

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 2018

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

31 MARCH 2018

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ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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 2018.

In the opinion of the directors;

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 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
Yeong Zee Kin	Honorary Secretary
Hsiao Ginger	Honorary Treasurer
Choo Eng Beng	
Ho Yew Kee	(Appointed on 1 August 2017)
Lee Chee Yeng	
Lim Ai Ling	(Appointed on 1 May 2017)
Peng Chung Mien	
Poh Mae Jean Jacqueline	
Tan Wan Joo	
Wong King Yoong	
Wong Siu Hong Alfred	

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 Board 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 2018

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
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DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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 years 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



.....
HSIAO GINGER
Director

Singapore
27 July 2018

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"), which comprise the balance sheet of the Company as at 31 March 2018, the statement of financial activities and statement of cash flows for the 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 2018 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.

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 and their governing board. 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

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
27 July 2018

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

1 April 2017 to 31 March 2018

	<u>Note</u>	Unrestricted <u>Funds</u> S\$	Restricted <u>Funds</u> S\$	Total <u>2018</u> S\$	Total <u>2017</u> S\$
INCOME					
Income from generated funds:					
Voluntary income	4	4,117,626	5,463,006	9,580,632	6,747,327
Activities for generating funds	5	1,074,609	-	1,074,609	651,803
Investment income	6	64,912	-	64,912	123,895
Income from charitable activities	7	20,046,284	-	20,046,284	16,436,419
Other income		97,623	-	97,623	83,083
Total income		25,401,054	5,463,006	30,864,060	24,042,527
EXPENDITURES					
Costs of generating funds:					
Voluntary income	8	414,654	-	414,654	344,373
Fundraising activities	8	210,144	102,014	312,158	135,290
Charitable activities	9	20,721,615	1,006,933	21,728,548	18,566,090
Governance costs	10	712,188	68,850	781,038	572,635
Total expenditures		22,058,601	1,177,797	23,236,398	19,618,388
Net income before tax expense		3,342,453	4,285,209	7,627,662	4,424,139
Tax expense	12	-	-	-	-
Net income		3,342,453	4,285,209	7,627,662	4,424,139
Gross transfers between funds					
Gross transfers (from) funds	19	-	(711,447)	(711,447)	(1,705,126)
Gross transfers to funds	18	589,768	121,679	711,447	1,705,126
		589,768	(589,768)	-	-
Net income after funds transfer		3,932,221	3,695,441	7,627,662	4,424,139
Reconciliation of funds					
Total funds brought forward		20,558,388	12,406,428	32,964,816	29,411,562
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	13	-	(1,253,631)	(1,253,631)	(870,885)
Total funds carried forward		24,490,609	14,848,238	39,338,847	32,964,816

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 2018

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
Non-Current Assets			
Property, plant and equipment	13	11,984,053	9,871,110
Investments in financial assets	14	323,410	323,410
		12,307,463	10,194,520
Current Assets			
Trade and other receivables	15	7,588,430	8,510,253
Cash and cash equivalents	16	24,973,493	19,111,044
		32,561,923	27,621,297
Current Liabilities			
Other payables and accruals	17	5,170,539	4,845,686
Due to a former related party	20	-	5,315
Provisions for liabilities and charges	21	360,000	-
		5,530,539	4,851,001
Net Current Assets		27,031,384	22,770,296
Total Assets Less Total Liabilities		39,338,847	32,964,816
Funds of Charity			
<u>Unrestricted Funds</u>			
Unrestricted income funds	18	24,066,213	20,134,331
Designated fund	18	424,396	424,057
		24,490,609	20,558,388
<u>Restricted Funds</u>			
Restricted income funds	19	14,848,238	12,406,428
Total Charity Funds		39,338,847	32,964,816

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 2018

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		S\$	S\$
Cash Flows from Operating Activities			
Net income before tax expense		7,627,662	4,424,139
Adjustments for:			
Depreciation of property, plant and equipment	13	2,187,445	1,304,037
Interest income	6	(50,262)	(87,865)
Dividend income	6	(14,650)	(14,900)
Amortisation of property, plant and equipment fund	13	(1,090,547)	(731,137)
Amortisation of Community Silver Trust capital grant	13	(78,847)	(55,511)
Amortisation of capital fund	13	(84,237)	(84,237)
Bad debts on trade receivables written off	9	60	451
Loss on disposal of property, plant and equipment	9	914	7,122
Reversal of impairment loss on investments in financial assets	6	-	(21,130)
Funds received for property, plant and equipment fund	4	(3,035,147)	(1,623,909)
Funds received for capital fund	4	-	(73,952)
Operating cash flows before changes in working capital		5,462,391	3,043,108
Trade and other receivables		921,864	(3,062,230)
Other payables and accruals		785,504	1,247,674
Net cash flows from operating activities		7,169,759	1,228,552
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(4,403,403)	(6,677,040)
Proceeds from disposal of property, plant and equipment		1,450	13,211
Interest received		50,161	102,590
Dividend received		14,650	14,900
Net cash flows used in investing activities		(4,337,142)	(6,546,339)
Cash Flows from Financing Activities			
Funds received for property, plant and equipment fund		3,035,147	1,586,793
Funds received for capital fund		-	73,952
(Repayment to)/advances from a former related party		(5,315)	5,987
Net cash flows from financing activities		3,029,832	1,666,732
Net increase/(decrease) in cash and cash equivalents		5,862,449	(3,651,055)
Cash and cash equivalents at the beginning of the year		19,111,044	22,762,099
Cash and cash equivalents at the end of the year	16	24,973,493	19,111,044

