



**Lions Home
For The Elders**
狮子乐龄之家

Affiliated to National Council of Social Service

Taking Each Step Together

Annual Report
2014/15



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Management Board



Standing (L-R):

Lion Henry Kwek (Co-opted Director), Lion Andy Foo (Director), Lion Gareth Goh (Director, Chairman Fundraising Committee), Lion Shirley Lee (Director), PDG Henry Tan (Co-opted Director), Lion Nancy Lye (Director), Lion Albert Chew (Director, Chairman Contracts and Purchasing Committee), Lion Chua Ser Kiong (Director, Chairman Building and Maintenance Committee), Lion Lee Keng Hong (Director), Lion Peter Tan (Assistant Treasurer)

Seated (L-R):

PDG Isabel Cheong (Trustee), PDG Steven Seah (Co-opted Director), Lion Peter Anthony Lim (1st Vice Chairman), PCC Chin Siew Gim (Chairman), District Governor Leslie Yong, Lion Barry Wee (Honorary Treasurer), Lion Soh Wee Boon (Honorary Secretary)

Not in photo:

Lion Jerrick Tay (2nd Vice Chairman), Lion Andy Tan (Director), Lion Ho Sum Kwong (Director), Lion Dr. William Choo (Co-opted Director), Lion Jonathan Foo (Co-opted Director), Lion Dayanand Menon (Co-opted Director, Chairman Audit Committee)



Chairman's Report

I will be completing my 2 term (4 years) as Chairman of the Lions Home for the Elders in December 2014. My tenure as Chairman of the Home has been a rewarding and challenging experience for me. I have had a tremendous amount of support from my fellow Board members and the staff of Lions Home, for which I am grateful.

Financial Status

In addition to the Lions Home Statutory Financial Statement external audit, various stringent audits were conducted for grants received from the Ministry of Health and the Health Endowment Fund.

I am pleased to report that at the completion of the yearly audits, the Home's compliance to good governance and transparent accounting system are in good standing order. There is an increase in both the Home's Operating Expenses of 18 % from FY 2012 to FY 2013. Residents cost has increased by 31%, and Staff cost by 19%.

Funding

There has been an increase of 24% in various Grants from the Ministry of Health to provide for the incremental costs of both residents and staff.

Transitional Care Facility (TCF), a new service in Lions Home, extended to residents referred by hospitals for intensive rehabilitation and potential discharge to their own homes, is funded by the Ministry of Health.

Operation Expenses on Programmes and Services

Increasing demand for long-term residential care is on the rise. So is also the increase in number of residents seeking financial assistance for their accommodation and care in Lions Home. For this cohort of financially disadvantaged residents, the Home assists by applying to Medifund for partial financial assistance. A total amount of \$971,000 for year 2013 has been disbursed by Medifund to assist an average of 151 residents, which is about 50% of the total number of residents.

The Home is committed to exercise prudence in procuring items frequently used by residents and participates in bulk purchase under the SingHealth general procurement office. This has resulted in a 6.5% savings.

The matching dollar-for-dollar grant under the Community Silver Trust fund, has contributed to the Home's capability enhancement through embarking on more programmes for the residents, procuring more ergonomically designed equipments for the safety of both residents and care staff and increased productivity in the work flow.

Relocation of LHE Toa Payoh to Bishan

The construction of the purpose built 6th storey Lions Home in Bishan St. 13 is underway. The design and layout of the living areas will have a fair amount of natural light and ample recreational areas for residents' activities. Special attention in the design is dedicated to Dementia Management, Assisted Living Unit and Transitional Care facility. The new building will accommodate a Senior Care Centre, an expansion of our services, in line with the Ministry of Health's continuing plan for older adults to remain in the community.

When completed the home is expected to be a Model Nursing Home, as Ministry of Health would have it. The cost of the construction is borne by the Ministry of Health, including some basic furnishing and essential equipments. The time frame of the relocation is expected to be May 2015.

