b>-</b>	<b>18,423,461</b>	<b>36,132</b>	<b>18,618</b>	<b>1,116,846</b>	<b>-</b>	<b>-</b>	<b>23,331</b>	<b>1,194,927</b>	<b>19,618,388</b>
<b>Net income before tax expense</b>	<b>2,179,285</b>	<b>339</b>	<b>2,179,624</b>	<b>1,587,777</b>	<b>(18,618)</b>	<b>624,735</b>	<b>-</b>	<b>73,952</b>	<b>(23,331)</b>	<b>2,244,515</b>	<b>4,424,139</b>
<b>Tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income</b>	<b>2,179,285</b>	<b>339</b>	<b>2,179,624</b>	<b>1,587,777</b>	<b>(18,618)</b>	<b>624,735</b>	<b>-</b>	<b>73,952</b>	<b>(23,331)</b>	<b>2,244,515</b>	<b>4,424,139</b>
<b>Gross transfers between funds</b>											
19 Gross transfers (from) funds	(1,642,411)	-	(1,642,411)	-	-	(21,700)	(41,015)	-	-	(62,715)	(1,705,126)
18 Gross transfers to funds	-	-	-	100,000	100,000	83,426	21,700	-	1,500,000	1,705,126	1,705,126
	<b>(1,642,411)</b>	<b>-</b>	<b>(1,642,411)</b>	<b>-</b>	<b>100,000</b>	<b>61,726</b>	<b>(19,315)</b>	<b>-</b>	<b>1,500,000</b>	<b>1,642,411</b>	<b>-</b>
<b>Net (expenditure)/income after funds transfer</b>	<b>536,874</b>	<b>339</b>	<b>537,213</b>	<b>1,587,777</b>	<b>81,382</b>	<b>686,461</b>	<b>(19,315)</b>	<b>73,952</b>	<b>1,476,669</b>	<b>3,886,926</b>	<b>4,424,139</b>
<b>Reconciliation of funds</b>											
<b>Total funds brought forward</b>	<b>19,597,457</b>	<b>423,718</b>	<b>20,021,175</b>	<b>1,972,562</b>	<b>42,568</b>	<b>6,986,482</b>	<b>193,708</b>	<b>195,067</b>	<b>-</b>	<b>9,390,387</b>	<b>29,411,562</b>
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	-	-	-	(731,137)	-	-	(55,511)	(84,237)	-	(870,885)	(689,921)
<b>Total funds carried forward</b>	<b>20,134,331</b>	<b>424,057</b>	<b>20,558,388</b>	<b>2,829,202</b>	<b>123,950</b>	<b>7,672,943</b>	<b>118,882</b>	<b>184,782</b>	<b>1,476,669</b>	<b>12,406,428</b>	<b>32,964,812</b>

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 2017**

	Unrestricted Funds			Restricted Funds					Total S\$		
	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\$		Innovation fund S\$	Sub-total S\$
<b>2017</b>											
<b>Non-Current Assets</b>											
Property, plant and equipment	6,894,546	-	6,894,546	2,672,900	-	-	118,882	184,782	-	2,976,564	9,871,110
Investments in financial assets	323,410	-	323,410	-	-	-	-	-	-	-	323,410
	7,217,956	-	7,217,956	2,672,900	-	-	118,882	184,782	-	2,976,564	10,194,520
<b>Current Assets</b>											
Trade and other receivables	2,155,700	74	2,155,774	156,302	-	6,198,177	-	-	-	6,354,479	8,510,253
Cash and cash equivalents	15,611,676	423,983	16,035,659	-	123,950	1,474,766	-	-	1,476,669	3,075,385	19,111,044
	17,767,376	424,057	18,191,433	156,302	123,950	7,672,943	-	-	1,476,669	9,429,864	27,621,297
<b>Current Liabilities</b>											
Other payables and accruals	4,845,686	-	4,845,686	-	-	-	-	-	-	-	4,845,686
Due to a related party	5,315	-	5,315	-	-	-	-	-	-	-	5,315
	4,851,001	-	4,851,001	-	-	-	-	-	-	-	4,851,001
<b>Net Current Assets</b>	12,916,375	424,057	13,340,432	156,302	123,950	7,672,943	-	-	1,476,669	9,429,864	22,770,296
<b>Total Assets Less Total Liabilities</b>	20,134,331	424,057	20,558,388	2,829,202	123,950	7,672,943	118,882	184,782	1,476,669	12,406,428	32,964,816