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 2018

Note	Unrestricted Funds			Restricted Funds					Total 2017 S\$		
	Unrestricted income fund S\$	Asset replacement fund S\$	Sub-total S\$	Property, 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\$
INCOME											
Income from generated funds:											
Voluntary income	4,117,626	-	4,117,626	3,035,147	-	2,427,859	-	-	-	5,463,006	9,580,632
Activities for generating funds	1,074,609	-	1,074,609	-	-	-	-	-	-	-	1,074,609
Investment income	64,573	339	64,912	-	-	-	-	-	-	-	64,912
Income from charitable activities	20,046,284	-	20,046,284	-	-	-	-	-	-	-	20,046,284
Other income	97,623	-	97,623	-	-	-	-	-	-	-	97,623
Total income	25,400,715	339	25,401,054	3,035,147	-	2,427,859	-	-	-	5,463,006	30,864,060
EXPENDITURES											
Costs of generating funds:											
Voluntary income	414,654	-	414,654	-	-	-	-	-	-	-	414,654
Fundraising activities	210,144	-	210,144	-	-	102,014	-	-	-	102,014	312,158
Charitable activities	20,721,615	-	20,721,615	167,809	56,760	665,297	-	-	117,067	1,006,933	21,728,548
Governance costs	712,188	-	712,188	-	-	68,850	-	-	-	68,850	781,038
Total expenditures	22,058,601	-	22,058,601	167,809	56,760	836,161	-	-	117,067	1,177,997	23,236,398
Net income/(expenditure) before tax expense	3,342,114	339	3,342,453	2,867,338	(56,760)	1,591,698	-	-	(117,067)	4,285,209	7,627,662
Tax expense	-	-	-	-	-	-	-	-	-	-	-
Net income/(expenditure)	3,342,114	339	3,342,453	2,867,338	(56,760)	1,591,698	-	-	(117,067)	4,285,209	7,627,662
Gross transfers between funds											
Gross transfers (from) funds	-	-	-	-	-	(711,447)	-	-	-	(711,447)	(711,447)
Gross transfers to funds	589,768	-	589,768	-	-	121,679	-	-	-	121,679	711,447
	589,768	-	589,768	-	-	(711,447)	-	-	-	(589,768)	-
Net income/(expenditure) after funds transfer	3,931,882	339	3,932,221	2,867,338	(56,760)	880,251	121,679	-	(117,067)	3,695,441	7,627,662
Reconciliation of funds											
Total funds brought forward	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
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	-	-	-	(1,090,547)	-	-	(78,847)	(84,237)	-	(1,253,631)	(870,885)
Total funds carried forward	24,006,213	424,396	24,490,609	4,605,993	67,190	8,553,194	161,714	100,545	1,359,602	14,848,238	39,338,847

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 2018

(cont'd)