In conclusion, I would like to express my gratitude to all the Clinical, Administrative and Support staff, together with the Lion Clubs of Singapore for making Lions Home for the Elders a well established Institution to serve not only the needy older people, but also needy young adults. With your continued support and contribution, the Home will meet its objective to provide shelter and care to the needy, regardless of their race and religion.

PCC SG Chin
Chairman

Residents' Occupancy (as at end July 2014)



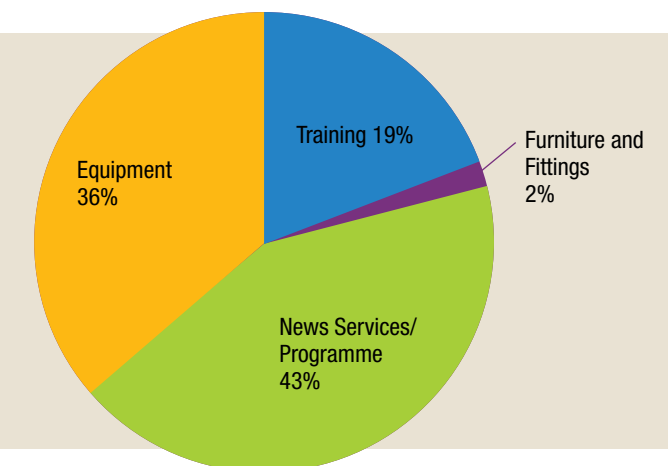
Number of residents	301
Number of admissions	56
Numbers discharged	35
Number of deaths	30

Staff Headcount (as at end March 2014)



Total staff	193
Care staff	135
Administrative staff	30
Support staff	28

Audited Expenditure using the Matching Dollar for Dollar Grant under the Community Silver Trust Fund for FY 2013 (April 2013-Mar 2014)



The Community Silver Trust Fund (CST), a matching dollar for dollar grant set up by the government in 2012, for donations given towards Lions Home for the Elders, has enabled the home to utilise the approved use of grant to enhance our services:

1. Care staff training, for Degree and Masters program
2. New services & programmes for residents
3. Purchase of ergonomically designed medical equipment



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

STATEMENT BY THE MANAGEMENT BOARD

On behalf of the Management Board, we, Chin Siew Gim and Barry Wee Yuh Terk, being the Chairman and Honorary Treasurer of Lions Home For The Elders respectively, do hereby state that in our opinion, the financial statements set out on pages 4 to 22 are drawn up in accordance with the Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society at 31 March 2014 and of the results, statement of changes in accumulated fund and other funds and cash flows for the financial year then ended on that date.


Chin Siew Gim
Chairman

21 July 2014


Barry Wee Yuh Terk
Honorary Treasurer



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

Report on the Financial Statements

We have audited the accompanying financial statements of Lions Home For The Elders (the "Society"), as set out on pages 4 to 22, which comprise the balance sheet as at 31 March 2014, and the statement of comprehensive income, statement of changes in accumulated fund and other funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Board Responsibility for the Financial Statements

Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Singapore Charities Act (the "Charities Act") and Singapore Financial Reporting Standards, and for such internal control as management board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Society are properly drawn up in accordance with the Societies Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 31 March 2014, and the income and expenditure, changes in funds and cash flows of the Society for the financial ended on that date.

Baker Tilly TFW LLP (Registration No. T00448802) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A).
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
LIONS HOME FOR THE ELDERS
(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 have been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act Cap. 311 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
Chartered Accountants
Singapore

