

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 2023

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

31 MARCH 2023

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ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 2023.

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 2023 and of the results, changes in funds and cash flows of the Company for the 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 of the Company in office at the date of this statement are:

Ho Yew Kee	Chairman
Neo Boon Siong	Honorary Treasurer
Hsiao Ginger	
Yeong Zee Kin	
Choo Eng Beng	
Foong Daw Ching	
Lim Ai Ling	
Wong King Yoong	
Wong Siu Hong Alfred	
Lee Chien Earn	
Chua Song Khim	(Appointed on 22 August 2022)

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 2023

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 2023

4 Reserve Policy

The principal activity of the Company is to establish, carry on and maintain rehabilitation clinics, day care centres, nursing homes, related facilities and services 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 fulfil its continuing obligations. There are no changes to the reserve policy during the financial years ended 31 March 2023 and 2022.

5 Independent Auditors

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors



HO YEW KEE
Director



NEO BOON SIONG
Director

Singapore
28 July 2023

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 financial statements of St Luke's ElderCare Ltd (the "Company"), which comprise the balance sheet of the Company as at 31 March 2023, the statement of financial activities and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act 1994 and other relevant regulations (the "Singapore Charities Act and Regulations") and Charities Accounting Standard ("CAS") so as to give a true and fair view of the financial position of the Company as at 31 March 2023 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, 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 Act, the Singapore 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. 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 Act, and the Singapore 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
28 July 2023

ST LUKE'S ELDERCARE LTD
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

1 April 2022 to 31 March 2023

	Note	Unrestricted Funds S\$	Restricted Funds S\$	Total 2023 S\$	Total 2022 S\$
INCOME					
Income from generated funds:					
Voluntary income	4	6,595,721	6,640,703	13,236,424	18,061,078
Activities for generating funds	5	2,094,277	-	2,094,277	1,838,042
Investment income	6	375,281	-	375,281	95,580
Income from charitable activities	7	53,175,885	-	53,175,885	43,140,457
Other income	6	54,793	-	54,793	23,094
Total income		62,295,957	6,640,703	68,936,660	63,158,251
LESS: EXPENDITURES					
Costs of generating funds:					
Voluntary income	8	212,466	-	212,466	192,120
Fundraising activities	8	123,707	-	123,707	142,930
Charitable activities	9	59,495,423	1,665,684	61,161,107	54,753,187
Governance costs	10	2,054,665	147,588	2,202,253	1,819,396
Other expenditures	10	308,600	-	308,600	269,940
Total expenditures		62,194,861	1,813,272	64,008,133	57,177,573
Net income before tax expense		101,096	4,827,431	4,928,527	5,980,678
Tax expense	12	-	-	-	-
Net income		101,096	4,827,431	4,928,527	5,980,678
Gross transfers between funds					
Gross transfers (to) funds		(450,000)	(1,499,071)	(1,949,071)	(1,774,485)
Gross transfers from funds		1,414,240	534,831	1,949,071	1,774,485
	20, 21	964,240	(964,240)	-	-
Net income after funds transfer		1,065,336	3,863,191	4,928,527	5,980,678
Reconciliation of funds					
Total funds brought forward		41,091,343	20,954,092	62,045,435	58,627,811
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	13	-	(2,261,716)	(2,261,716)	(2,563,054)
Total funds carried forward		42,156,679	22,555,567	64,712,246	62,045,435

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 2023

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Non-Current Assets			
Property, plant and equipment	13	8,046,609	7,753,862
Investment property	14	2,484,547	2,541,773
Investments in financial assets	15	4,663,190	4,971,790
		15,194,346	15,267,425
Current Assets			
Inventories, at cost		44,708	43,394
Trade and other receivables	16	27,460,314	20,378,444
Cash and cash equivalents	17	31,645,204	38,210,714
		59,150,226	58,632,552
Less: Current Liabilities			
Other payables and accruals	18	9,047,726	11,341,742
Provisions for liabilities and charges	19	584,600	512,800
		9,632,326	11,854,542
Net Current Assets		49,517,900	46,778,010
Total Assets Less Total Liabilities		64,712,246	62,045,435
Funds of Charity			
<u>Unrestricted Funds</u>			
Unrestricted income funds	20	41,709,760	40,652,562
Designated fund	20	446,919	438,781
		42,156,679	41,091,343
<u>Restricted Funds</u>			
Restricted income funds	21	22,555,567	20,954,092
Total Charity Funds		64,712,246	62,045,435

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 2023

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Cash Flows from Operating Activities			
Net income before tax expense		4,928,527	5,980,678
Adjustments for:			
Depreciation of property, plant and equipment	13	2,738,524	3,721,299
Depreciation of investment property	14	57,226	14,306
Interest income	6	(212,921)	(29,304)
Dividend income	6	(162,360)	(66,276)
Amortisation of property, plant and equipment fund	13	(1,914,389)	(2,259,566)
Amortisation of Community Silver Trust capital grant	13	(315,985)	(298,373)
Amortisation of innovation capital fund/capital fund	13	(31,342)	(5,115)
Bad debts on trade receivables written off	9, 10	1,493	1,844
Loss on disposal/write-off of property, plant and equipment	9, 6	774	969,741
Impairment loss on investments in financial assets	10	308,600	269,940
Funds received for property, plant and equipment fund	4	(1,837,631)	(2,657,131)
Funds received for Medifund	4	(25,200)	(38,500)
Operating cash flows before changes in working capital		3,535,316	5,603,543
Inventory		(1,314)	5,102
Trade and other receivables		(6,996,105)	(7,638,200)
Other payables and accruals		(2,294,016)	2,116,976
Net cash flows (used in)/from operating activities		<u>(5,756,119)</u>	<u>87,421</u>
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(3,011,816)	(3,294,934)
Additions to financial assets	15	-	(5,000,000)
Proceeds from disposal of property, plant and equipment		51,571	10,091
Interest received		125,663	30,571
Dividend received		162,360	66,276
Net cash flows used in investing activities		<u>(2,672,222)</u>	<u>(8,187,996)</u>
Cash Flows from Financing Activities			
Funds received for property, plant and equipment fund		1,837,631	2,601,811
Funds received for Medifund		25,200	38,500
Net cash flows from financing activities		<u>1,862,831</u>	<u>2,640,311</u>
Net decrease in cash and cash equivalents		(6,565,510)	(5,460,264)
Cash and cash equivalents at the beginning of year		<u>38,210,714</u>	<u>43,670,978</u>
Cash and cash equivalents at the end of year	17	<u>31,645,204</u>	<u>38,210,714</u>