1 April 2016 to 31 March 2017

Note	Unrestricted Funds		Restricted Funds				Total 2017 S\$			
	Unrestricted income fund S\$	Asset replacement fund S\$	Property, 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\$
INCOME										
Income from generated funds:										
4 Voluntary income	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
6 Investment income	123,556	339	-	-	-	-	-	-	-	123,895
7 Income from charitable activities	16,436,419	-	-	-	-	-	-	-	-	16,436,419
Other income	83,083	-	-	-	-	-	-	-	-	83,083
Total income	20,602,746	339	1,623,909	-	1,741,581	-	73,952	-	3,439,442	24,042,527
EXPENDITURES										
Costs of generating funds:										
8 Voluntary income	344,373	-	-	-	-	-	-	-	-	344,373
8 Fundraising activities	74,486	-	-	-	60,804	-	-	-	60,804	135,290
9 Charitable activities	17,536,217	-	36,132	18,618	951,792	-	-	23,331	1,029,873	18,566,090
10 Governance costs	468,385	-	-	-	104,250	-	-	-	104,250	572,635
Total expenditures	18,423,461	-	36,132	18,618	1,116,846	-	-	23,331	1,194,927	19,618,388
Net income before tax expense	2,179,285	339	1,587,777	(18,618)	624,735	-	73,952	(23,331)	2,244,515	4,424,139
Tax expense	-	-	-	-	-	-	-	-	-	-
Net income/(expenditure)	2,179,285	339	1,587,777	(18,618)	624,735	-	73,952	(23,331)	2,244,515	4,424,139
Gross transfers between funds										
19 Gross transfers (from) funds	(1,642,411)	-	-	-	(21,700)	(41,015)	-	-	(62,715)	(1,705,126)
18 Gross transfers to funds	-	-	-	100,000	83,426	21,700	-	1,500,000	1,705,126	1,705,126
	(1,642,411)	-	-	100,000	61,726	(19,315)	-	1,500,000	1,642,411	-
Net income/(expenditure) after funds transfer	536,874	339	1,587,777	81,382	686,461	(19,315)	73,952	1,476,669	3,886,926	4,424,139
Reconciliation of funds										
Total funds brought forward	19,597,457	423,718	1,972,562	42,568	6,986,482	193,708	195,067	-	9,390,387	29,411,562
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	-	-	(731,137)	-	-	(55,511)	(84,237)	-	(870,885)	(870,885)
Total funds carried forward	20,134,331	424,057	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
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2018

	Unrestricted Funds		Restricted Funds					Total		
	Unrestricted income fund S\$	Asset replacement fund S\$	Property, 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\$
2018										
Non-Current Assets										
Property, plant and equipment	7,115,801	-	4,605,993	-	-	161,714	100,545	-	4,868,252	11,984,053
Investments in financial assets	323,410	-	-	-	-	-	-	-	-	323,410
	7,439,211	-	4,605,993	-	-	161,714	100,545	-	4,868,252	12,307,463
Current Assets										
Trade and other receivables	3,256,897	-	-	-	4,331,533	-	-	-	4,331,533	7,588,430
Cash and cash equivalents	18,900,644	424,396	-	67,190	4,221,661	-	-	1,359,602	5,648,453	24,973,493
	22,157,541	424,396	-	67,190	8,553,194	-	-	1,359,602	9,979,986	32,561,923
Current Liabilities										
Other payables and accruals	5,170,539	-	-	-	-	-	-	-	-	5,170,539
Provisions for liabilities and charges	360,000	-	-	-	-	-	-	-	-	360,000
	5,530,539	-	-	-	-	-	-	-	-	5,530,539
Net Current Assets	16,627,002	424,396	-	67,190	8,553,194	-	-	1,359,602	9,979,986	27,031,384
Total Assets Less Total Liabilities	24,066,213	424,396	4,605,993	67,190	8,553,194	161,714	100,545	1,359,602	14,848,238	39,338,847

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 2018

(cont'd)

	Unrestricted Funds		Restricted Funds					Sub-total	Total
	Unrestricted income fund S\$	Asset replacement fund S\$	Property, 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									
Property, plant and equipment	6,894,546	-	2,672,900	-	-	118,882	184,782	-	9,871,110
Investments in financial assets	323,410	-	-	-	-	-	-	-	323,410
	7,217,956	7,217,956	2,672,900	-	-	118,882	184,782	-	10,194,520
Current Assets									
Trade and other receivables	2,155,700	74	156,302	-	6,198,177	-	-	-	8,510,253
Cash and cash equivalents	15,611,676	423,983	-	123,950	1,474,766	-	-	1,476,669	19,111,044
	17,767,376	424,057	156,302	123,950	7,672,943	-	-	1,476,669	27,621,297
Current Liabilities									
Other payables and accruals	4,845,686	-	-	-	-	-	-	-	4,845,686
Due to a former related party	5,315	-	-	-	-	-	-	-	5,315
	4,851,001	-	-	-	-	-	-	-	4,851,001
Net Current Assets	12,916,375	424,057	156,302	123,950	7,672,943	-	-	1,476,669	22,770,296
Total Assets Less Total Liabilities	20,134,331	424,057	2,829,202	123,950	7,672,943	118,882	184,782	1,476,669	32,964,816

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 2018

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 deliver a full range of integrated services and programmes including maintenance day care, nursing home, day rehabilitation programmes such as physiotherapy and occupational therapy, dementia care, nursing care, respite care and wellness programmes for the care of elderly persons. 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
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(b) Currency Translation

Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Singapore Dollars ("S\$"), which is the Company's functional currency, as it best reflects the economic substance of the underlying events and circumstances relevant to the Company.

Transactions and Balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net income or expenditure in the statement of financial activities.

(c) Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Company that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Company. Unrestricted funds are expendable at the discretion of the Company's Board of Directors in furtherance of the Company's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for administrative purpose only and does not restrict the Board's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the balance sheet.