21 July 2014

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

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2014

	1.4.2013 to 31.3.2014	1.1.2012 to 31.3.2013
	\$	\$
Income		
Admission fees from residents	32,207	2,300
Ambulance reimbursement	44,244	38,790
Bank interest income	289,900	68,487
Diapers reimbursement	11,544	337,179
Escort service reimbursement	2,194,984	13,814
Fees received from residents	4,199,540	2,199,044
Government operating grants	249,174	4,712,189
Medical reimbursement - residents	70,951	257,944
Milk, Ryles Tubes reimbursement	621,063	74,816
Subsidy for GST absorbed by government	158,625	298,134
Subsidy for integrated framework	69,989	117,051
Subsidy for interim subsidy top up	453,881	59,959
Subsidy for land rental	344,862	298
Subsidy for replacement ratio	205,510	596,020
Subsidy for TCF government subsidy top up	374	527,909
Subsidy - others	1,221	1,400
Sundry income	8,948,069	22,069
		60
		9,327,463
Expenditure		
Administrative expenses	217,915	241,728
Establishment expenses	1,222,653	1,552,406
Residents' welfare	2,348,770	2,239,352
Staff costs	5,272,009	5,545,633
	9,061,347	9,579,119
	(113,278)	(251,656)
Other income		
Donations	1,237,510	1,747,285
Other appeal letters	23,815	68,077
Joint flag day	314,494	178,385
Street selling campaign	3,318	11,139
Charity golf project	64,533	39,000
	1,643,670	2,043,886
Total surplus for the year	1,530,392	1,792,230
Net surplus/(deficit) from other funds:		
Net surplus from Development Fund	48,173	62,963
Net surplus from LHE Yon Poyoh Society Fund	20,866	-
Net deficit from LHE Bedok Society Fund	(4,280)	(30,332)
Net deficit from LHE Medfund	13,249	6,151
Net surplus from Agency for Integrated Care Fund	118,965	939,513
Net surplus from Community Silver Trust	1,727,365	2,770,525
Total comprehensive income for the year/period		

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)

STATEMENT OF CHANGES IN ACCUMULATED FUND AND OTHER FUNDS
For the financial year ended 31 March 2014

	Accumulated Fund \$	Development Fund \$	LHE Toa Payoh Society Fund \$	LHE Bedok Society Fund \$	LHE Medifund \$	AIC Fund \$	Community Silver Trust \$	Total \$
Balance at 1.1.2012	-	8,003,911	8,095,849	6,434,071	283,255	717	-	22,817,803
Net surplus/(deficit) for the period	1,792,230	-	62,963	-	(30,332)	6,151	939,513	2,770,525
Depreciation charge	-	-	(2,759,107)	(457,973)	-	-	-	(3,217,080)
Transfer (to)/from other funds	(1,792,230)	1,693,330	66,730	32,170	-	-	-	-
Balance at 31.3.2013	-	9,697,241	5,466,435	6,008,268	252,923	6,868	939,513	22,371,248
Net surplus/(deficit) for the year	1,530,392	-	48,173	20,866	(4,280)	13,249	118,965	1,727,365
Depreciation charge	-	-	(2,745,198)	(438,297)	-	-	-	(3,183,495)
Written off	-	-	-	(3,562)	-	-	-	(3,562)
Transfer (to)/from other funds	(1,530,392)	1,445,996	46,346	38,050	-	-	-	-
Balance at 31.3.2014	-	11,143,237	2,815,756	5,625,325	248,643	20,117	1,058,478	20,911,556

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)
BALANCE SHEET
At 31 March 2014

	Note	2014 \$	2013 \$
Non-current asset			
Property, plant and equipment	11	8,300,306	11,333,929
Current assets			
Sundry receivables	12	723,234	757,777
Cash and cash equivalents	13	12,757,370	11,234,552
		13,480,604	11,992,329
Total assets		21,780,910	23,326,258
Current liabilities			
Sundry payables	14	638,794	734,931
Accrued operating expenses		230,560	220,079
		869,354	955,010
Net assets		20,911,556	22,371,248
General Funds (unrestricted)			
Accumulated Fund	15	-	-
Development Fund	16	11,143,237	9,697,241
LHE Toa Payoh Society Fund	17	2,815,756	5,466,435
LHE Bedok Society Fund	18	5,625,325	6,008,268
		19,584,318	21,171,944
Specific Fund (restricted)			
LHE Medifund	19	248,643	252,923
Agency for Integrated Care Fund	20	20,117	6,868
Community Silver Trust	21	1,058,478	939,513
		1,327,238	1,199,304
		20,911,556	22,371,248