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

**ST LUKE'S ELDERCARE LTD**  
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**BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2017**

(cont'd)

	Unrestricted Funds		Restricted Funds				Total
	Unrestricted income fund S\$	Asset replacement fund S\$	Plant and Equipment fund S\$	Client welfare fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	
<u>2016</u>		Sub-total S\$				Sub-total S\$	
<b>Non-Current Assets</b>							
Property, plant and equipment	1,580,633	-	1,580,633	-	-	1,580,633	3,822,784
Investments in financial assets	302,280	-	302,280	-	-	302,280	302,280
	1,882,913	-	1,882,913	-	-	1,882,913	4,125,064
<b>Current Assets</b>							
Trade and other receivables	850,226	75	850,301	-	4,456,596	4,575,782	5,426,083
Due from a related party	672	-	672	-	-	-	672
Cash and cash equivalents	19,766,002	423,643	20,189,645	42,568	2,529,886	2,572,454	22,762,099
	20,616,900	423,718	21,040,618	42,568	6,986,482	7,148,236	28,188,854
<b>Current Liabilities</b>							
Other payables and accruals	2,902,356	-	2,902,356	-	-	-	2,902,356
<b>Net Current Assets</b>	17,714,544	423,718	18,138,262	42,568	6,986,482	7,148,236	25,286,498
<b>Total Assets Less Total Liabilities</b>	19,597,457	423,718	20,021,175	42,568	6,986,482	9,390,387	29,411,562

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

**ST LUKE'S ELDERCARE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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 public company, limited by guarantee, and incorporated and domiciled in Singapore. The Company's registered office and principal place of business is 50 Kallang Pudding Road #07-02, Golden Wheel Industrial Building, Singapore 349326.

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 Directors' Statement.

**2 Significant Accounting Policies**

(a) Basis of Preparation

The financial statements, which are expressed in Singapore dollars, have been prepared in accordance with the provisions of the Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Charities Accounting Standards (CAS). The accounting policies of the 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 ELDERCARE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**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. 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.



**ST LUKE'S ELDERCARE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**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 allocated to property, plant and equipment and to other items shall be included in their cost where it meets the criteria for capitalisation and significance. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in intervals, the cost of replacing such an item when that cost is incurred is added to the carrying amount of the item if the recognition criteria are met. The cost of day to day servicing of an item of property, plant and equipment is recognised as expenditure in the statement of financial activities in the period in which the costs are incurred. Property, plant and equipment shall not be revalued and are not required to be assessed for impairment.

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

Leasehold properties (tenure: 999 years)	- 50 years
Fixtures & fittings	- 5 years
Furniture	- 5 years
Equipment	- 5 years
Motor vehicles	- 5 years
Computers	- 3 years

No depreciation is provided on work 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 property, 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 property, plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**2 Significant Accounting Policies (cont'd)**

(e) Investments in Financial Assets

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

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

(f) Trade and Other Receivables

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

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

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

(g) Impairment of Financial Assets

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

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

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

**ST LUKE'S ELDERCARE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**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 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 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. These include cash and cash equivalents held under restricted funds, the use of which is subject to the relevant restricted funds' operating terms.

**(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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**2 Significant Accounting Policies (cont'd)**

(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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**2 Significant Accounting Policies (cont'd)**

(1) 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.

Other Expenditure

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2 Significant Accounting Policies (cont'd)**

(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 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.

**ST LUKE'S ELDERCARE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**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 assesses at each balance sheet date whether there is objective evidence that trade and other receivables (excluding prepayments) have been impaired. Provision for doubtful debts is calculated based on a review of the current status of existing receivables and historical collections experience. Such provision is adjusted periodically to reflect the actual and anticipated experience. During the financial year ended 31 March 2017, the Company wrote off certain bad debts on trade receivables amounted to S\$451 (2016: S\$1,513). The carrying amount of the Company's trade and other receivables (excluding prepayments) as at 31 March 2017 amounted to S\$8,328,821 (2016: S\$5,317,487).

