



LIONS HOME FOR THE ELDERS

ANNUAL REPORT 2011/12



HEF Reference No
IPC Reference No
ROS Reference
Date of registration with the Registry of
Society

HEF/003/G
F/3677-C
S237/79 WEL
16 May 1980

Operating Centres:

41 Toa Payoh Rise Singapore 298101
487 Bedok South Ave 2 Singapore 469316
Website : www.lionshome.org.sg
Admissions: pubaf@lionshome.org.sg

Tel: 62529900 Fax: 63535725
Tel: 62440667 Fax: 62441682
Email: lhe.pr@lionshome.org.sg

Adding Life to years

Management Board



Chairman
PCC SG Chin



Immediate Past Chairman
PCC Goh Seng Chee



1st Vice Chairman
PDG William Kwok



2nd Vice Chairman
Lion Jerrick Tay



Honorary Secretary
Lion Kang Oyo



Honorary Treasurer/ Chairman
Finance Committee
Lion Tay Eng Huat



Assistant Treasurer
Finance Committee
Lion Albert Chew



Director/ Chairman
Building & Maintenance
Committee
Lion Henry Kwek BBM



Director/ Fundraising &
Publicity Committee
Lion Angeline Woo



Director/ Finance Committee
Lion Lee Keng Hong



Director/ Chairman
Fundraising Committee
Lion Peter Anthony Lim



Director/ Chairman
Contracts & Purchasing
Committee
Lion Simon Ng



Director/ Chairman
Audit Committee
Lion Tay Choon Mong



Director/ Chairman
Publication Committee
Lion Eng Teal



Director/ Building &
Maintenance Committee
Lion Chua Ser Kiong



Director/ Fundraising
Committee
Lion Jeffrey Yang



Co-opted Director/ Service
Development Corp Comm &
Staff Welfare Committee
PCC Lim Hon Chee



Co-opted Director/ Chairman
Constitution and By-Law
Committee
PDG Ng Thin Wah



Co-opted Director/ Chairman
Medical Committee
Lion Dr Richard Ng



Co-opted Director/ Chairman
IT & Co-ordination
Lion Jonathan Foo



Co-opted Director
Lion Andy Foo

Trustees



PCC Lim Hon Chee PBM



PCC Shiva Banerjee PBM



PCC Bobby Eng

Chairman Report

The Aged Care landscape in Singapore continues to evolve in tandem with our ageing population, and aged care facility like Lions Home for the Elders is impacted by this trend, and Lions Home for the Elders as an Intermediate & long-term care provider is committed to provide services to the older people who are financially disadvantaged, and who are in need of medical and nursing care in the community, providing them with accommodation and round the clock nursing care.

To meet the greater needs of the aged in the community, demand for expansion of services require enhancing the capability and capacity in the area of manpower training development, human capital and increasing accommodation beds in the facility. These 2 initiatives are made possible with the support Lions Home receive from the Ministry of Health, Agency for Integrated Care and the Community Silver Trust Fund.

At the close of yet another year, Lions Home will continue to strive for best practice in a Person Centric environment in the years to come.

This is only achievable and sustainable with the continuing support of the public and corporate donors to help 'add life to years' for our residents in Lions Home.

PCC SG Chin
Chairman

Resident's Occupancy

Number of residents

Number of admissions

Numbers discharged

Number of deaths

Staff Headcount



Total staff

Care staff



Administrative staff

Support staff

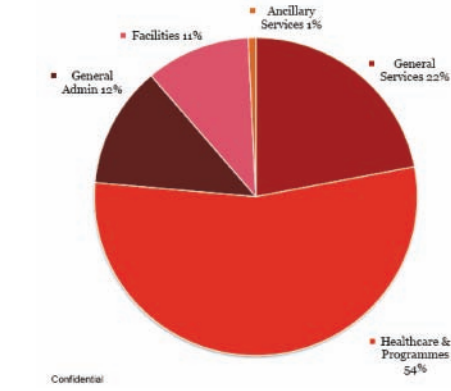


Maintenance

Donation and Fundraising

Function	Percentage
Healthcare & Programmes	54%
General Services	22%
Facilities	11%
General Admin	10%
Ancillary Services	1%