Funds received for specific purposes such as purchase of depreciable assets are taken to relevant restricted fund account. This relevant restricted fund will be reduced over the useful life of the asset in line with its depreciation.

If its use is unrestricted, the governing board members may consider creating a designated fund reflecting the value of the asset. Likewise, depreciation should be debited to the relevant designated funds where the asset is held, if this is the intention.

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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 and 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.

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(e) Investments in Financial Assets

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

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

(f) Trade and Other Receivables

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

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

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

(g) Impairment of Financial Assets

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

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

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

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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) Provisions for Liabilities and Charges

A provision shall be recognised only when a present obligation (legal or constructive) exists as a result of a past event, it is probable (i.e. more likely than not) that a transfer of economic benefits in settlement will be required, and the amount of the obligation can be estimated reliably. The amount of provision recognised shall be the best estimate of the expenditure required to settle the obligation at the reporting date. The best estimate of the expenditure required to settle the obligation is the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party..

Where some or all of the amount required to settle a provision may be reimbursed by another party (e.g. through an insurance claim), the reimbursement shall be recognised as a separate asset only when it is virtually certain to be received if the charity settles the obligation. The amount recognised for reimbursement shall not exceed the amount of provision. In the Statement of Financial Activities, the expense relating to the provision may be presented net of the recovery. Gains from the expected disposal of assets shall be excluded from the measurement of a provision even if the expected disposal is closely linked to the event giving rise to the provision.

The Company will review provisions at each reporting date and adjust them to reflect the current best estimate of the amount that would be required to settle the obligation at that reporting date. Any adjustments to the amounts previously recognised shall be recognised as expenditure in the Statement of Financial Activities unless the provision was originally recognised as part of the cost of an asset.

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(i) 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.

(j) 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.

(k) 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.

(l) Income Recognition

Income including donations, gifts and grants that provide core funding or are of general nature are recognised when there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. Such income is only deferred when: the donor specifies that the grant of donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Company has unconditional entitlement.

Donations

Donations and corporate cash sponsorships are accounted for as income when received, except for committed donations and corporate cash sponsorships that are recorded when the commitments are fulfilled.

Cash donations which are still in collection containers at public and other premises or are in transit to the Company are not recognised as income until they have been received by the Company. Donations are recognised on a receipt basis.

No value is ascribed to volunteer services, donated services, assets donated for continuing use or similar donations-in-kind, unless the benefit to the Company is reasonably quantifiable and measurable in which case an equivalent amount is recorded in expenditure, or capitalised as appropriate. Donations-in-kind received for continuing use are capitalised and included in the balance sheet at a reasonable estimate or in the event that it is not practicable to do so, a nominal value of S\$1 is assigned to capitalise the useable assets.

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(l) Income Recognition (cont'd)

Grants

Grants received to cover a particular expenditure or programme are accounted for as income upon receipt of notification of the grant award and when the criteria of entitlement, certainty and measurability are met. When conditions are attached, they must be fulfilled before the Company has unconditional entitlement to the income. The income is deferred as a liability where uncertainty exists as to whether the Company can meet the conditions and is recognised as income when there is sufficient evidence that the conditions imposed can be met.

Others

Items received which are donated for resale, distribution or consumption are not recorded when received as it is usually not practical to ascertain the value of the items involved.

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

(m) Expenditure

All expenditures are accounted for on an accrual basis and have been classified under headings that aggregate all costs related to that activity.

Costs of Generating Funds

The costs of generating funds are those costs attributable to generating income for the Company, other than those costs incurred in undertaking charitable activities in furtherance of the Company's objects.

Charitable Activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of each category of charitable expenditure therefore include an apportionment of support cost, where possible.

Governance Costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Company as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the charity will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities, legal advice for governing board members, and costs associated with constitutional and statutory requirements.

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

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2 Significant Accounting Policies (cont'd)

(m) Expenditure (cont'd)

Support Costs

Support costs are costs incurred in supporting income generation activities such as fundraising, and in supporting the governance of the charity. Support costs do not in themselves constitute an activity; instead they enable output-creating activities to be undertaken. Support costs include office functions such as key and general management, information technology, human resources, and financing and these are apportioned to the relevant activity cost category they support.

Other Expenditure

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

(n) Employee Benefits

Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognised in the financial year to which they relate.

Employee Leave Entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

(o) Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are taken to the statement of financial activities on a straight-line basis over the year of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

(p) Income Tax

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

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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 2018, the Company wrote off certain bad debts on trade receivables amounted to S\$60 (2017: S\$451). The carrying amount of the Company's trade receivables and other receivables as at 31 March 2018 amounted to S\$91,141 (2017: S\$10,769) and S\$6,964,325 (2017: S\$8,318,052) respectively.