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 2023

INCOME	Note	Unrestricted Funds				Restricted Funds						Total 2022	Total 2023	Total 2022				
		income fund	Asset replacement fund	Sub-total	Property, plant and equipment fund	Client welfare fund	Community Silver Trust fund	Community Silver Trust capital grant	Innovation fund	Innovation capital fund	Medifund				Wound care fund	Sub-total	2023	2022
Income from generated funds:																		
Voluntary income	4	6,595,721	-	6,595,721	1,837,631	-	4,777,872	-	-	-	-	-	25,200	-	6,640,703	13,236,424	18,061,078	
Activities for generating funds	5	2,094,277	-	2,094,277	-	-	-	-	-	-	-	-	-	-	2,094,277	2,094,277	1,838,042	
Investment income	6	367,143	8,138	375,281	-	-	-	-	-	-	-	-	-	-	375,281	375,281	95,580	
Income from charitable activities	7	53,175,885	-	53,175,885	-	-	-	-	-	-	-	-	-	-	53,175,885	43,140,457	43,140,457	
Other income	6	54,793	-	54,793	-	-	-	-	-	-	-	-	-	-	54,793	54,793	23,094	
Total income		62,287,819	8,138	62,295,957	1,837,631	-	4,777,872	-	-	-	-	-	25,200	-	6,640,703	68,936,660	63,158,251	
LESS: EXPENDITURES																		
Costs of generating funds:																		
Voluntary income	8	212,466	-	212,466	-	-	-	-	-	-	-	-	-	-	-	212,466	192,120	
Fundraising activities	8	123,707	-	123,707	-	-	-	-	-	-	-	-	-	-	123,707	123,707	142,930	
Charitable activities	9	59,495,423	-	59,495,423	-	111,231	1,387,686	-	99,148	-	-	-	67,619	-	1,665,684	61,161,107	54,753,187	
Governance costs	10	2,054,665	-	2,054,665	-	-	147,588	-	-	-	-	-	-	-	147,588	2,202,253	1,819,396	
Other expenditures	10	308,600	-	308,600	-	-	-	-	-	-	-	-	-	-	308,600	308,600	269,940	
Total expenditures		62,194,861	-	62,194,861	-	111,231	1,535,274	-	99,148	-	-	-	67,619	-	1,813,272	64,008,133	57,177,573	
Net (expenditures)/income before tax expense		92,958	8,138	101,096	1,837,631	(111,231)	3,242,598	-	(99,148)	-	(42,419)	-	(42,419)	-	4,827,431	4,928,527	5,980,678	
Tax expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net (expenditures)/income		92,958	8,138	101,096	1,837,631	(111,231)	3,242,598	-	(99,148)	-	(42,419)	-	(42,419)	-	4,827,431	4,928,527	5,980,678	
Gross transfers between funds																		
Gross transfers (to) funds	20,21	(450,000)	-	(450,000)	-	-	(1,478,871)	-	(20,200)	-	-	-	-	-	(1,499,071)	(1,949,071)	(1,774,485)	
Gross transfers from funds		1,414,240	-	1,414,240	-	100,000	-	64,631	-	20,200	-	350,000	-	534,831	1,949,071	1,774,485	-	
		964,240	-	964,240	-	100,000	(1,478,871)	64,631	(20,200)	20,200	-	350,000	-	(964,240)	-	-	-	
Net income/(expenditures) after funds transfer		1,057,198	8,138	1,065,336	1,837,631	(11,231)	1,763,727	64,631	(119,348)	20,200	(42,419)	350,000	(42,419)	3,863,191	4,928,527	5,980,678		
Reconciliation of funds																		
Total funds brought forward		40,652,562	438,781	41,091,343	4,905,251	78,087	13,933,363	845,835	981,655	28,985	180,916	-	20,954,092	62,045,435	58,627,811			
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities		-	-	-	(1,914,389)	-	-	(315,985)	862,307	-	-	-	(31,342)	(2,261,716)	(2,563,054)			
Total funds carried forward		41,709,760	446,919	42,156,679	4,828,493	66,856	15,697,090	594,481	862,307	17,843	138,497	350,000	1,384,977	64,712,246	62,045,435			

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 2023

(cont'd)

Note	Unrestricted Funds		Restricted Funds							Total 2022 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\$	Innovation fund S\$	Innovation capital fund S\$		Medifund S\$	Sub-total S\$
INCOME												
Income from generated funds:												
Voluntary income	9,970,848	-	9,970,848	2,657,131	-	5,394,599	-	-	-	38,500	8,090,230	18,061,078
Activities for generating funds	1,838,042	-	1,838,042	-	-	-	-	-	-	-	-	1,838,042
Investment income	94,649	931	95,580	-	-	-	-	-	-	-	-	95,580
Income from charitable activities	43,140,457	-	43,140,457	-	-	-	-	-	-	-	-	43,140,457
Other income	23,094	-	23,094	-	-	-	-	-	-	-	-	23,094
Total income	55,067,090	931	55,068,021	2,657,131	-	5,394,599	-	-	-	38,500	8,090,230	63,158,251
LESS: EXPENDITURES												
Costs of generating funds:												
Voluntary income	192,120	-	192,120	-	-	-	-	-	-	-	-	192,120
Fundraising activities	142,930	-	142,930	-	-	-	-	-	-	-	-	142,930
Charitable activities	53,221,292	-	53,221,292	-	126,815	1,263,738	-	74,360	-	66,982	1,531,895	54,753,187
Governance costs	1,714,624	-	1,714,624	-	-	104,772	-	-	-	-	104,772	1,819,396
Other expenditures	269,940	-	269,940	-	-	-	-	-	-	-	-	269,940
Total expenditures	55,540,906	-	55,540,906	-	126,815	1,368,510	-	74,360	-	66,982	1,636,667	57,177,573
Net (expenditures)/income before tax expense	(473,816)	931	(472,885)	2,657,131	(126,815)	4,026,089	-	(74,360)	-	(28,482)	6,453,563	5,980,678
Tax expense	-	-	-	-	-	-	-	-	-	-	-	-
Net (expenditures)/income	(473,816)	931	(472,885)	2,657,131	(126,815)	4,026,089	-	(74,360)	-	(28,482)	6,453,563	5,980,678
Gross transfers between funds												
Gross transfers (to) funds	(100,000)	-	(100,000)	-	-	(1,640,385)	-	(34,100)	-	-	(1,674,485)	(1,774,485)
Gross transfers from funds	1,235,343	-	1,235,343	-	100,000	405,042	-	34,100	-	-	539,142	1,774,485
	1,135,343	-	1,135,343	-	100,000	(1,640,385)	405,042	(34,100)	-	-	(1,135,343)	-
Net income/(expenditures) after funds transfer	661,527	931	662,458	2,657,131	(26,815)	2,385,704	405,042	(108,460)	34,100	(28,482)	5,318,220	5,980,678
Reconciliation of funds												
Total funds brought forward	39,991,035	437,850	40,428,885	4,507,686	104,902	11,547,659	739,166	1,090,115	-	209,398	18,198,926	58,627,811
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	-	-	-	(2,259,566)	-	(298,373)	-	(5,115)	-	-	(2,563,054)	(2,563,054)
Total funds carried forward	40,652,562	438,781	41,091,343	4,905,251	78,087	13,933,263	845,835	981,655	28,985	180,916	20,954,092	62,045,435