Confidential




Tay Eng Huat
Honorary Treasurer

Opinion In our opinion, the financial statements of the Society are properly drawn up in accordance with Singapore Financial Reporting Standards, the Charities Act and the Societies Act so as to give a true and fair view of the financial affairs of the Society as at 31 December 2011, and the income and expenditure, changes in funds and cash flows of the Society for the financial year ended on that date.



an independent member of
BAKER TILLY
INTERNATIONAL

Baker Tilly TFW LLP (Registration No. T10LL14895C) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A). It was converted from a firm, Baker Tilly TFW LLC (Registration No. T10LL14895C), on 1 September 2019.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
LIONS HOME FOR THE ELDERLY
(Registered in Singapore under the Societies Act)

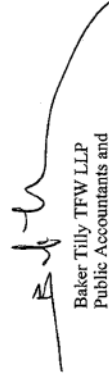
Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Society have been properly kept in accordance with those regulations; and
- (b) the fund-raising appeals held during financial year ended 31 December 2011 have been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals.

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

- (a) The use of the donation moneys was not in accordance with the objectives of the Society as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The Society has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.


Baker Tilly TFW LLP
Public Accountants and
Certified Public Accountants
Singapore

4 June 2012

LIONS HOME FOR THE ELDERLY
(Registered in Singapore under the Societies Act)

BALANCE SHEET
At 31 December 2011

	Note	2011 \$	2010 \$
Non-current asset			
Property, plant and equipment	10	14,389,331	15,189,326
Current assets			
Sundry receivables	11	770,430	487,059
Cash and cash equivalents	12	8,582,860	8,129,352
		9,353,290	8,616,411
Total assets		23,742,621	23,805,737
Current liabilities			
Sundry payables	13	613,272	596,319
Accrued operating expenses		311,546	300,866
		924,818	897,185
Net assets		22,817,803	22,908,552
General Funds (unrestricted)			
Accumulated Fund	14	—	—
Development Fund	15	8,003,911	7,182,881
LHE Toa Payoh Society Fund	16	8,095,849	8,549,381
LHE Bedok Society Fund	17	6,434,071	6,781,033
		22,533,831	22,513,295
Specific Fund (restricted)			
LHE Medifund	18	283,255	395,257
Agency for Integrated Care Fund	19	717	—
		283,972	395,257
		22,817,803	22,908,552

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

LIONS HOME FOR THE ELDERLY
(Registered in Singapore under the Societies Act)

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2011

	Note	2011 \$	2010 \$
Income			
Admission fees from residents		2,700	3,355
Ambulance reimbursement		22,604	24,932
Bank interest income		22,115	28,680
Diapers reimbursement		237,836	236,169
Escort service reimbursement		13,911	13,026
Fees received from residents		1,271,510	1,083,527
Gain on disposal of property, plant and equipment		—	32
Government operating grants		3,146,532	3,232,934
Grant income from Jobs Credit Scheme		—	29,050
Medical reimbursement - residents		206,384	201,801
Subsidy for integrated framework		92,671	110,344
Subsidy for land rental		452,738	339,207
Subsidy for replacement ratio		447,788	—
Subsidy - others		311	—
Sundry income		3,571	6,790
		5,920,671	5,309,847
Expenditure			
Administrative expenses	3	155,633	153,297
Establishment expenses	4	1,342,956	1,068,718
Residents' welfare	5	1,239,566	1,153,205
Staff costs	6	3,739,556	3,677,447
		6,477,711	6,052,667
		(557,040)	(742,820)
Other income			
Donations		1,326,578	907,833
Other appeal letters	7	38,045	81,423
Joint flag day	8	164,560	202,259
Street selling campaign	9	14,058	20,386
		1,543,241	1,211,901
Total surplus for the year	14	986,201	469,081
Net surplus/(deficit) from other funds:			
Net surplus from Development Fund	15	2,500	1,312
Net deficit from LHE Toa Payoh Society Fund	16	—	(1,312)
Net deficit from LHE Bedok Society Fund	17	(43,560)	—
Net deficit from LHE Medifund	18	(112,002)	(67,203)
Net surplus from Agency for Integrated Care Fund	19	717	—
		873,060	401,878