*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 2017, the Company had costs of generating funds amounted to S\$479,663 (2016: S\$524,404), costs of charitable activities amounted to S\$18,566,090 (2016: S\$13,563,544) and governance costs amounted to S\$572,635 (2016: S\$470,467).

**ST LUKE'S ELDERCARE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**4 Income from Generated Funds - Voluntary Income**

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Donations - in cash	1,106,671	3,221,228
Church commitments	146,200	234,032
Government grants:		
- Intermediate and Long-Term Care (ILTC) Manpower Initiatives	2,055,014	1,887,559
	3,307,885	5,342,819
<i>Restricted Funds:</i>		
Grants:		
- Plant and Equipment fund	1,623,909	1,450,701
- Community Silver Trust fund	1,741,581	4,310,262
- Community Silver Trust capital grant	-	146,334
- Capital fund	73,952	-
	3,439,442	5,907,297
	6,747,327	11,250,116

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

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Fundraising:		
- Christmas mailer	172,618	257,190
- Hong Bao project	202,892	160,444
- Chinese New Year	44,738	147,235
- Charity lunch	89,167	112,875
- Charity golf	-	109,750
- StarHub mailer	73,808	68,450
- Singapore Power mailer	22,628	63,309
- SingTel mailer	45,872	40,358
- Mid-Autumn charity concert	-	33,415
- Others	80	8,310
	651,803	1,001,336

**6 Income from Generated Funds - Investment Income**

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Dividend from investments in financial assets	14,900	9,490
Reversal of impairment loss on investment in financial assets (Note 14)	21,130	-
Interest:		
- Bank balances	87,865	72,376
	123,895	81,866



**ST LUKE'S ELDERCARE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**7 Income from Charitable Activities**

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Service Fees:		
- Daycare	2,238,074	2,497,222
- Physiotherapy	1,699,668	1,310,418
- Dementia Care	1,782,960	803,646
- Others	91,365	38,441
Government subventions:		
- Daycare	2,603,014	2,728,705
- Physiotherapy	1,906,220	1,297,981
- Dementia Care	2,239,263	1,095,289
- Transport funding	3,442,173	2,253,691
- Others	133,915	100,997
Other funding	189,966	89,716
Government grant:		
- Lease rental	109,801	120,542
	<u>16,436,419</u>	<u>12,336,648</u>

**8 Costs of Generating Funds**

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Support costs:		
- Salaries and related costs (Note 11)	344,373	247,437
Total voluntary income	<u>344,373</u>	<u>247,437</u>
<i>Unrestricted Funds:</i>		
<u>Fundraising activities</u>		
Direct operating costs	74,486	155,586
<i>Restricted Funds:</i>		
<u>Fundraising activities</u>		
Indirect operating costs:		
- Salaries and related costs (Note 11)	60,804	59,891
Total fundraising activities	<u>135,290</u>	<u>215,477</u>
<i>Unrestricted Funds:</i>		
<u>Investment management cost</u>		
Impairment loss on investments in financial assets (Note 14)	-	61,490
Total costs of generating funds	<u>479,663</u>	<u>524,404</u>

**ST LUKE'S ELDERCARE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**8 Costs of Generating Funds (cont'd)**

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.

**9 Charitable Activities**

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 11)	9,984,385	6,922,682
Catering	782,988	577,411
Consumables	99,095	98,743
Programme and social expenses	282,101	356,685
Motor and transport expenses	603,432	466,808
Others	22,102	18,278
	11,774,103	8,440,607
 <u>Indirect operating costs</u>		
Salaries and related costs (Note 11)	3,817,338	2,980,343
Management fee	77,426	201,600
Operating lease - rental services/conservancy fees	213,823	150,006
Net depreciation of property, plant and equipment (Note 13)	433,152	269,532
Loss on disposal of property, plant and equipment	7,122	14,427
Bad debts on trade receivables written off	451	1,513
Utilities	180,866	151,748
GST Input Tax Disallowed	394,287	222,908
Publicity expenses	79,544	51,510
Others	558,105	342,378
	5,762,114	4,385,965
	17,536,217	12,826,572
 <i>Restricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 11)	369,981	106,916
Others	29,459	18,082
	399,440	124,998
 <u>Indirect operating costs</u>		
Salaries and related costs (Note 11)	558,334	548,691
Others	72,099	63,283
	630,433	611,974
	1,029,873	736,972
 Total costs of charitable activities	 18,566,090	 13,563,544