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 2023

	Unrestricted Funds			Restricted Funds							Total		
	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\$	Innovation fund S\$	Innovation capital fund S\$	MediFund S\$		Wound care fund S\$	Sub-total S\$
2023													
Non-Current Assets													
Property, plant and equipment	2,605,792	-	2,605,792	4,828,493	-	-	594,481	-	17,843	-	-	5,440,817	8,046,609
Investment property	2,484,547	-	2,484,547	-	-	-	-	-	-	-	-	-	2,484,547
Investments in financial assets	4,663,190	-	4,663,190	-	-	-	-	-	-	-	-	-	4,663,190
	9,753,529	-	9,753,529	4,828,493	-	-	594,481	-	17,843	-	-	5,440,817	15,194,346
Current Assets													
Inventory, at cost	44,708	-	44,708	-	-	-	-	-	-	-	-	-	44,708
Trade and other receivables	17,287,844	-	17,287,844	-	-	10,172,470	-	-	-	-	-	10,172,470	27,460,314
Cash and cash equivalents	24,256,005	446,919	24,702,924	-	66,856	5,524,620	-	862,307	-	138,497	350,000	6,942,280	31,645,204
	41,588,557	446,919	42,035,476	-	66,856	15,697,090	-	862,307	-	138,497	350,000	17,114,750	59,150,226
Less: Current Liabilities													
Other payables and accruals	9,047,726	-	9,047,726	-	-	-	-	-	-	-	-	-	9,047,726
Provisions for liabilities and charges	584,600	-	584,600	-	-	-	-	-	-	-	-	-	584,600
	9,632,326	-	9,632,326	-	-	-	-	-	-	-	-	-	9,632,326
Net Current Assets	31,956,231	446,919	32,403,150	-	66,856	15,697,090	-	862,307	-	138,497	350,000	17,114,750	49,517,900
Total Assets Less Total Liabilities	41,709,760	446,919	42,156,679	4,828,493	66,856	15,697,090	594,481	862,307	17,843	138,497	350,000	22,555,567	64,712,246

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 2022

(cont'd)

	Unrestricted Funds			Restricted Funds						Total 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\$	Innovation fund S\$	Innovation capital fund S\$		MediFund S\$	Sub-total S\$
2022												
Non-Current Assets												
Property, plant and equipment	2,029,111	-	2,029,111	4,849,931	-	-	845,835	-	28,985	-	5,724,751	7,753,862
Investment property	2,541,773	-	2,541,773	-	-	-	-	-	-	-	-	2,541,773
Investments in financial assets	4,971,790	-	4,971,790	-	-	-	-	-	-	-	-	4,971,790
	9,542,674	-	9,542,674	4,849,931	-	-	845,835	-	28,985	-	5,724,751	15,267,425
Current Assets												
Inventory, at cost	43,394	-	43,394	-	-	-	-	-	-	-	-	43,394
Trade and other receivables	11,161,444	-	11,161,444	55,320	-	9,161,680	-	-	-	-	9,217,000	20,378,444
Cash and cash equivalents	31,759,592	438,781	32,198,373	-	78,087	4,771,683	-	981,655	-	180,916	6,012,341	38,210,714
	42,964,430	438,781	43,403,211	55,320	78,087	13,933,363	-	981,655	-	180,916	15,229,341	58,632,552
Less: Current Liabilities												
Other payables and accruals	11,341,742	-	11,341,742	-	-	-	-	-	-	-	-	11,341,742
Provisions for liabilities and charges	512,800	-	512,800	-	-	-	-	-	-	-	-	512,800
	11,854,542	-	11,854,542	-	-	-	-	-	-	-	-	11,854,542
Net Current Assets	31,109,888	438,781	31,548,669	55,320	78,087	13,933,363	-	981,655	-	180,916	15,229,341	46,778,010
Total Assets Less Total Liabilities	40,652,562	438,781	41,091,343	4,905,251	78,087	13,933,363	845,835	981,655	28,985	180,916	20,954,092	62,045,435

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 2023

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, incorporated and domiciled in Singapore. The Company's registered office and principal place of business is at 461 Clementi Road #04-11, Block A, SIM Headquarters, Singapore 599491.

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.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Directors' Statement.

2 Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act 1994 and other relevant regulations (the "Singapore Charities Act and Regulations") and Charities Accounting Standard ("CAS").

The accounting policies of the Company are consistent with the requirements of CAS and are applied consistently to similar transactions, other events and conditions. The financial statements have been prepared on the historical basis, except as disclosed in the accounting policies below.