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

LIONS HOME FOR THE ELDERLY
(Registered in Singapore under the Societies Act)

STATEMENT OF CHANGES IN ACCUMULATED FUND AND OTHER FUNDS
For the financial year ended 31 December 2011

	Accumulated Fund	Development Fund	LHE Toa Payoh Society Fund	LHE Bedok Society Fund	LHE Medifund	AIC Fund	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1.1.2010	—	6,809,331	8,995,417	7,209,327	462,460	—	23,476,535
Net surplus/(deficit) for the year	469,081	1,312	(1,312)	—	(67,203)	—	401,878
Depreciation charge	—	—	(514,628)	(455,233)	—	—	(969,861)
Transfer (to)/from other funds	(469,081)	372,238	69,904	26,939	—	—	—
Balance at 31.12.2010	7,182,881	8,549,381	6,781,033	395,257	—	—	22,908,552
Net surplus/(deficit) for the year	986,201	2,500	—	(4,356)	(112,002)	717	873,060
Depreciation charge	—	—	(508,646)	(455,163)	—	—	(963,809)
Transfer (to)/from other funds	(986,201)	818,530	55,114	112,557	—	—	—
Balance at 31.12.2011	—	8,003,911	8,095,849	6,434,071	283,255	717	22,817,803

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

LIONS HOME FOR THE ELDERS
(Registered in Singapore under the Societies Act)
STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2011

	2011 \$	2010 \$
Cash flows from operating activities	986,201	469,081
Net surplus for the year		
Adjustments for:		
Gain on disposal of property, plant and equipment	–	(32)
Interest income	(22,115)	(28,680)
Operating cash flows before movements in working capital	964,086	440,369
Sundry receivables	(283,371)	79,074
Payables	27,633	204,973
Cash generated from operations	708,348	724,416
Development Fund	2,500	–
LHE Medifund	(112,002)	(67,203)
Agency for Integrated Care Fund	717	–
Net cash from operating activities	599,563	657,213
Cash flows from investing activities		
Interest received	22,115	28,680
Proceeds from disposal of property, plant and equipment	–	1,344
Purchases of property, plant and equipment	(108,170)	(96,843)
Net cash used in investing activities	(146,055)	(66,819)
Net increase in cash and cash equivalents	453,508	590,394
Cash and cash equivalents at beginning of financial year	8,129,352	7,538,958
Cash and cash equivalents at end of financial year (note 12)	8,582,860	8,129,352

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

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LIONS HOME FOR THE ELDERS
(Registered in Singapore under the Societies Act)
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Society's principal places of operations are at 487 Bedok South Avenue 2, Singapore and 41 Toa Payoh Rise, Singapore. The principal activities of the Society are to provide shelter and care to aged destitute and those in need of such care, ambulant, non-ambulant sick or otherwise, regardless of their race, sex or religion.

2. Significant accounting policies

(a) Basis of preparation

The financial statements, expressed in Singapore dollars which is the functional currency of the Society, have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). 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 FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management board's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future years.

There are no significant judgments made by the Society in application of FRS that have a significant effect on the financial statements and in arriving at estimates with a significant risk of material adjustment in the following year.

The carrying amounts of sundry receivables, cash and cash equivalents and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Society has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS has no material effect on the financial statements.