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)

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2014

	1.4.2013 to 31.3.2014 \$	1.1.2012 to 31.3.2013 \$
Cash flows from operating activities		
Net surplus for the period/year	1,530,392	1,792,230
Adjustments for:		
Interest income	(44,244)	(68,487)
Operating cash flows before movements in working capital	1,486,148	1,723,743
Sundry receivables	34,543	12,653
Payables	(85,656)	30,192
Cash generated from operations	1,435,035	1,766,588
LHE Medifund	(4,280)	(30,332)
Agency for Integrated Care Fund	13,249	6,151
Community Silver Trust	118,965	939,513
Net cash from operating activities	1,562,969	2,681,920
Cash flows from investing activities		
Interest received	44,244	68,487
Purchases of property, plant and equipment	(84,395)	(98,715)
Net cash used in investing activities	(40,151)	(30,228)
Net increase in cash and cash equivalents	1,522,818	2,651,692
Cash and cash equivalents at beginning of financial year/period	11,234,552	8,582,860
Cash and cash equivalents at end of Financial year/period (note 13)	12,757,370	11,234,552

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

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LIONS HOME FOR THE ELDERS
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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2014

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 the provisions of the Societies Act, Singapore Charities Act and 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.

The areas involving a higher degree of judgment in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in note 2(i) to the financial statements.

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.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year 31 March 2014 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society.

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Lions Home For The Elders							
<p>2. Significant accounting policies (cont'd)</p> <p>(b) Income recognition</p> <p>Income from the various sources are recognised on the following basis:</p> <ul style="list-style-type: none"> 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. <p>(c) Income tax</p> <p>The Society is a registered charity under the Charities Act and is exempt from income tax under the provision of the Income Tax Act.</p> <p>(d) Property, plant and equipment</p> <p>Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.</p> <p>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.</p> <p>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:</p> <table> <tr> <th></th><th>Years</th></tr> <tr> <td>Leasehold properties</td><td>remaining lease term</td></tr> <tr> <td>Plant and equipment and motor vehicles</td><td>1 to 10</td></tr> </table> <p>Fully depreciated assets are retained in the financial statements until they are no longer in use.</p> <p>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.</p> <p>Depreciation of relevant property, plant and equipment that are funded in part by government capital grants are charged to the LIFE Bedok Society Fund account and LHE Toa Payoh Society Fund account.</p> <p>(e) Financial assets</p> <p>Classification</p> <p>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.</p> <p>Loans and receivables</p> <p>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" (excluding prepayments) and "cash and cash equivalents" on the balance sheet.</p>		Years	Leasehold properties	remaining lease term	Plant and equipment and motor vehicles	1 to 10	<p>10</p>
	Years						
Leasehold properties	remaining lease term						
Plant and equipment and motor vehicles	1 to 10						
Lions Home For The Elders							
<p>2. Significant accounting policies (cont'd)</p> <p>(c) Financial assets</p> <p>Recognition and derecognition</p> <p>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.</p> <p>On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in income or expenditure.</p> <p>Initial measurement</p> <p>Loans and receivables are initially recognised at fair value plus transaction costs.</p> <p>Subsequent measurement</p> <p>Loans and receivables are carried at amortised cost using the effective interest method.</p> <p>Impairment</p> <p>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.</p> <p>Loans and receivables</p> <p>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.</p> <p>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.</p> <p>(f) Impairment of non-financial assets</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>10</p>						

Lions Home For The Elders	
2. Significant accounting policies (cont'd)	
(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 and capital grants.	
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.	
(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.	