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2 Significant Accounting Policies (cont'd)

(b) Foreign Currencies

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 Dollar ("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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2 Significant Accounting Policies (cont'd)

(e) Investment Property

Investment property is held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

The Company measures investment property at its cost at initial recognition. The cost of a purchased investment property comprises its purchase price and any directly attributable costs such as legal and brokerage fees, property transfer taxes and other transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Investment property shall not be revalued or measured at fair value subsequent to initial recognition. Day-to-day servicing costs of an investment property is recognised as expenditure in the Statement of Financial Activities in the period in which the costs are incurred.

Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 44.7 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the Statement of Financial Activities when the changes arise.

If the recoverable amount of an investment property is less than its carrying amount, the carrying amount of the investment property is reduced to its recoverable amount and recognised as an impairment loss in the Statement of Financial Activities. The Company assesses at each reporting date whether there is any indication that an investment property may be impaired. If any such indication exists, the Company shall estimate the recoverable amount of the investment property.

(f) Inventories

Inventories comprising of medical consumables are stated at lower of cost and net realisable value. Cost is determined on a First In, First Out basis. The net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(g) Investments in Financial Assets

Investments in financial assets are investments in debts, bonds and 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 holds the assets primarily for the purpose of trading or expects to realise the assets within twelve months after the reporting 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.

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2 Significant Accounting Policies (cont'd)

(h) 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.

(i) Impairment of Financial Assets

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

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

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

In the case of trade and other receivables, the amount of impairment loss is the difference between the financial asset's carrying amount and the undiscounted future cash flows, excluding unearned interest of interest-bearing assets that the Company expects to receive from the assets.

In the case of investments in debts, bonds and equity investments classified as investments in financial assets, the impairment loss is measured as the difference between the carrying amount and the fair value of the investment at the reporting 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2 Significant Accounting Policies (cont'd)

(j) Provisions for Liabilities and Charges

A provision is 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 is 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 is 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 will 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 is 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 reviews 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 is recognised as expenditure in the Statement of Financial Activities unless the provision was originally recognised as part of the cost of an asset.

(k) 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.

(l) 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.

(m) 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.

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2 Significant Accounting Policies (cont'd)

(n) 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.

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2 Significant Accounting Policies (cont'd)

(o) 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 and on the basis of time incurred by the staffs.

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.

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2 Significant Accounting Policies (cont'd)

(p) 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.

(q) 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.

(r) Income Tax

The Company is an approved charity under the Singapore Charities Act 1994 and an Institution of a Public Character under the Income Tax Act 1947. 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 2023

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 2023, the Company wrote off certain bad debts on trade receivables amounted to S\$1,493 (2022: S\$1,844). The carrying amount of the Company's trade receivables and other receivables as at 31 March 2023 amounted to S\$77,961 (2022: S\$101,675) and S\$26,758,564 (2022: S\$19,943,153) 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 2023, the Company had costs of generating funds amounted to S\$336,173 (2022: S\$335,050), costs of charitable activities amounted to S\$61,161,107 (2022: S\$54,753,187) and governance costs amounted to S\$2,202,253 (2022: S\$1,819,396).

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

4 Income from Generated Funds - Voluntary Income

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Donations - in cash	3,287,622	3,831,156
Donations - in kind	2,178	50,719
Church commitments	121,243	278,145
Total donations – unrestricted	<u>3,411,043</u>	<u>4,160,020</u>
Government grants:		
<i>Covid-19 related support grants</i>		
- Covid-19 Healthcare Award	-	2,592,628
- Jobs Support Scheme	-	731,258
- Courage Fund Appreciation Scheme	20,000	-
	<u>20,000</u>	<u>3,323,886</u>
<i>Others</i>		
- Job growth incentive and other job-related funding	2,043,239	1,431,197
- Intermediate and Long-Term Care (ILTC) manpower initiatives	924,309	737,391
- Home care services and senior care centres services funding	160,800	254,600
- Transition grant	-	51,794
- Others	36,330	11,960
	<u>3,164,678</u>	<u>2,486,942</u>
Total grants – unrestricted	<u>3,184,678</u>	<u>5,810,828</u>
Total unrestricted funds	<u>6,595,721</u>	<u>9,970,848</u>
<i>Restricted Funds:</i>		
Grants:		
- Community Silver Trust fund	4,777,872	5,394,599
- Property, plant and equipment fund	1,837,631	2,657,131
- Medifund	25,200	38,500
Total grants - restricted	<u>6,640,703</u>	<u>8,090,230</u>
Total income from generated funds – voluntary income	<u>13,236,424</u>	<u>18,061,078</u>

ST LUKE'S ELDERCARE LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

5 Income from Generated Funds - Activities for Generating Funds

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Fundraising:		
- Mailers ⁽¹⁾	1,185,420	1,019,200
- Book launch	98,177	223,041
- Hong Bao project	85,409	139,223
	1,369,006	1,381,464
Services:		
- Learning Academy	725,271	456,578
	725,271	456,578
Total income from generated funds – activities for generating funds	2,094,277	1,838,042

⁽¹⁾ Mailers comprise of Christmas, Annual Giving, Chinese New Year and Singtel, Starhub and Singapore Power mailer events.

6 Income from Generated Funds - Investment Income and Other Income

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<u>Income from Unrestricted Funds – Investment Income</u>		
<i>Unrestricted Funds:</i>		
Dividend from investments in financial assets	162,360	66,276
Interest – Bank balances	212,921	29,304
Total income from generated funds – investment income	375,281	95,580
<u>Other Income</u>		
<i>Unrestricted Funds:</i>		
(Loss)/Gain on disposal of property, plant and equipment	(774)	844
Training income and others	55,567	22,250
Total other income	54,793	23,094

During the financial year ended 31 March 2023, included in the interest income is an amount of S\$8,138 (2022: S\$931) allocated to Unrestricted fund – Asset Replacement Fund.