Lions Home For The Elders

2. Significant accounting policies (cont'd)
(a) Basis of preparation (cont'd)

At the date of the balance sheet, the following FRS and INT FRS were issued, revised or amended but not effective and which the Society has not early adopted:

FRS 19 FRS 27 FRS 28 FRS 110 FRS 111 FRS 112 FRS 113 Amendments to FRS 1 Amendments to FRS 12 Amendments to FRS 101 Amendments to FRS 107	Employee Benefits Separate Financial Statements Investments in Associates and Joint Ventures Consolidated Financial Statements Joint Arrangements Disclosure of Interests in Other Entities Fair Value Measurements Presentation of Items of Other Comprehensive Income Deferred Tax: Recovery of Underlying Assets Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters Disclosures - Transfers of Financial Assets
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The Society anticipates that the adoption of these FRS and INT FRS (where applicable) in future periods will have no material impact on the financial statements of the Society.

(b) Income recognition

Income from the various sources are recognised on the following basis:

Donations	-	on receipt basis
Admission fees, fees received from residents and from day rehabilitation and Society nursing	-	on accrual basis
Interest income	-	accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.
Subsidy income	-	on accrual basis when the receipts are certain.

(c) Income tax

The Society is a registered charity under the Charities Act and is exempt from income tax under the provision of the Income Tax Act.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised 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.

Property, plant and equipment are depreciated on a straight line basis to write off the cost of property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

	Years
Leasehold properties	30
Plant and equipment and motor vehicles	1 to 10

Lions Home For The Elders

2. Significant accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

Fully depreciated assets are retained in the financial statements until they are no longer in use.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to income or expenditure.

Depreciation of relevant property, plant and equipment that are funded in part by government capital grants are charged to the LHE Bedok Society Fund account and LHE Toa Payoh Society Fund account.

(e) Financial assets

Classification

The Society classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Society's only financial assets are loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "sundry receivables" and "cash and cash equivalents" on the balance sheet.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in income or expenditure.

Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Impairment

The Society assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognised an allowance for impairment when such evidence exists.

Loans and receivables

An allowance for impairment of loans and receivables, including sundry receivables, is recognised when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2. Significant accounting policies (cont'd)

(f) Impairment of non-financial assets

At each balance sheet date, the Society reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in income or expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(g) Financial liabilities

Financial liabilities include sundry payables and accrued operating expenses. Financial liabilities are recognised on the balance sheet when, and only when, the Society becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

A financial liability is derecognised when the obligation is extinguished.

(h) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants are given in the form of subvention, capital grants and Jobs Credit Scheme.

Subvention grants are recognised in income or expenditure on a systematic and rational basis over the periods necessary to match them with the related expenditure. Capital grants are capitalised in the balance sheet and allocated over useful life of the related depreciable assets.

When the grant relates to an expense item, it is recognised in income or expenditure over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

(i) Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to the present value where the effect is material.

2. Significant accounting policies (cont'd)

(j) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision 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.

Defined contribution plans

The Society contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. Contributions to CPF are charged to income or expenditure in the period in which the contributions relate.

(k) Operating leases

Leases where 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 (net of any incentives received from the lessor) are taken to income or expenditure on a straight-line basis over the period 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 period in which termination takes place.

3. Administrative expenses

	2011 \$	2010 \$
Advertisement	13,257	16,605
Auditor's remuneration	12,000	12,000
Bank charges	535	581
General expenses	2,514	3,746
Insurance	21,676	23,295
Kitchen expenses	2,161	1,409
Printing, postage and stationery	14,436	11,610
Professional fee	56,500	35,000
Transport	6,042	5,604
Upkeep of motor vehicle	20,578	18,617
Volunteer expenses	5,934	24,830
	155,633	153,297

4. Establishment expenses

	2011 \$	2010 \$
IT maintenance - hardware	20,217	23,630
IT maintenance - software	1,690	37,791
Land rental	417,890	331,548
Repairs and maintenance	460,673	235,185
Telephone	19,041	19,048
Utilities	411,124	401,516
Vaccine and infection control consumables	12,521	—
	1,342,956	1,068,718