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 2018, the Company had costs of generating funds amounted to S\$726,812 (2017: S\$479,663), costs of charitable activities amounted to S\$21,728,548 (2017: S\$18,566,090) and governance costs amounted to S\$781,038 (2017: S\$572,635).

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

4	Income from Generated Funds - Voluntary Income	<u>2018</u> S\$	<u>2017</u> S\$
	<i>Unrestricted Funds:</i>		
	Donations - in cash	1,275,345	1,106,671
	Church commitments	81,900	146,200
	Government grants:		
	- Intermediate and Long-Term Care (ILTC) Manpower Initiatives	1,813,528	2,055,014
	- Home care services and senior care centre services funding	946,853	-
		<u>4,117,626</u>	<u>3,307,885</u>
	<i>Restricted Funds:</i>		
	Grants:		
	- Property, plant and equipment fund	3,035,147	1,623,909
	- Community Silver Trust fund	2,427,859	1,741,581
	- Capital fund	-	73,952
		<u>5,463,006</u>	<u>3,439,442</u>
		<u>9,580,632</u>	<u>6,747,327</u>
5	Income from Generated Funds - Activities for Generating Funds	<u>2018</u> S\$	<u>2017</u> S\$
	<i>Unrestricted Funds:</i>		
	Fundraising:		
	- Christmas mailer	338,783	172,618
	- Charity lunch	231,866	89,167
	- Hong Bao project	205,005	202,892
	- Singtel mailer	145,229	45,872
	- Chinese New Year	130,912	44,738
	- Singapore Power mailer	13,799	22,628
	- StarHub mailer	9,015	73,808
	- Others	-	80
		<u>1,074,609</u>	<u>651,803</u>
6	Income from Generated Funds - Investment Income	<u>2018</u> S\$	<u>2017</u> S\$
	<i>Unrestricted Funds:</i>		
	Dividend from investments in financial assets	14,650	14,900
	Reversal of impairment loss on investments in financial assets (Note 14)	-	21,130
	Interest:		
	- Bank balances	50,262	87,865
		<u>64,912</u>	<u>123,895</u>

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

7 Income from Charitable Activities

	<u>2018</u>	<u>2017</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Service Fees:		
- Daycare	2,293,257	2,238,074
- Physiotherapy	2,067,961	1,699,668
- Dementia Care	2,305,997	1,782,960
- Others	168,851	91,365
Government subventions:		
- Daycare	3,081,191	2,603,014
- Physiotherapy	2,509,755	1,906,220
- Dementia Care	3,282,477	2,239,263
- Transport funding	3,412,094	3,442,173
- Others	171,297	133,915
Government grant:		
- Lease rental	238,888	109,801
- Eldersit program	271,771	-
- Community Health Centre funding	53,992	-
Other funding	188,753	189,966
	<u>20,046,284</u>	<u>16,436,419</u>

8 Costs of Generating Funds

	<u>2018</u>	<u>2017</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Support costs:		
- Salaries and related costs (Note 11)	414,654	344,373
Total voluntary income	<u>414,654</u>	<u>344,373</u>
<i>Unrestricted Funds:</i>		
<u>Fundraising activities</u>		
Direct operating costs	<u>210,144</u>	<u>74,486</u>
<i>Restricted Funds:</i>		
<u>Fundraising activities</u>		
Indirect operating costs:		
- Salaries and related costs (Note 11)	102,014	60,804
Total fundraising activities	<u>312,158</u>	<u>135,290</u>
Total costs of generating funds	<u>726,812</u>	<u>479,663</u>

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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>2018</u>	<u>2017</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 11)	10,541,238	9,984,385
Catering	860,797	782,988
Consumables	390,955	99,095
Programme and social expenses	258,686	282,101
Motor and transport expenses	954,993	603,432
Others	43,979	22,102
	<u>13,050,648</u>	<u>11,774,103</u>
<u>Indirect operating costs</u>		
Salaries and related costs (Note 11)	5,203,824	3,817,338
Management fee	-	77,426
Operating lease - rental services/conservancy fees	340,465	213,823
Net depreciation of property, plant and equipment (Note 13)	933,814	433,152
Loss on disposal of property, plant and equipment	914	7,122
Bad debts on trade receivables written off	60	451
Utilities	195,280	180,866
GST input tax disallowed	376,287	394,287
Publicity expenses	141,893	79,544
Others	478,430	558,105
	<u>7,670,967</u>	<u>5,762,114</u>
	<u>20,721,615</u>	<u>17,536,217</u>
<i>Restricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 11)	254,340	369,981
Others	65,151	29,459
	<u>319,491</u>	<u>399,440</u>
<u>Indirect operating costs</u>		
Salaries and related costs (Note 11)	402,566	558,334
Others	284,876	72,099
	<u>687,442</u>	<u>630,433</u>
	<u>1,006,933</u>	<u>1,029,873</u>
Total costs of charitable activities	<u>21,728,548</u>	<u>18,566,090</u>