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7 Income from Charitable Activities

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Service Fees:		
- Dementia care	3,927,743	3,259,553
- Daycare	2,941,207	2,568,063
- Physiotherapy	3,398,412	2,904,915
- Residence services for nursing home	1,032,111	967,677
- Others	386,004	284,908
	11,685,477	9,985,116
Government subventions:		
- Transport funding	7,302,759	6,563,633
- Dementia care	7,220,540	6,002,014
- Daycare	5,537,174	4,607,938
- Physiotherapy	4,900,084	4,053,214
- Residence services for nursing home	4,009,514	3,738,456
- Others	662,009	475,153
	29,632,080	25,440,408
Government grant:		
- Community Care Salary Enhancement grant	6,893,292	4,455,475
- Lease rental	2,162,995	1,493,255
- Community case management service	331,545	304,546
- Workforce development grant	541,822	298,799
- Community care senior management associate scheme	436,836	532,826
- Community health centre funding	-	31,424
- Dementia friendly fund	251,689	-
Other funding	1,240,149	598,608
	11,858,328	7,714,933
Total income from income from charitable activities	53,175,885	43,140,457

8 Costs of Generating Funds

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Support costs: Salaries and related costs (Note 11)	212,466	192,120
Total voluntary income	212,466	192,120
<i>Unrestricted Funds:</i>		
<u>Fundraising activities</u>		
Direct operating costs	123,707	142,930
Total fundraising activities	123,707	142,930
Total costs of generating funds	336,173	335,050

The support costs of the Company which include office functions such as key and general management are apportioned based on the amount of time spent and the number of centres operated by the Company.

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9 Charitable Activities

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 11)	35,552,991	32,140,258
Motor and transport expenses	2,418,482	2,404,751
Catering	2,231,458	1,876,874
Programme and social expenses	195,529	145,793
Consumables	170,873	533,038
Cost of inventories sold (included in charitable activities expenses)		
- Medical consumables	515,044	380,075
Others	720,672	230,678
	<u>41,805,049</u>	<u>37,711,467</u>
<u>Indirect operating costs</u>		
Salaries and related costs (Note 11)	7,279,598	7,348,508
Depreciation of property, plant and equipment (Note 13)	2,704,731	3,721,299
Depreciation of investment property (Note 14)	57,226	14,306
Loss on disposal/write-off of property, plant and equipment (i)	-	970,585
Amortisation (Note 13)	(2,261,716)	(2,563,054)
Operating lease - rental services/conservancy fees	2,582,291	1,689,255
IT support and maintenance	2,000,838	877,107
GST input tax disallowed (ii)	1,049,923	812,000
Cleaning and maintenance	1,138,516	738,447
Utilities	1,072,843	643,435
Equipment expensed off	53,298	361,706
Professional fee	416,766	160,175
Publicity expenses	171,610	111,446
Telephone, fax and internet expenses	138,106	112,481
Transport expenses for employees	27,853	91,852
Security expenses	79,800	79,968
Printing and Stationery	85,521	68,235
Programme expenses	219,135	76,039
Training expenses	444,813	3,659
Bad debts on trade receivables written off	1,493	1,768
Others	427,729	190,608
	<u>17,690,374</u>	<u>15,509,825</u>
Total costs of charitable activities (unrestricted funds)	<u>59,495,423</u>	<u>53,221,292</u>

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9 Charitable Activities (cont'd)

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<i>Restricted Funds:</i>		
<u>Direct operating costs</u>		
Utilisation of Community Silver Trust fund (Note 21(iii))		
- Salaries and related costs (Note 11)	513,749	630,433
- Others	37,608	39,600
Utilisation of Innovation fund	99,148	74,360
Utilisation of Client Welfare Fund	111,231	126,815
Utilisation of Medifund	67,619	66,982
	829,355	938,190
<u>Indirect operating costs</u>		
Utilisation of Community Silver Trust fund (Note 21(iii))		
- Salaries and related costs (Note 11)	48,371	318,735
- Others	787,958	274,970
	836,329	593,705
Total costs of charitable activities (restricted funds)	1,665,684	1,531,895
Total costs of charitable activities	61,161,107	54,753,187

- (i) During the financial year ended 31 March 2022, the Company wrote off existing property, plant and equipment with costs less than \$2,000. These resulted in the recognition of loss of \$948,226 on the write off of property, plant and equipment recognised in the Statement of Financial Activities.
- (ii) The Company opted to use an “annual fixed rate” to compute the claimable input tax for all the GST returns that fall in a financial year. This “annual fixed rate” is the actual yearly input tax recovery rate of the preceding financial year at 16.4% (2022: 14.3%). These resulted in the recognition of expenses of \$1,049,923 (2022: \$812,000) on the disallowed GST input tax claims recognised in the Statement of Financial Activities.

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10 Governance Costs and Other Expenditures	<u>2023</u> S\$	<u>2022</u> S\$
<u>Governance costs</u>		
<i>Unrestricted Funds:</i>		
Salaries and related costs (Note 11)	1,289,550	1,296,794
Audit fees		
- Statutory audit	60,000	58,000
- Certification audit	15,800	14,800
- Prior year under provision (statutory and certification audit)	7,900	4,075
Depreciation of property, plant and equipment (Note 13)	33,793	-
Other professional fees	40,606	45,675
Insurance expenses	251,650	99,081
Operating lease - rental services/conservancy fees	74,100	22,680
Bad debts on trade receivables written off	-	76
Others	281,266	173,443
	<u>2,054,665</u>	<u>1,714,624</u>
<i>Restricted Funds:</i>		
Utilisation of Community Silver Trust fund (Note 21(iii))		
- Salaries and related costs (Note 11)	8,536	56,247
- Others	139,052	48,525
	<u>147,588</u>	<u>104,772</u>
 Total governance costs	<u>2,202,253</u>	<u>1,819,396</u>
 <u>Other expenditure</u>		
Impairment loss on investments in financial assets (Note 15)	<u>308,600</u>	<u>269,940</u>