5. Residents' welfare

	2011 \$	2010 \$
Bedding and clothing (net)	174	1,929
Cleaning and laundry	75,476	77,505
Dental/reflexology consumables	300	120
Medical expenses	465,299	476,551
Medical/professional services	238,120	245,828
Miscellaneous	5,375	7,713
Physiotherapy/occupant consumables	1,875	187
Residents' food and refreshment	305,755	183,366
Residents' transport	23,013	23,688
Residents' diapers	124,179	136,318
	1,239,566	1,153,205

6. Staff costs

	2011 \$	2010 \$
CPF	222,959	216,887
Medical expenses	21,976	13,244
Medical insurance	25,463	28,237
Recruitment expenses	24,432	23,168
Salaries and bonus	2,905,232	2,875,432
Staff food and refreshment	117,046	111,221
Staff training	19,210	15,355
Staff uniform	18,121	37,788
Staff welfare	9,265	10,311
Foreign worker levy	359,680	333,840
Staff accommodation	16,172	11,964
	3,739,556	3,677,447

The number of persons employed at the end of the financial year is 185 (2010: 183) of which 137 (2010: 138) persons are Nursing Care staff, and 48 (2010: 45) persons are Administrative and Maintenance staff. The remuneration of our Executives are:

\$125,000 to \$150,000 per annum	1 staff (2010: Nil)
\$100,000 to \$125,000 per annum	1 staff (2010: 2 staffs)
\$75,000 to \$100,000 per annum	Nil (2010: Nil)
\$50,000 to \$75,000 per annum	4 staffs (2010: 2 staffs)

Total remuneration paid to the Executives for the financial year amounted to \$484,542 (2010: \$346,780). The number of executives at the end of financial year ended is 6 (2010: 4).

The Management Board consists of Lion Members in good standing and are elected into the management position for a two-year term. Virtually every member spearheads a function and is not remunerated in any way.

7. Other appeal letters

	2011 \$	2010 \$
Donation (note 21)	56,133	89,135
Less: Expenses	(18,088)	(7,712)
	38,045	81,423

8. Flag day

	2011 \$	2010 \$
Donation (note 21)	173,213	215,688
Less: Expenses	(8,653)	(13,429)
	164,560	202,259

9. Street selling campaign

	2011 \$	2010 \$
Donation (note 21)	14,058	20,386

10. Property, plant and equipment

	Leasehold properties \$	Plant and equipment \$	Motor vehicles \$	Total \$
2011				
Cost				
Balance at 1.1.2011	23,041,018	3,675,687	242,089	26,958,794
Additions	—	168,170	—	168,170
Disposals	—	(17,616)	—	(17,616)
Balance at 31.12.2011	23,041,018	3,826,241	242,089	27,109,348
Accumulated depreciation				
Balance at 1.1.2011	8,437,337	3,176,435	155,696	11,769,468
Depreciation charge	795,871	152,083	15,855	963,809
Disposals	—	(13,260)	—	(13,260)
Balance at 31.12.2011	9,233,208	3,315,258	171,551	12,720,017
Carrying amount At 31.12.2011	13,807,810	510,983	70,538	14,389,331

10. Property, plant and equipment (cont'd)

2010	Leasehold properties	Plant and equipment	Motor vehicles	Total
Cost				
Balance at 1.1.2010	23,022,018	3,608,344	242,089	26,872,451
Additions	19,000	77,843	—	96,843
Disposals	—	(10,500)	—	(10,500)
Balance at 31.12.2010	23,041,018	3,675,687	242,089	26,958,794
Accumulated depreciation				
Balance at 1.1.2010	7,641,465	3,035,692	131,638	10,808,795
Depreciation charge	795,872	149,931	24,058	969,861
Disposals	—	(9,188)	—	(9,188)
Balance at 31.12.2010	8,437,337	3,176,435	155,696	11,769,468
Carrying amount				
At 31.12.2010	14,603,681	499,252	86,393	15,189,326

Details of the leasehold properties held by the Society are as follows:

Location	Usage	Tenure
Bedok Society 487 Bedok South Ave 2 Singapore 459316	Home for the Elders	30 years commencing from 4 December 1997
Toa Payoh Society 41 Toa Payoh Rise Singapore 298101	Home for the Elders	30 years commencing from 9 May 1985

Motor vehicles consist of ambulances and vans, specifically converted to convey patients to hospitals and homes.