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10 Governance Costs

	<u>2018</u>	<u>2017</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Salaries and related costs (Note 11)	592,340	406,514
Others	63,145	21,286
Audit fees		
- Statutory audit	25,130	26,100
- Certification audit	14,250	14,250
Other professional fees	12,619	-
Insurance expenses	4,704	235
	<u>712,188</u>	<u>468,385</u>
 <i>Restricted Funds:</i>		
Salaries and related costs (Note 11)	68,850	104,046
Others	-	204
	<u>68,850</u>	<u>104,250</u>
 Total governance costs	<u>781,038</u>	<u>572,635</u>

11 Employee Benefits

	<u>2018</u>	<u>2017</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<i>Included in Direct Operating Costs of Charitable Activities:</i>		
<i>Direct operating costs</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	8,801,399	8,611,085
- Foreign workers' levy	162,581	149,887
- Other staff benefits	408,089	353,009
Post-employment benefits (Defined Contribution Plans)	1,169,169	870,404
Total salaries and related costs (Note 9)	<u>10,541,238</u>	<u>9,984,385</u>

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11 Employee Benefits (cont'd)

	<u>2018</u>	<u>2017</u>
	S\$	S\$
<i>Included in Indirect 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	5,287,230	3,888,192
- Foreign workers' levy	65,048	53,076
- Other staff benefits	249,164	185,864
Post-employment benefits (Defined Contribution Plans)	609,376	441,093
Total salaries and related costs	6,210,818	4,568,225
 <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	214,384	239,153
- Other staff benefits	3,505	90,133
Post-employment benefits (Defined Contribution Plans)	36,451	40,695
Total salaries and related costs (Note 9)	254,340	369,981
 <i>Included in Indirect 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	472,016	524,147
- Other staff benefits	3,338	111,765
Post-employment benefits (Defined Contribution Plans)	98,076	87,272
Total salaries and related costs	573,430	723,184
Number of employees as at 31 March	394	310

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

	Leasehold properties S\$	Fixtures and fittings S\$	Furniture S\$	Equipment S\$	Motor vehicles S\$	Computers S\$	Work in progress S\$	Total S\$
2018								
<u>Cost</u>								
At 1 April 2017	3,750,000	6,435,204	222,448	1,735,020	1,700,973	350,434	2,174,197	16,368,276
Additions	-	666,970	50,669	1,128,855	344,315	279,165	1,832,778	4,302,752
Disposals/write-off	-	-	(11,125)	(51,488)	-	(1,338)	-	(63,951)
Transfer	-	3,777,529	-	-	-	207,088	(3,984,617)	-
At 31 March 2018	3,750,000	10,879,703	261,992	2,812,387	2,045,288	835,349	22,358	20,607,077
<u>Accumulated depreciation</u>								
At 1 April 2017	37,500	3,881,279	137,716	973,873	1,260,769	206,029	-	6,497,166
Depreciation for the year	75,000	1,408,508	27,773	318,487	164,881	192,796	-	2,187,445
Disposals/write-off	-	-	(10,891)	(49,358)	-	(1,338)	-	(61,587)
At 31 March 2018	112,500	5,289,787	154,598	1,243,002	1,425,650	397,487	-	8,623,024
<u>Net book value</u>								
At 31 March 2018	3,637,500	5,589,916	107,394	1,569,385	619,638	437,862	22,358	11,984,053
2017								
<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	3,750,000	267,463	69,449	304,484	214,234	83,319	2,683,747	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	3,750,000	6,435,204	222,448	1,735,020	1,700,973	350,434	2,174,197	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	37,500	749,897	16,304	240,209	180,516	79,611	-	1,304,037
Disposals/write-off	-	(7,918)	(20,221)	(102,894)	-	(11,711)	-	(142,744)
At 31 March 2017	37,500	3,881,279	137,716	973,873	1,260,769	206,029	-	6,497,166
<u>Net book value</u>								
At 31 March 2017	3,712,500	2,553,925	84,732	761,147	440,204	144,405	2,174,197	9,871,110

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13 Property, Plant and Equipment (cont'd)

As at 31 March 2018, the work in progress comprises expenses incurred for the system implementation project in its head office. As at 31 March 2017, the work in progress comprised of expenses incurred for the ongoing renovation of Ayer Rajah centre, Golden Years centre and Jurong East 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 acquired in 2017.