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11 Employee Benefits

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<i>Included in Direct Operating Costs of Charitable Activities</i>		
<i>(Note 9):</i>		
<i>Direct operating costs</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	29,004,822	25,998,798
- Foreign workers' levy	813,753	699,789
- Other staff benefits	2,089,679	2,277,040
Post-employment benefits (Defined Contribution Plans)	3,644,737	3,164,631
Total salaries and related costs	35,552,991	32,140,258
 <i>Included in Indirect Cost of Generating Funds,</i>		
<i>Charitable Activities and Governance Costs (Note 8, 9 and 10):</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	7,702,179	6,943,541
- Foreign workers' levy	-	2,800
- Other staff benefits	198,429	995,114
Post-employment benefits (Defined Contribution Plans)	881,006	895,967
Total salaries and related costs	8,781,614	8,837,422
 <i>Restricted Funds:</i>		
<i>Included in Direct Operating Costs of Charitable Activities</i>		
<i>(Note 9):</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	445,618	514,633
- Other staff benefits	10,944	47,714
Post-employment benefits (Defined Contribution Plans)	57,187	68,086
Total salaries and related costs	513,749	630,433
 <i>Included in Indirect Cost of Generating Funds,</i>		
<i>Charitable Activities and Governance Costs (Note 9 and 10):</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	48,387	359,629
- Other staff benefits	8,520	15,353
Total salaries and related costs	56,907	374,982
 Total employee benefits	 44,905,261	 41,983,095
 Number of employees as at 31 March	 800	 710

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12 Tax Expense

The Company is an approved charity under the Singapore Charities Act 1994 (“Charities Act”) and an Institution of a Public Character under the Income Tax Act 1947. 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 the respective financial years.

13 Property, Plant and Equipment

	<u>Leasehold properties</u> S\$	<u>Fixtures and fittings</u> S\$	<u>Furniture</u> S\$	<u>Equipment</u> S\$	<u>Motor vehicles</u> S\$	<u>Computers</u> S\$	<u>Work in progress</u> S\$	<u>Total</u> S\$
2023								
<u>Cost</u>								
At 1 April 2022	888,717	14,137,346	838,368	5,169,958	3,306,382	969,798	337,890	25,648,459
Additions	-	189,899	2,960	979,109	385,309	185,170	1,341,169	3,083,616
Disposals/write-off	-	(3,980)	-	(13,062)	(221,100)	(2,222)	(49,770)	(290,134)
Transfer	-	-	-	283,480	-	-	(283,480)	-
At 31 March 2023	888,717	14,323,265	841,328	6,419,485	3,470,591	1,152,746	1,345,809	28,441,941
<u>Less: Accumulated depreciation</u>								
At 1 April 2022	99,240	11,620,566	366,921	3,272,859	1,791,418	743,593	-	17,894,597
Depreciation for the year	17,774	1,034,278	166,625	893,157	466,315	160,375	-	2,738,524
Disposals/write-off	-	(3,980)	-	(10,487)	(221,100)	(2,222)	-	(237,789)
At 31 March 2023	117,014	12,650,864	533,546	4,155,529	2,036,633	901,746	-	20,395,332
At 31 March 2023	771,103	1,672,401	307,782	2,263,956	1,433,958	251,000	1,345,809	8,046,609
2022								
<u>Cost</u>								
At 1 April 2021	3,750,000	13,557,306	1,076,083	5,885,922	2,292,962	1,611,423	711,691	28,885,387
Additions	-	238,265	23,252	628,782	1,331,561	409,420	959,332	3,590,612
Disposals/write-off	-	(939,809)	(260,967)	(1,344,746)	(343,341)	(1,055,035)	(22,359)	(3,966,257)
Transfer	-	1,281,584	-	-	25,200	3,990	(1,310,774)	-
Transfer to investment property (Note 14)	(2,861,283)	-	-	-	-	-	-	(2,861,283)
At 31 March 2022	888,717	14,137,346	838,368	5,169,958	3,306,382	969,798	337,890	25,648,459
<u>Less: Accumulated depreciation</u>								
At 1 April 2021	343,750	10,722,405	322,859	3,104,323	1,839,278	1,132,312	-	17,464,927
Depreciation for the year	60,694	1,784,174	211,218	1,029,715	290,362	345,136	-	3,721,299
Disposals/write-off	-	(886,013)	(167,156)	(861,179)	(338,222)	(733,855)	-	(2,986,425)
Transfer to investment property (Note 14)	(305,204)	-	-	-	-	-	-	(305,204)
At 31 March 2022	99,240	11,620,566	366,921	3,272,859	1,791,418	743,593	-	17,894,597
At 31 March 2022	789,477	2,516,780	471,447	1,897,099	1,514,964	226,205	337,890	7,753,862

As at 31 March 2023, the work in progress comprised of expenses incurred mainly for centre equipment and software development (2022: centre equipment and software development).

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13 Property, Plant and Equipment (cont'd)

During the previous financial year ended 31 March 2022, the Company had moved out from its Kallang premises and transfer one existing unit to Investment Property at a net book value amounted to S\$2,556,079 (Note 14).

Net depreciation charged to the Statement of Financial Activities as indirect operating costs are:

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Net depreciation charged to Statement of Financial Activities:		
Depreciation of property, plant and equipment for the year	2,738,524	3,721,299
Amortisation of property, plant and equipment fund (Note 21(i))	(1,914,389)	(2,259,566)
Amortisation of Community Silver Trust capital grant (Note 21(iv))	(315,985)	(298,373)
Amortisation of Innovation Capital fund (Note 21(vi))	(31,342)	(5,115)
	(2,261,716)	(2,563,054)
	476,808	1,158,245

14 Investment Property

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<u>Cost</u>		
Balance at the beginning of year	2,556,079	-
Transferred from property, plant and equipment (Note 13)	-	2,556,079
Balance at the end of year	2,556,079	2,556,079
<u>Less: Accumulated depreciation</u>		
Balance at the beginning of year	14,306	-
Depreciation for the year	57,226	14,306
Balance at the end of year	71,532	14,306
Net book value	2,484,547	2,541,773

During the previous financial year ended 31 March 2022, the Company had engaged a third party valuer, Eileen Fun with qualification of Bachelor of Science (Real Estate) Hons, to value the existing Kallang premises with 1 unit classified as Property, Plant and Equipment (Note 13) and 1 unit classified as Investment Property. The valuation as at 31 March 2022 was \$1,000,000 and S\$2,850,000 respectively. The properties had been valued on the basis of Market Value as defined in the Singapore Institute of Surveyors & Valuers' Valuation Standards and Practice Guidelines (2022 Edition), by the Comparison Method. In this method, comparison was made with sales of similar properties in the same development or in the vicinity. Adjustments were made for differences in location, tenure, size, floor, level, age and condition, and dates of transaction, amongst other factors, before arriving at the value of the subject property.