The depreciation charge of \$508,646 (2010: \$514,628) and \$455,163 (2010: \$455,233) are shown under LHE Toa Payoh Society Fund (note 16) and LHE Bedok Society Fund (note 17) respectively.

11. Sundry receivables

	2011	2010
	\$	\$
Prepayments	107,848	26,027
Deposits	155,224	45,647
Sundry debtors	149,348	127,470
Amounts due from residents	358,010	287,915
	770,430	487,059

12. Cash and cash equivalents

	2011	2010
	\$	\$
Bank and cash balances	3,062,258	2,618,961
Fixed deposits	5,520,602	5,510,391
	8,582,860	8,129,352

The fixed deposits are placed with reputable financial institution on varying maturity and interest rate. The effective interest rate of these deposits ranges from 0.3% to 0.8% (2010: 0.3% to 1.1%) per annum at the balance sheet date.

13. Sundry payables

	2011	2010
	\$	\$
Cash held in custody:		
- residents	249,305	203,810
- staff	838	838
Deposits from residents	92,707	86,510
Sundry payables	233,922	269,520
Revenue received in advance	1,776	1,776
Medication deposit	34,724	33,865
	613,272	596,319

14. Accumulated Fund

	2011	2010
	\$	\$
Balance at beginning of year	—	—
Surplus for the year	986,201	469,081
Transfer to Development Fund (note 15)	(986,201)	(469,081)
Balance at end of year	—	—

15. Development Fund

	2011	2010
	\$	\$
Balance at beginning of year	7,182,881	6,809,331
Net surplus for the year	2,500	1,312
Transfer from Accumulated Fund (note 14)	986,201	469,081
Transfer to:		
- LHE Toa Payoh Society Fund (note 16)	(55,114)	(69,904)
- LHE Bedok Society Fund (note 17)	(112,557)	(26,939)
Balance at end of year	8,003,911	7,182,881

This represents a general fund for development projects to be undertaken by the Society. Funds are transferred from this account to specific fund accounts for specific development projects that are approved.

16. LHE Toa Payoh Society Fund

	2011	2010
	\$	\$
Capital grant		
Balance at beginning and end of year (A)	8,027,160	8,027,160
Building fund		
Balance at beginning of year	5,629,891	5,559,987
Transfer from Development Fund (note 15)	55,114	69,904
Balance at end of year (B)	5,685,005	5,629,891
Accumulated depreciation		
Balance at beginning of year	(5,107,670)	(4,591,730)
Depreciation (note 10)	(508,646)	(514,628)
Disposals	—	(1,312)
Balance at end of year (C)	(5,616,316)	(5,107,670)
Total (A + B + C)	8,095,849	8,549,381

17. LHE Bedok Society Fund

	2011	2010
	\$	\$
Capital grant		
Balance at beginning and end of year (A ¹)	8,345,811	8,345,811
Building fund		
Balance at beginning of year	5,141,132	5,114,193
Transfer from Development Fund (note 15)	112,557	26,939
Balance at end of year (B ¹)	5,253,689	5,141,132
Accumulated depreciation		
Balance at beginning of year	(6,705,910)	(6,250,677)
Depreciation (note 10)	(455,163)	(455,233)
Disposals	(4,356)	—
Balance at end of year (C ¹)	(7,165,429)	(6,705,910)
Total (A ¹ + B ¹ + C ¹)	6,434,071	6,781,033

18. LHE Medifund

	2011	2010
	\$	\$
Balance at beginning of year	395,257	462,460
Medical grant received during the year	514,326	550,433
Disbursement during the year	(626,328)	(617,636)
Deficit during the year	(112,002)	(67,203)
Balance at end of year	283,255	395,257

The deficit for the year includes interest income of \$139 (2010: \$201).

This fund is set up to finance the residents who are unable to pay the hospital charges, fees or other expenses incurred by them.