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

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Net depreciation charged to statement of financial activities:		
Depreciation for the year	2,187,445	1,304,037
Amortisation of property, plant and equipment fund (Note 19 (i))	(1,090,547)	(731,137)
Amortisation of Community Silver Trust capital grant (Note 19 (iv))	(78,847)	(55,511)
Amortisation of Capital fund (Note 19 (v))	(84,237)	(84,237)
	<u>(1,253,631)</u>	<u>(870,885)</u>
Net depreciation of property, plant and equipment (Note 9)	<u>933,814</u>	<u>433,152</u>

14 Investments in Financial Assets

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Cost:		
Balance at beginning and end of the year	<u>375,200</u>	<u>375,200</u>
Accumulated impairment loss:		
Balance at beginning of the year	51,790	72,920
Reversal of impairment loss (Note 6)	-	(21,130)
Balance at end of the year	<u>51,790</u>	<u>51,790</u>
Net investments in financial assets	<u>323,410</u>	<u>323,410</u>

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

	<u>2018</u>	<u>2017</u>
	S\$	S\$
At carrying amount:		
Equities	<u>323,410</u>	<u>323,410</u>
Market values	<u>366,290</u>	<u>361,000</u>

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15 Trade and Other Receivables

	<u>2018</u> S\$	<u>2017</u> S\$
<u>Trade Receivables</u>		
Client's fees	91,141	10,769
<u>Other Receivables</u>		
Interest receivable	5,667	5,566
Other receivables	399,432	208,139
Deposits	91,898	57,242
Community Silver Trust funds receivable	4,331,533	6,198,177
Ministry of Health funds receivable	2,135,795	1,848,928
	<u>6,964,325</u>	<u>8,318,052</u>
Prepayments	532,964	181,432
Total trade and other receivables	<u>7,588,430</u>	<u>8,510,253</u>

16 Cash and Cash Equivalents

	<u>2018</u> S\$	<u>2017</u> S\$
Fixed deposits placed with financial institutions	7,273,552	8,242,926
Cash and bank balances	17,699,941	10,868,118
Cash and cash equivalents per statement of cash flows	<u>24,973,493</u>	<u>19,111,044</u>

The simple average effective interest rate earned on fixed deposits is 0.55% (2017: 0.54%) per annum with fixed maturity dates ranging from 1 to 3 months (2017: 1 to 9 months).

Included in the cash and cash equivalents are S\$5,648,453, (2017: S\$3,075,385), 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>2018</u> S\$	<u>2017</u> S\$
Deposits received	230,439	187,320
Grants/fees received in advance	930,298	58,450
Accrued staff costs	2,780,290	3,244,138
Accrued centre renovation and equipment costs	361,811	822,462
Other accruals	867,701	533,316
	<u>5,170,539</u>	<u>4,845,686</u>

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18 Unrestricted Funds

		<u>2018</u>	<u>2017</u>
		S\$	S\$
Unrestricted income funds	(i)	24,066,213	20,134,331
Designated fund:			
- Asset replacement fund	(ii)	424,396	424,057
Total unrestricted funds		24,490,609	20,558,388

- (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>2018</u>	<u>2017</u>
		S\$	S\$
Funds balance at beginning of the year		20,558,388	20,021,175
Total income		25,401,054	20,603,085
Total expenditure		(22,058,601)	(18,423,461)
Net income		3,342,453	2,179,624
Gross transfers between funds			
- Transfer to client welfare fund (Note 19(ii))		-	(100,000)
- Transfer from/(to) Community Silver Trust fund (Note 19(iii))		589,768	(42,411)
- Transfer to innovation fund (Note 19(vi))		-	(1,500,000)
Funds balance at end of the year		24,490,609	20,558,388

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 2018, the Company transferred the recurrent operating expenses under the Community Silver Trust matching grant of S\$589,768 from its Community Silver Trust fund to the unrestricted income funds. While in the financial year ended 31 March 2017, the Company transferred the unutilised Community Silver Trust fund of S\$42,411 from its unrestricted income funds back to the Community Silver Trust fund.

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19 Restricted Funds – Restricted Income Funds

		<u>2018</u>	<u>2017</u>
		S\$	S\$
Restricted income funds:			
- Property, plant and equipment fund	(i)	4,605,993	2,829,202
- Client welfare fund	(ii)	67,190	123,950
- Community Silver Trust fund	(iii)	8,553,194	7,672,943
- Community Silver Trust capital grant	(iv)	161,714	118,882
- Capital fund	(v)	100,545	184,782
- Innovation fund	(vi)	1,359,602	1,476,669
Total restricted income funds		14,848,238	12,406,428

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

		<u>2018</u>	<u>2017</u>
		S\$	S\$
Funds balance at beginning of the year		12,406,428	9,390,387
Total income		5,463,006	3,439,442
Less: expenditure		(1,177,797)	(1,194,927)
Net income		4,285,209	2,244,515
Gross transfers between funds		(589,768)	1,642,411
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities		(1,253,631)	(870,885)
Funds balance at end of the year		14,848,238	12,406,428

(i) Property, plant and equipment fund

Property, plant and equipment fund pertains to grants received for the acquisition of property, plant and equipment of the centres operated by the Company. During the financial year ended 31 March 2018, the Company received funds of S\$3,035,147 (2017: S\$1,623,909) 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 2018, amortisation of S\$1,090,547 (2017: S\$731,137) 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.