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14 Investment Property (cont'd)

During the financial year ended 31 March 2023, the Company determined the fair value of the existing Kallang premises with 1 unit classified as Property, Plant and Equipment (Note 13) and 1 unit classified as Investment Property based on management's judgement which relied on market evidence of most recent transactions for similar properties in the same vicinity at the end of the reporting period. The valuation as at 31 March 2023 is \$1,070,000 and S\$3,446,000 respectively.

15 Investments in Financial Assets

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<u>Cost</u>		
Balance at the beginning of year	5,375,200	375,200
Additions	-	5,000,000
Balance at the end of year	5,375,200	5,375,200
 <u>Less: Accumulated impairment loss</u>		
Balance at the beginning of year	403,410	133,470
Impairment loss (Note 10)	308,600	269,940
Balance at the end of year	712,010	403,410
 Net book value	4,663,190	4,971,790
 Market values	4,707,127	5,041,760

During the previous financial year ended 31 March 2022, the Company had entered into arrangements with third parties' financial institutions to manage some of its investments. These investments in financial assets are classified as non-current assets, though the financial institutions may from time to time divest or re-invest in underlying instruments. Management does not hold the assets for the purpose of trading nor expects to realise the investments arrangements with the financial institutions within twelve months after the reporting date.

The effective interest rate for the interest-bearing financial assets are 3.48% (2022: 1.33%). The carrying value of these underlying investments are:

- (a) Fullerton Conservative Balanced Fund Class A of S\$837,656 (2022: S\$869,939)
- (b) Quoted equities of S\$267,027 (2022: S\$263,470)
- (c) PIMCO Global bond fund of S\$726,897 (2022: S\$764,068)
- (d) PIMCO Income fund of S\$2,184,066 (2022: S\$2,346,612)
- (e) PIMCO Diversified Income fund of S\$647,544 (2022: S\$727,701)

During the financial year ended 31 March 2023, the Company recognised an impairment loss of S\$308,600 (2022: S\$269,940) for certain investments in financial assets was made due to a decline in the market value of these investments below their costs.

Subsequent to the financial year and at the date of the financial statements, the market values of the investments increased by about 1.5% (2022: decreased by about 6.2%).

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16 Trade and Other Receivables

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<u>Trade Receivables</u>		
Client's fees	77,961	101,675
<u>Other Receivables</u>		
Community Silver Trust funds receivables	10,172,470	8,930,198
Community Care Salary Enhancement receivables	5,541,293	4,433,912
Covid-19 Healthcare Award receivables	-	2,592,628
Government grants receivable	8,591,194	3,315,811
Job Growth Incentive grant receivables	300,000	-
Deposits		
- Rental	527,315	409,003
- Utilities	170,797	54,758
- Placed for purchase of motor vehicles	405,954	-
- Placed for purchase of plant and equipment	543,952	-
- Others	1,599	55,656
Interest receivable	94,763	7,505
Other receivables	409,227	143,682
	26,758,564	19,943,153
Prepayments	623,789	333,616
Total trade and other receivables	27,460,314	20,378,444

17 Cash and Cash Equivalents

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Fixed deposits placed with financial institutions	19,921,520	14,787,720
Cash and bank balances	11,723,684	23,422,994
Cash and cash equivalents per statement of cash flows	31,645,204	38,210,714

The simple average effective interest rate earned on fixed deposits is 2.84% (2022: 0.32%) per annum with fixed maturity dates ranging from 6 months (2022: 6 months).

Included in the cash and cash equivalents are S\$446,919 (2022: S\$438,781) classified to Designated Unrestricted Funds and S\$6,942,280 (2022: S\$6,012,341) classified to Restricted Funds of which the use is subject to relevant restricted funds' operating terms.

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18 Other Payables and Accruals

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Accrued staff costs	5,415,434	7,184,432
CPF payables	1,490,321	935,933
Grants/fees received in advance	236,582	390,224
Accrued centre renovation and equipment costs	101,933	567,109
Deposits received	101,370	381,486
Accrued clients' meal and transport cost	103,970	372,078
Accrued rental services	872,946	220,987
Professional fees	183,826	254,263
Accrued IT related services cost	24,400	136,558
GST payable	180,409	144,726
Others	336,535	753,946
	<u>9,047,726</u>	<u>11,341,742</u>

19 Provisions for Liabilities and Charges

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Balance at the beginning of year	512,800	480,000
Provisions made during the year	71,800	32,800
Balance at the end of year	<u>584,600</u>	<u>512,800</u>

Provisions are recognised for the restoration of the office premises, centres and nursing home entered under lease contracts to its original conditions.

20 Unrestricted Funds

		<u>2023</u>	<u>2022</u>
		S\$	S\$
Unrestricted income funds	(i)	41,709,760	40,652,562
Designated fund:			
- Asset replacement fund	(ii)	446,919	438,781
Total unrestricted funds		<u>42,156,679</u>	<u>41,091,343</u>

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20 Unrestricted Funds (cont'd)

- (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>2023</u>	<u>2022</u>
	S\$	S\$
Funds balance at the beginning of year	41,091,343	40,428,885
Total income	62,295,957	55,068,021
Total expenditure	(62,194,861)	(55,540,906)
Net (expenditures)/income	101,096	(472,885)
Gross transfers between funds		
- Transfer to client welfare fund (Note 21(ii))	(450,000)	(100,000)
- Transfer from Community Silver Trust fund (Note 21(iii))	1,414,240	1,235,343
	964,240	1,135,343
Funds balance at the end of year	42,156,679	41,091,343

During the financial years ended 31 March 2023 and 2022, 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 prevailing financial year. The Company has 5 years to utilise the funds for projects.

During the financial year ended 31 March 2023, the Company transferred from Community Silver Trust fund an amount of S\$1,414,240 (2022: S\$1,235,343) relating to Community Silver Trust fund for financial year ended 31 March 2021 (2022: 31 March 2020) which was received during the year, to utilise for recurrent operating expenses.