19. Agency for Integrated Care (AIC) Fund

	2011	2010
	\$	\$
Balance at beginning of year	—	—
Grant received during the year	49,750	—
Disbursement during the year	(49,033)	—
Surplus during the year	717	—
Balance at end of year	717	—

This fund is set up to finance the various projects administered by Integrated Care. An independent corporate entity under MOH Holdings to look into enhancement and integration of long term care sector.

20. Tax-deductible receipts

The tax-deductible receipts during the year totalled \$1,205,126 (2010: \$1,023,172).

21. Donations from public fund raising events

Donations from public raising events included in profit or loss:

	2011	2010
	\$	\$
Other appeal letters (note 7)	56,133	89,135
Flag day (note 8)	173,213	215,688
Street selling campaign (note 9)	14,058	20,386
	243,404	325,209

22. Financial instruments

a) Categories of financial instruments

Financial instruments as at balance sheet date are as follow:

	2011	2010
	\$	\$
<i>Financial assets</i>		
Loans and receivables (including cash and cash equivalents)	9,245,442	8,590,384
<i>Financial liabilities</i>		
At amortised cost	607,908	603,100

b) Financial risk management

The Society is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk. The Society is not exposed to foreign exchange risk as the Society transacts substantially in its functional currency. The policies for managing each of these risks are summarised below. The management board reviews and agrees policies and procedures for the management of these risks.

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures financial risk.

Interest rate risk

The Society's exposure to the risk of changes in interest rates arises mainly from the bank balances and fixed deposits (note 12) placed with financial institutions. For interest income from the fixed deposits, the Society managed the interest rate risks by placing fixed deposits with reputable financial institutions on varying maturities and interest rate terms. The sensitivity analysis for changes in interest rate is not disclosed as the effect on income or expenditure is not significant.

Credit risk

Credit risk or the risk of counterparties defaulting, is managed through monitoring procedures. The carrying amount of loans and receivables represent the Society's maximum exposure to credit risk. The Society has no significant concentration of credit risks.

Financial assets that are neither past due nor impaired

Bank balances and fixed deposits that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

The table below shows an analysis of amounts due from residents as disclosed in note 11.

	2011	2010
	\$	\$
Not past due and not impaired	60,764	47,881
Past due but not impaired	297,246	240,034
	358,010	287,915

22. Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

The age analysis of the amount that are past due but not impaired are as follows:

	2011	2010
	\$	\$
Past due < 1 months	121,747	112,671
Past due 1 to 3 months	64,698	45,096
Past due over 3 months	110,801	82,267
	297,246	240,034

Financial assets that are either past due or impaired

The Society does not have any financial assets that are past due and impaired at the balance sheet date.

Liquidity and cash flow risk

In the management of liquidity risk, the Society monitors and maintains a level of cash and cash equivalents deemed adequate by the Management Board to finance the Society's operations and mitigate the effects of fluctuation in cash flows.

The financial liabilities of the Society as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted payments.

c) Fair values

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Society approximate their fair values.

23. Fund management

The Society's objectives when managing its funds are to safeguard and to maintain adequate working capital to continue as going concern and to develop its principal activities over the longer term through the fees received from residents and significant support in various form of government funding and subsidy and donations.

24. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2011 were authorised for issue in accordance with a resolution of the Management Board meeting dated 28 May 2012.

Policy on Conflict of Interest and Declaration

1. The Policy on Conflict of Interest will be read by the Management Board Member upon election or appointment to the Board as an acknowledgement of having understood the policy and that he/she will fully disclose to the Board when a conflict of interest situation arises. Such conflict of interest shall include but not be limited to the following:

Conflict of Interest Situations
a) Contracts with vendors

Where Management Board members, staff or volunteers have personal interest in business transactions or contracts that the Lions Home for the Elders may enter into, they are required to make a declaration of such interest as soon as possible followed by abstention from discussion and decision-making on the matter (including voting on the transaction or contract). All discussions and evaluation by the Management Board or relevant approving authority in arriving at the final decision on the transaction/contract should be well documented.