**ST LUKE'S ELDERCARE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10 Governance Costs**

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Salaries and related costs (Note 11)	406,514	321,823
Others	21,286	13,191
Audit fees		
- Statutory audit	26,100	48,000
- Certification audit	14,250	12,315
Insurance expenses	235	4,221
	468,385	399,550
 <i>Restricted Funds:</i>		
Salaries and related costs (Note 11)	104,046	67,470
Others	204	3,447
	104,250	70,917
 Total governance costs	572,635	470,467

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 13 centres (2016: 11 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 2017 and 2016.

**11 Employee Benefits**

	<u>2017</u>	<u>2016</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	8,611,085	5,958,496
- Foreign workers' levy	149,887	112,348
- Other staff benefits	353,009	169,643
Post-employment benefits (Defined Contribution Plans)	870,404	682,195
Total salaries and related costs (Note 9)	9,984,385	6,922,682
 <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	3,888,192	3,066,045
- Foreign workers' levy	53,076	44,676
- Other staff benefits	185,864	98,748
Post-employment benefits (Defined Contribution Plans)	441,093	340,134
Total salaries and related costs	4,568,225	3,549,603

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**11 Employee Benefits (cont'd)**

	<u>2017</u>	<u>2016</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	239,153	-
- Other staff benefits	90,133	106,916
Post-employment benefits (Defined Contribution Plans)	40,695	-
Total salaries and related costs (Note 9)	369,981	106,916
 <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	524,147	480,400
- Other staff benefits	111,765	116,432
Post-employment benefits (Defined Contribution Plans)	87,272	79,220
Total salaries and related costs	723,184	676,052
 Average number of employee	 296	 239

**12 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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**13 Property, Plant and Equipment**

	Fixtures & fittings S\$	Furniture S\$	Equipment S\$	Motor vehicles S\$	Computers S\$	Work in progress S\$	Leasehold Properties S\$	Total S\$
<b>2017</b>								
<u>Cost</u>								
At 1 April 2016	4,771,552	173,337	1,551,091	1,486,739	281,381	894,557	-	9,158,657
Additions	267,463	69,449	304,484	214,234	83,319	2,683,747	3,750,000	7,372,696
Disposals/write-off	(7,918)	(20,338)	(120,555)	-	(14,266)	-	-	(163,077)
Transfer	1,404,107	-	-	-	-	(1,404,107)	-	-
At 31 March 2017	6,435,204	222,448	1,735,020	1,700,973	350,434	2,174,197	3,750,000	16,368,276
<u>Accumulated depreciation</u>								
At 1 April 2016	3,139,300	141,633	836,558	1,080,253	138,129	-	-	5,335,873
Depreciation for the year	749,897	16,304	240,209	180,516	79,611	-	37,500	1,304,037
Disposals/write-off	(7,918)	(20,221)	(102,894)	-	(11,711)	-	-	(142,744)
At 31 March 2017	3,881,279	137,716	973,873	1,260,769	206,029	-	37,500	6,497,166
<u>Net book value</u>								
At 31 March 2017	2,553,925	84,732	761,147	440,204	144,405	2,174,197	3,712,500	9,871,110
<b>2016</b>								
<u>Cost</u>								
At 1 April 2015	4,161,028	549,997	1,198,281	1,321,228	207,394	783,211	-	8,221,139
Additions	219,141	12,668	600,658	279,987	98,828	1,432,691	-	2,643,973
Disposals/write-off	(929,962)	(389,328)	(247,848)	(114,476)	(24,841)	-	-	(1,706,455)
Transfer	1,321,345	-	-	-	-	(1,321,345)	-	-
At 31 March 2016	4,771,552	173,337	1,551,091	1,486,739	281,381	894,557	-	9,158,657
<u>Accumulated depreciation</u>								
At 1 April 2015	3,517,449	512,989	891,006	1,036,972	110,032	-	-	6,068,448
Depreciation for the year	540,630	17,896	190,613	157,756	52,558	-	-	959,453
Disposals/write-off	(918,779)	(389,252)	(245,061)	(114,475)	(24,461)	-	-	(1,692,028)
At 31 March 2016	3,139,300	141,633	836,558	1,080,253	138,129	-	-	5,335,873
<u>Net book value</u>								
At 31 March 2016	1,632,252	31,704	714,533	406,486	143,252	894,557	-	3,822,784