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21 Restricted Funds – Restricted Income Funds

		2023	2022
		S\$	S\$
Restricted income funds:			
- Property, plant and equipment fund	(i)	4,828,493	4,905,251
- Client welfare fund	(ii)	66,856	78,087
- Community Silver Trust fund	(iii)	15,697,090	13,933,363
- Community Silver Trust capital grant	(iv)	594,481	845,835
- Innovation fund	(v)	862,307	981,655
- Innovation fund capital grant	(vi)	17,843	28,985
- Medifund	(vii)	138,497	180,916
- Wound care fund	(viii)	350,000	-
Total restricted income funds		22,555,567	20,954,092

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

		2023	2022
		S\$	S\$
Funds balance at the beginning of year		20,954,092	18,198,926
Total income		6,640,703	8,090,230
Less: expenditure		(1,813,272)	(1,636,667)
Net income		4,827,431	6,453,563
Gross transfers between funds			
- Transfer to funds (Note 21(iii), 21(v))		(1,499,071)	(1,674,485)
- Transfer from funds (Note 21(ii), 21(iv) and 21(vii))		534,831	539,142
		(964,240)	(1,135,343)
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities		(2,261,716)	(2,563,054)
Funds balance at the end of year		22,555,567	20,954,092

(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 2023, the Company has funds of S\$1,837,631 (2022: S\$2,657,131) from Ministry of Health. These grants are amortised to net off the corresponding depreciation and write-offs in the Statement of Financial Activities. During the financial year ended 31 March 2023, amortisation of S\$1,914,389 (2022: S\$2,259,566) has been recognised in the Statement of Financial Activities.

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

(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 2023, the Company transferred an amount of S\$100,000 (2022: S\$100,000) from its unrestricted fund to its client welfare fund (Note 20).

(iii) Community Silver Trust fund

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Balance at the beginning of year	13,933,363	11,547,659
Add: Income	4,777,872	5,394,599
Less: Expenditure	(1,535,274)	(1,368,510)
Net income	3,242,598	4,026,089
Gross transfers between funds		
- Transfer to unrestricted funds (Note 20)	(1,414,240)	(1,235,343)
- Transfer to Community Silver Trust capital grant (Note 21(iv))	(64,631)	(405,042)
	(1,478,871)	(1,640,385)
Balance at the end of year	15,697,090	13,933,363

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 2023, the Company recognised matching grant income amounted to S\$4,777,872 (2022: S\$5,490,765), being eligible donation income earned during the financial year, which met the terms and conditions under the agreement of the matching grant. An amount of Nil (2022: S\$96,166) relating to the funds available for utilisation on projects but has since expired, has been set off against current year income.

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

(iv) Community Silver Trust capital grant	<u>2023</u> S\$	<u>2022</u> S\$
Balance at the beginning of year	845,835	739,166
Add: Income	-	-
Less: Expenditures	-	-
Net income	-	-
Gross transfers between funds		
- Transfer from Community Silver Trust fund (Note 21(iii))	64,631	405,042
Amortisation of property, plant and equipment (Note 13)	(315,985)	(298,373)
Balance at the end of year	594,481	845,835

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.

(v) 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. During the financial year ended 31 March 2023, the Company recognised rental expenses of S\$99,148 (2022: S\$74,360) in the Statement of Financial Activities.

(vi) Innovation capital fund

The Innovation capital fund was set up from the Innovation 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 2023, the Company recognised amortisation of S\$31,342 (2022: S\$5,115) in the Statement of Financial Activities (Note 13).

(vii) Medifund

Medifund is an endowment fund set up by the Government. It provides a safety net for patients who face financial difficulties with their remaining bills after receiving Government subsidies and drawing on other means of payment including MediShield Life, MediSave and cash.

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

(viii) Wound care fund

Wound Care Fund was set up to ensure that elders/ clients requiring SLEC's wound care services will not be deprived of treatment and care due to financial difficulties. The funding will enable SLEC's wound care team to extend its expertise beyond SLEC to the community, train staff on wound care techniques and best practices as well as fund research work in this area.

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 has the following transactions with a related party during the financial year, as detailed below.

	<u>2023</u>	<u>2022</u>
	S\$	S\$
<u>With a director</u>		
Purchases from a company of which a director of the Company is a member, director or shareholder	17,797	12,245

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23 Commitments

(a) Operating Commitments

At the balance sheet date, the Company has no contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements. The future minimum lease payment under non-cancellable operating leases for certain operating centres, nursing home and office premises with an original term of more than one year of the Company is as follows:

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Within one year	2,030,128	1,614,162
Between two to five years	2,907,539	1,814,037
	<u>4,937,667</u>	<u>3,428,199</u>

Included in the operating lease commitments for office premises amounted to S\$2,189,486 (2022: S\$2,189,486), with lease terms to November / December 2025.

(b) Capital Commitments

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

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Centre renovations	2,248,000	29,222
IT software implementation	775,850	69,646
Equipment	1,369,410	10,100
	<u>4,393,260</u>	<u>108,968</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>2023</u>	<u>2022</u>
	S\$	S\$
Tax deductible donations	4,316,014	5,204,140
Non tax deductible donations	461,857	286,625
Non tax deductible donations in kind	2,178	50,719
Total (Note 4 and 5)	<u>4,780,049</u>	<u>5,541,484</u>

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25 Key Management Remuneration

	<u>2023</u>	<u>2022</u>
Number of key management personnel in the following remuneration band of:		
S\$300,001 and above	4	3
S\$200,001 to S\$300,000	6	5
S\$100,001 to S\$200,000	-	2
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Compensation of key management personnel:		
Salaries and bonuses	2,757,297	2,414,224
Defined contribution plans (Employer CPF)	136,267	138,038
	<u>2,893,564</u>	<u>2,552,262</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 2023 and 2022.

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>2023</u>	<u>2022</u>
	S\$	S\$
Unrestricted funds (Reserves)	42,156,679	41,091,343
Net liquid assets available to meet expenditure obligations	37,066,340	36,520,459
Total operating expenditure (Unrestricted funds)	<u>62,194,861</u>	<u>55,540,906</u>
Ratio of net liquid assets to total operating expenditure	<u>0.60</u>	<u>0.66</u>

The Company does not have any externally imposed capital requirements for the financial years ended 31 March 2023 and 2022. There were no changes in the Company's reserve policy during the financial year.