b) Vested interest in other organisations that have dealings/ relationship with the VWO

Where the Management Board members, staff or volunteers have vested interests in other organisations that have dealings/ relationships with the Lions Home for the Elders, and when matters involving the interests of both the Lions Home for the Elders and other organisations are discussed, they have to make a declaration of such interest and if necessary, followed by abstention from discussions and decision-making on such matters.

c) Joint ventures

The Management Board's approval should be sought before the Lions Home for the Elders enters into any joint ventures with external parties. Where the Management Board members, staff or volunteers have interest in such ventures, they have to make a declaration of such interest and if necessary, followed by abstention from discussions and decision-making on such matters.

d) Recruitment of staff with close relationships

Recruitment of staff with close relationships (ie. those who are more than just mere acquaintances) with the current Management Board members, staff or volunteers has to go through the established human resource procedures for recruitment. The Management Board members, staff or volunteers should make a declaration of such relationships and should refrain from influencing decisions on the recruitment.

e) Remuneration

The Management Board members and volunteers should serve without remuneration for their voluntary services to the Lions Home for the Elders so as to maintain the integrity of serving for public trust and community good instead of personal gains. However, the Lions Home for the Elders may reimburse the Management Board members or volunteers for out- of-pocket expenses directly related to the services rendered.

f) Paid staff on Board

Paid staff, including the Executive Director and senior staff members employed by the Lions Home for the Elders, shall not serve as a member of the Board as it can pose issues of conflict of interest and role conflicts, and may raise doubts on the integrity of the Board's decisions. The Executive Director and senior staff can attend the Management Board meetings, ex-officio, to provide information and facilitate necessary discussions but should not take part in the decision-making of the Board.

g) Major donors/ representatives from major donor companies being on the Board

The Lions Home for the Elders shall not invite any major donors or representatives from major donor companies to be a Management Board member as potentially conflicting situations may arise, such as:

- Conflict of loyalty: The Management Board member may not have the overall best interests of the Lions Home for the Elders due to their vested interests/priorities. This may influence decisions relating to allocation of resources/ setting the organisation's directions. (There may be particular programme areas the Board member is vested in and is biased towards.)

- Use the information to influence donor's decisions: Information accessible to the Management Board members may be used to influence donors' decisions on allocations or the corporation they

represent. This may result in staff not highlighting certain issues for fear that the donations may be affected. Issues of transparency and disclosure can arise.

- Pressure to release information to donors: The Management Board members may expect additional information from staff on how donations were used and the details of users.
- Personal benefits/gains/recognition : The Management Board members may expect greater recognition for financial support given, than is usually done. Staff may feel beholden to this Board member in case the donor relationship is threatened.

h) Others

- A Management Board member's organisation receives grant funding from the organisation he/ she is serving.
- Prohibition on gifts, entertainment and other favours from any persons or entities which do or seek business with the organisation.

Disclosure Policy and Procedures

2. Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

- a) The conflicting interest is fully disclosed
- b) The person with the conflict of interest is excluded from the discussion and approval of such transaction;
- c) A competitive bid or a comparable valuation exists;
- d) The Management Board or its Sub-Committee has determined that the transaction is in the best interest of the organisation

3. Disclosure involving Board members shall be made to the Chairman of the Management Board (or if he/she is the one with the conflict, to the Management Board Vice Chairman) who shall bring these matters to the Management Board or its Sub-Committee.

4. The Management Board or its Sub-Committee shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorised as just, fair and reasonable to the Lions Home for the Elders. The decision of the Management Board or its Sub-Committee on these matters will rest in their sole discretion, and their concern must be the welfare of the Lions Home for the Elders and the advancement of its purpose.

5. All decisions made by the Management Board or its Sub-Committee on such matters shall be minuted and filed.

6. The policy document must be read and understood by all Management Board members upon the start of office.

7. Any disclosure of interests made by the Management Board members where they may be involved in potentially conflicting situation(s) must be recorded, filed and updated appropriately by all specified parties.