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

As at 31 March 2017, the work in progress comprises expenses incurred for the on-going renovation of Ayer Rajah centre, Golden Years centre and Jurong East centre (2016: Nee Soon Central centre), as well as a system implementation project in its head office.

Management are of the view that there is no significant difference between the carrying amount and market value of the leasehold properties held by the Company as at the balance sheet date for the leasehold properties which were newly acquired during the financial year ended 31 March 2017.

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

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Net depreciation charged to statement of financial activities:		
Depreciation for the year	1,304,037	959,453
Amortisation of Plant and Equipment fund (Note 19 (i))	(731,137)	(575,472)
Amortisation of Community Silver Trust capital grant (Note 19 (iv))	(55,511)	(45,002)
Amortisation of Capital fund (Note 19 (v))	(84,237)	(69,447)
	<u>(870,885)</u>	<u>(689,921)</u>
Net depreciation of property, plant and equipment (Note 9)	<u>433,152</u>	<u>269,532</u>

**14 Investments in Financial Assets**

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Cost:		
Balance at beginning of the year	375,200	162,030
Acquisitions	-	213,170
Balance at end of the year	<u>375,200</u>	<u>375,200</u>
Accumulated impairment loss:		
Balance at beginning of the year	72,920	11,430
Reversal of impairment loss (Note 6)	(21,130)	-
Impairment loss (Note 8)	-	61,490
Balance at end of the year	<u>51,790</u>	<u>72,920</u>
Net investments in financial assets	<u>323,410</u>	<u>302,280</u>

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

	<u>2017</u>	<u>2016</u>
	S\$	S\$
At carrying amount:		
Equities	<u>323,410</u>	<u>302,280</u>
Market values	<u>361,000</u>	<u>328,890</u>

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**15 Trade and Other Receivables**

	<u>2017</u> S\$	<u>2016</u> S\$
<u>Trade Receivables</u>		
Client's fees	10,769	15,040
<u>Other Receivables</u>		
Interest receivable	5,566	20,291
Other receivables	208,139	28,761
Deposits	57,242	22,709
Community Silver Trust funds receivable	6,198,177	4,456,596
Ministry of Health funds receivable	1,848,928	774,090
	<u>8,318,052</u>	<u>5,302,447</u>
Prepayments	181,432	108,596
Total trade and other receivables	<u>8,510,253</u>	<u>5,426,083</u>

**16 Cash and Cash Equivalents**

	<u>2017</u> S\$	<u>2016</u> S\$
Fixed deposits placed with financial institutions	8,242,926	11,734,178
Cash and bank balances	10,868,118	11,027,921
Cash and cash equivalents per statement of cash flows	<u>19,111,044</u>	<u>22,762,099</u>

The weighted average effective interest rate earned on fixed deposits is 0.54% (2016: 0.76%) per annum with fixed maturity dates ranging from 1 to 9 months (2016: 1 to 9 months).

Included in the cash and cash equivalents are S\$3,075,385 (2016: S\$2,572,454), which are short term assets easily and readily converted into cash, the use of which are subject to relevant restricted funds' operating terms.