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

(iii) Community Silver Trust fund

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Balance at beginning of the year	7,672,943	6,986,482
Add: Income		
Community Silver Trust matching grant	2,427,859	1,741,581
Less: Expenditure	(836,161)	(1,116,846)
Net income	1,591,698	624,735
Gross transfers between funds		
- Transfer (to)/from unrestricted funds (Note 18)	(589,768)	42,411
- Transfer (to)/from Community Silver Trust capital grant (Note 19(iv))	(121,679)	19,315
Balance at end of the year	8,553,194	7,672,943

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 2018, the Company recognised matching grant income amounted to S\$2,427,859 (2017: S\$1,741,581), being eligible donation income earned during the financial year, which met the terms and conditions under the agreement of the matching grant.

(iv) Community Silver Trust capital grant

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Balance at beginning of the year	118,882	193,708
Add: Income	-	-
Less: Expenditures	-	-
Net income	-	-
Gross transfers between funds		
- Transfer to Community Silver Trust fund (Note 19(ii))	121,679	(19,315)
Amortisation for the year (Note 13)	(78,847)	(55,511)
Balance at end of the year	161,714	118,882

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

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 2018, the Company capitalised S\$121,679 from the Community Silver Trust. During the financial year ended 31 March 2017, the Company capitalised S\$21,700 from the Community Silver Trust fund and recognised a reversal on prior period capitalisation from Community Silver Trust fund of S\$41,015.

(v) *Capital fund*

Capital fund was set up for the purpose specified from the donors for the acquisition of property, 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 2018, the Company recognised amortisation of S\$84,237 (2017: S\$84,237) 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. The donation was declared as a restricted fund through approval from the governing board members in previous financial years.

20 Due to a Former Related Party

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Due to a former related party	-	5,315

In 2017, the amount due to the former related party, St Luke's Hospital was unsecured, non-interest bearing and repayable on demand.

St Luke's Hospital has ceased to be a related party in 2018.

21 Provisions for Liabilities and Charges

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Balance at beginning of the year	-	-
Provisions made during the year	360,000	-
Balance at end of the year	<u>360,000</u>	<u>-</u>

Provisions are recognised for the restoration of the centres entered under lease contracts to its original conditions.

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22 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 in the previous financial year at terms agreed, as detailed below:

	<u>2018</u>	<u>2017</u>
	S\$	S\$
<i><u>With St Luke's Hospital</u></i>		
Management fee	-	77,426
Office maintenance fees	-	6,364
Payment on behalf by St Luke's Hospital	-	190,010
Payment on behalf of St Luke's Hospital	-	3,397

Balance outstanding with a related party at the balance sheet date was disclosed in Note 19.

23 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>2018</u>	<u>2017</u>
	S\$	S\$
Within one year	264,038	148,246
Between two to five years	415,023	307,944
	679,061	456,190

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23 Commitments (cont'd)

(b) Capital Commitments

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

	<u>2018</u> S\$	<u>2017</u> S\$
Centre renovations	432,323	1,461,460
Centre management system development	113,240	264,006
	<u>545,563</u>	<u>1,725,466</u>

24 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>2018</u> S\$	<u>2017</u> S\$
Tax deductible donations	2,228,422	1,713,536
Non tax deductible donations	203,432	191,138
Total (Note 4 and Note 5)	<u>2,431,854</u>	<u>1,904,674</u>

25 Key Management Remuneration

	<u>2018</u>	<u>2017</u>
Number of key management personnel in the following remuneration band of:		
S\$200,001 and above	2	-
S\$150,001 to S\$200,000	3	4
S\$100,001 to S\$150,000	2	2
	<u>2</u>	<u>2</u>
	<u>2018</u> S\$	<u>2017</u> S\$
Compensation of key management personnel:		
Salaries and bonuses	1,196,006	814,372
Defined contribution plans (Employer CPF)	115,543	89,258
	<u>1,311,549</u>	<u>903,630</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 2018 and 2017.

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26 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>2018</u> S\$	<u>2017</u> S\$
Unrestricted funds (Reserves)	24,490,609	20,558,388
Net liquid assets available to meet expenditure obligations	17,374,808	13,664,842
Total operating expenditure (Unrestricted funds)	<u>22,058,601</u>	<u>18,423,461</u>
Ratio of net liquid assets to total operating expenditure	<u>0.79</u>	<u>0.74</u>

The Company does not have any externally imposed capital requirements for the financial years ended 31 March 2018 and 2017. There were no changes in the Company's reserve policy during the financial year.