Lions Home For The Elders	
2. Significant accounting policies (cont'd)	
1) Key sources of estimation uncertainty	
The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.	
Property, plant and equipment	
The Society reviews the useful lives and residual values of property, plant and equipment at each balance sheet date in accordance with the accounting policy in note 2(d). The estimation of the useful lives and residual amount involves assumptions concerning the future and estimations of the assets common life expectancies and expected level of usage. The net carrying amount of property, plant and equipment at 31 March 2014 and the annual depreciation charge for the financial year ended 31 March 2014 are disclosed in note 11 to the financial statements.	
Any changes in the expected useful lives of these assets would affect the net carrying amount of plant and equipment, and the depreciation charge for the financial period.	
3. Administrative expenses	
Advertisement	1.4.2013 to 1.1.2012 to
Auditor's remuneration	31.3.2014 31.3.2013
Bank charges	\$ \$
General expenses	26,249 13,815
Insurance	18,750 17,000
Kitchen expenses	2,038 2,315
Printing, postage and stationery	1,697 3,105
Professional fee	22,323 26,061
Transport	4,916 5,122
Upkeep of motor vehicle	14,233 18,457
Volunteer expenses	77,284 81,475
	6,392 7,505
	18,975 26,498
	25,058 40,375
	217,915 241,728
4. Establishment expenses	
IT maintenance - hardware	1.4.2013 to 1.1.2012 to
IT maintenance - software	31.3.2014 31.3.2013
Land rental	\$ \$
Repairs and maintenance	32,763 30,769
Telephone	15,863 26,120
Utilities	456,761 570,711
Vaccine and infection control consumables	284,434 349,217
	25,442 26,071
	401,413 546,313
	5,977 3,205
	1,222,653 1,552,406

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5. Residents' welfare

	1.4.2013 to 31.3.2014 \$	1.1.2012 to 31.3.2013 \$
Allowance for doubtful receivables (note 12)	89,679	156,978
Bedding and clothing (net)	2,890	10,422
Cleaning and laundry	88,347	92,210
Dental/reflexology consumables	—	250
GST absorbed by government	176,351	114,822
Medical expenses	650,672	701,921
Medical/professional services	481,847	535,463
Miscellaneous	7,479	8,918
Physiotherapy/occupant consumables	5,472	2,281
Residents' food and refreshment	241,138	374,813
Residents' transport	32,065	39,190
Residents' diapers	168,075	173,005
TCF expenses	404,755	29,079
	2,348,770	2,239,352

6. Staff costs

	1.4.2013 to 31.3.2014 \$	1.1.2012 to 31.3.2013 \$
CPF	272,161	310,390
Medical expenses	39,195	21,659
Medical insurance	35,540	40,230
Recruitment expenses	30,650	30,624
Salaries and bonus	3,836,361	4,254,126
Staff food and refreshment	106,616	128,516
Staff training	12,323	4,680
Staff uniform	26,385	14,903
Staff welfare	11,104	9,292
Foreign worker levy	586,432	590,581
Staff accommodation	315,242	140,832
	5,272,009	5,545,633

The number of persons employed at the end of the financial period is 193 (2013: 192) of which 148 (2013: 147) persons are Nursing Care staff, and 45 (2013: 45) persons are Administrative and Maintenance staff. The remuneration of our Executives are:

\$150,001 to \$175,000 per annum	1 staff (2013: 1 staff)
\$125,001 to \$150,000 per annum	1 staff (2013: 1 staff)
\$100,001 to \$125,000 per annum	Nil (2013: Nil)
\$75,001 to \$100,000 per annum	3 staffs (2013: 3 staffs)
\$50,000 to \$75,000 per annum	Nil (2013: 1 staff)

Total remuneration paid to the Executives for the financial period amounted to \$551,830 (2013: \$679,818). The number of executives at the end of financial period ended is 5 (2013: 6).

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.