**17 Other Payables and Accruals**

	<u>2017</u> S\$	<u>2016</u> S\$
Deposits received	187,320	168,286
Fees received in advance	58,450	36,917
Accrued staff costs	3,244,138	2,017,636
Accrued centre renovation costs	822,462	126,806
Other accruals	533,316	477,703
Claw back of government subsidy	-	75,008
	<u>4,845,686</u>	<u>2,902,356</u>

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**17 Other Payables and Accruals (cont'd)**

The Company receives government subvention from MOH based on the household income (i.e. "Means-testing"). 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 patients undergoing both active rehabilitation and social day care services should receive funding based on the integrated rehabilitation service category. The provision for claw back of S\$75,008 as at 31 March 2016 has been fully repaid during the year. There was no provision for claw back outstanding as at 31 March 2017.

**18 Unrestricted Funds**

		<u>2017</u> S\$	<u>2016</u> S\$
Unrestricted income fund	(i)	20,134,331	19,597,457
Designated fund:			
- Asset replacement fund	(ii)	424,057	423,718
Total unrestricted funds		20,558,388	20,021,175

- (i) The unrestricted income fund is 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>2017</u> S\$	<u>2016</u> S\$
Funds balance at beginning of the year		20,021,175	14,889,544
Total income		20,603,085	18,822,266
Total expenditure		(18,423,461)	(13,690,635)
Net income		2,179,624	5,131,631
Gross transfers between funds			
- Transfer to client welfare fund (Note 19(ii))		(100,000)	-
- Transfer to Community Silver Trust fund (Note 19(iii))		(42,411)	-
- Transfer to innovation fund (Note 19(vi))		(1,500,000)	-
Funds balance at end of the year		20,558,388	20,021,175



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

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

During the financial year ended 31 March 2017, the Company transferred the unutilised Community Silver Trust fund of S\$42,411 (2016: Nil) from its unrestricted income funds back to the Community Silver Trust fund.

**19 Restricted Funds – Restricted Income Funds**

		<u>2017</u>	<u>2016</u>
		S\$	S\$
Restricted income funds:			
- Plant and Equipment fund	(i)	2,829,202	1,972,562
- Client welfare fund	(ii)	123,950	42,568
- Community Silver Trust fund	(iii)	7,672,943	6,986,482
- Community Silver Trust capital grant	(iv)	118,882	193,708
- Capital fund	(v)	184,782	195,067
- Innovation fund	(vi)	1,476,669	-
Total restricted income funds		<u>12,406,428</u>	<u>9,390,387</u>

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

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Funds balance at beginning of the year	9,390,387	5,040,791
Total income	3,439,442	5,907,297
Less: expenditure	(1,194,927)	(867,780)
Net income	2,244,515	5,039,517
Gross transfers between funds	1,642,411	-
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	(870,885)	(689,921)
Funds balance at end of the year	<u>12,406,428</u>	<u>9,390,387</u>

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**19 Restricted Funds (cont'd)**

(i) *Plant and Equipment fund*

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 2017, the Company received funds of S\$1,623,909 (2016: S\$1,450,701) from Ministry of Health. These grants are amortised to net off the corresponding depreciation in the statement of financial activities. During the financial year ended 31 March 2017, amortisation of S\$731,137 (2016: S\$575,472) has been recognised in the statement of financial activities (Note 13).

(ii) *Client welfare fund*

Client welfare fund was set up for the purpose specified from the donors to help those clients in financial hardship. During the financial year ended 31 March 2017, the Company transferred an amount of S\$100,000 (2016: Nil) from its unrestricted fund to top up its client welfare fund (Note 18(ii)).

(iii) *Community Silver Trust fund*

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Balance at beginning of the year	6,986,482	3,528,627
Add: Income		
Community Silver Trust matching grant	1,741,581	4,310,262
Less: Expenditure	(1,116,846)	(852,407)
Net income	624,735	3,457,855
Gross transfers between funds		-
- Transfer from unrestricted funds (Note 18)	42,411	-
- Transfer from Community Silver Trust capital grant (Note 19(iv))	19,315	-
Balance at end of the year	7,672,943	6,986,482

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

During the financial year ended 31 March 2017, the Company recognised matching grant income amounted to S\$1,903,674 (2016: S\$4,456,596), being eligible donation income earned during the financial year, which met the terms and conditions under the agreement of the matching grant. For the financial year ended 31 March 2016, included in the income was an amount of S\$146,334 used to purchase the plant and equipment of the Company (Note 19(iv)).