11. Property, plant and equipment

	Leasehold properties \$	Plant and equipment \$	Motor vehicles \$	Total \$
2014				
Cost				
Balance at 1.4.2013	23,064,023	3,964,914	197,089	27,226,026
Additions	—	153,434	—	153,434
Write off	—	(5,700)	—	(3,700)
Balance at 31.3.2014	23,064,023	4,112,648	197,089	27,373,760
Accumulated depreciation				
Balance at 1.4.2013	12,252,177	3,497,337	142,583	15,892,097
Depreciation charge	3,018,969	148,494	16,032	3,183,495
Write off	—	(2,138)	—	(2,138)
Balance at 31.3.2014	15,271,146	3,643,693	158,615	19,073,454
Carrying amount At 31.3.2014	7,792,877	468,955	38,474	8,300,306

2013

Cost				
Balance at 1.1.2012	23,041,018	3,826,241	242,089	27,109,348
Additions	23,005	138,673	—	161,678
Write off	—	—	(45,000)	(45,000)
Balance at 31.3.2013	23,064,023	3,964,914	197,089	27,226,026
Accumulated depreciation				
Balance at 1.1.2012	9,233,208	3,315,258	171,551	12,720,017
Depreciation charge	3,018,969	182,079	16,032	3,217,080
Write off	—	—	(45,000)	(45,000)
Balance at 31.3.2013	12,252,177	3,497,337	142,583	15,892,097
Carrying amount At 31.3.2013	10,811,846	467,577	54,506	11,333,929

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

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

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

The depreciation charge of \$2,745,198 (2013: \$2,759,107) and \$438,297 (2013: \$457,973) are shown under LHE Toa Payoh Society Fund (note 17) and LHE Bedok Society Fund (note 18) respectively.

12. Sundry receivables

	2014 \$	2013 \$
Prepayments	38,662	27,142
Deposits	154,109	155,104
Sundry debtors	216,610	238,109
Amounts due from residents	436,727	494,400
	846,108	914,755
Allowance for doubtful debts - amounts due from residents	(122,874)	(156,978)
	723,234	757,777

The movements in allowance for doubtful receivables are as follows:

	2014 \$	2013 \$
At 1 April/1 January	156,978	—
Allowance made (note 5)	89,678	156,978
Allowance written-off	(123,782)	—
At 31 March	122,874	156,978

13. Cash and cash equivalents

	2014 \$	2013 \$
Bank and cash balances	6,533,703	5,055,867
Fixed deposits	6,223,667	6,178,685
	12,757,370	11,234,552

The fixed deposits are placed with reputable financial institution on varying maturity and interest rate. The effective interest rate of these deposits ranges from 0.25% to 1.20% (2013: 0.68% to 1.35%) per annum at the balance sheet date.

Lions Home For The Elders			
14. Sundry payables	2014	2013	
	\$	\$	
Cash held in custody:			
- residents	283,959	274,693	
- deposits from residents	103,598	113,651	
Sundry payables	211,176	225,134	
Revenue received in advance	-	80,170	
Medication deposit	40,061	41,283	
	<u>638,794</u>	<u>734,931</u>	
15. Accumulated Fund	1.4.2013 to 31.3.2014	1.1.2012 to 31.3.2013	
	\$	\$	
Balance at beginning of year/period	-	-	
Surplus for the year/period	1,530,392	1,792,230	
Transfer to Development Fund (note 16)	(1,530,392)	(1,792,230)	
Balance at end of year/period	<u>-</u>	<u>-</u>	
16. Development Fund	2014	2013	
	\$	\$	
Balance at beginning of year/period	9,697,241	8,003,911	
Transfer from Accumulated Fund (note 15)	1,530,392	1,792,230	
Transfer to:			
- LHE Toa Payoh Society Fund (note 17)	(46,346)	(66,730)	
- LHE Bedok Society Fund (note 18)	(38,050)	(32,170)	
Balance at end of year/period	<u>11,143,237</u>	<u>9,697,241</u>	
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.			