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**19 Restricted Funds (cont'd)**

*(iv) Community Silver Trust capital grant*

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Balance at beginning of the year	193,708	92,376
Add: Income		
Community Silver Trust capital grant	-	146,334
Less: Expenditures	-	-
Net income	-	146,334
Gross transfers between funds		
- Transfer to Community Silver Trust fund (Note 19(iii))	(19,315)	-
Amortisation for the year (Note 13)	(55,511)	(45,002)
Balance at end of the year	118,882	193,708

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.

During the financial year ended 31 March 2017, the Company capitalised S\$21,700 (2016: Nil) from the Community Silver Trust fund and recognised a reversal on prior period capitalisation from Community Silver Trust fund of S\$41,015 (2016: Nil).

*(v) 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 ended 31 March 2017, the Company received S\$73,952 (2016: Nil) and recognised amortisation of S\$84,237 (2016: S\$69,447) in the statement of financial activities (Note 13).

*(vi) Innovation fund*

The innovation fund originated from a S\$1.5 million financial contribution from PSA to support the setting up of Ayer Rajah Eldercare Centre and Centre of Innovation. During the financial year ended 31 March 2017, the donation was declared as a restricted fund through approval from the governing board members.

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**20 Due (to)/from a Related Party**

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Due (to)/from a related party	(5,315)	672

The amount due (to)/from the related party, St Luke's Hospital is unsecured, non-interest bearing and repayable on demand.

**21 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 financial year at terms agreed, as detailed below:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>With St Luke's Hospital</i>		
Management fee	77,426	201,600
Office maintenance fees	6,364	7,200
Payment on behalf by St Luke's Hospital	190,010	282,256
Payment on behalf of St Luke's Hospital	3,397	34,264

Balances outstanding with a related party at the balance sheet date are disclosed in Note 20.

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**22 Commitments**

(a) Operating Commitments

At the balance sheet date, the Company had future payment commitments under non-cancellable support and maintenance contracts with an original term of more than one year of the Company as follows:

	<u>2017</u> S\$	<u>2016</u> S\$
Within one year	148,246	-
Between two to five years	307,944	-
	<u>456,190</u>	<u>-</u>

The payments are for support and maintenance fees in respect of its centre management system development.

(b) Capital Commitments

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

	<u>2017</u> S\$	<u>2016</u> S\$
Centre renovations	1,461,460	258,754
Centre management system development	264,006	-
	<u>1,725,466</u>	<u>258,754</u>

**23 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>2017</u> S\$	<u>2016</u> S\$
Tax deductible donations	1,713,536	4,012,855
Non tax deductible donations	191,138	443,741
Total (Note 4 and Note 5)	<u>1,904,674</u>	<u>4,456,596</u>

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**24 Key Management Remuneration**

	<u>2017</u>	<u>2016</u>
Number of key management personnel in the following remuneration band of:		
S\$150,001 to S\$200,000	4	-
S\$100,001 to S\$150,000	2	4
	<u>2017</u>	<u>2016</u>
	S\$	S\$
Compensation of key management personnel:		
Salaries and bonuses	814,372	435,523
Defined contribution plans (Employer CPF)	89,258	51,754
	<u>903,630</u>	<u>487,277</u>

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 2017 and 2016.

**25 Reserve Policy**

As set out in Directors' Statement, 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>2017</u>	<u>2016</u>
	S\$	S\$
Unrestricted funds (Reserves)	20,558,388	20,021,175
Net liquid assets available to meet expenditure obligations	13,664,842	18,440,542
Total operating expenditure (Unrestricted funds)	<u>18,423,461</u>	<u>13,690,635</u>
Ratio of net liquid assets to total operating expenditure	<u>0.74</u>	<u>1.35</u>

The Company does not have any externally imposed capital requirements for the financial years ended 31 March 2017 and 2016. There were no changes in the Company's reserve policy during the financial year.