Lions Home For The Elders			
17. LHE Toa Payoh Society Fund	2014	2013	
	\$	\$	
<i>Capital grant</i>			
Balance at beginning of year/period	8,090,123	8,027,160	
Grant received from MOH	48,173	62,963	
Balance at end of year/period (A)	<u>8,138,296</u>	<u>8,090,123</u>	
<i>Building fund</i>			
Balance at beginning of year/period	5,751,735	5,685,005	
Transfer from Development Fund (note 16)	46,346	66,730	
Balance at end of year/period (B)	<u>5,798,081</u>	<u>5,751,735</u>	
<i>Accumulated depreciation</i>			
Balance at beginning of year/period	(8,375,423)	(5,616,316)	
Depreciation (note 11)	(2,745,198)	(2,759,107)	
Balance at end of year/period (C)	<u>(11,120,621)</u>	<u>(8,375,423)</u>	
Total (A + B + C)	<u>2,815,756</u>	<u>5,466,435</u>	
18. LHE Bedok Society Fund	2014	2013	
	\$	\$	
<i>Capital grant</i>			
Balance at beginning and end of year/period (A ¹)	8,345,811	8,345,811	
Grant received from MOH	20,866	-	
Balance at end of year/period (A)	<u>8,366,677</u>	<u>8,345,811</u>	
<i>Building fund</i>			
Balance at beginning of year/period	5,285,859	5,253,689	
Transfer from Development Fund (note 16)	38,050	32,170	
Balance at end of year/period (B ¹)	<u>5,323,909</u>	<u>5,285,859</u>	
<i>Accumulated depreciation</i>			
Balance at beginning of year/period	(7,623,402)	(7,165,429)	
Depreciation (note 11)	(438,297)	(457,973)	
Written off	(3,562)	-	
Balance at end of year/period (C ¹)	<u>(8,065,261)</u>	<u>(7,623,402)</u>	
Total (A ¹ + B ¹ + C ¹)	<u>5,625,325</u>	<u>6,008,268</u>	

Lions Home For The Elders			
17. LHE Toa Payoh Society Fund	2014	2013	
	\$	\$	
<i>Capital grant</i>			
Balance at beginning of year/period	8,090,123	8,027,160	
Grant received from MOH	48,173	62,963	
Balance at end of year/period (A)	<u>8,138,296</u>	<u>8,090,123</u>	
<i>Building fund</i>			
Balance at beginning of year/period	5,751,735	5,685,005	
Transfer from Development Fund (note 16)	46,346	66,730	
Balance at end of year/period (B)	<u>5,798,081</u>	<u>5,751,735</u>	
<i>Accumulated depreciation</i>			
Balance at beginning of year/period	(8,375,423)	(5,616,316)	
Depreciation (note 11)	(2,745,198)	(2,759,107)	
Balance at end of year/period (C)	<u>(11,120,621)</u>	<u>(8,375,423)</u>	
Total (A + B + C)	<u>2,815,756</u>	<u>5,466,435</u>	
18. LHE Bedok Society Fund	2014	2013	
	\$	\$	
<i>Capital grant</i>			
Balance at beginning and end of year/period (A ¹)	8,345,811	8,345,811	
Grant received from MOH	20,866	-	
Balance at end of year/period (A)	<u>8,366,677</u>	<u>8,345,811</u>	
<i>Building fund</i>			
Balance at beginning of year/period	5,285,859	5,253,689	
Transfer from Development Fund (note 16)	38,050	32,170	
Balance at end of year/period (B ¹)	<u>5,323,909</u>	<u>5,285,859</u>	
<i>Accumulated depreciation</i>			
Balance at beginning of year/period	(7,623,402)	(7,165,429)	
Depreciation (note 11)	(438,297)	(457,973)	
Written off	(3,562)	-	
Balance at end of year/period (C ¹)	<u>(8,065,261)</u>	<u>(7,623,402)</u>	
Total (A ¹ + B ¹ + C ¹)	<u>5,625,325</u>	<u>6,008,268</u>	

Lions Home For The Elders			
19. LHE Medifund	2014	2013	
	\$	\$	
Balance at beginning of year/period	252,923	283,255	
Medical grant received during the year/period	967,180	1,044,554	
Disbursement during the year/period	(971,460)	(1,074,886)	
Deficit during the year/period	<u>(4,280)</u>	<u>(30,332)</u>	
Balance at end of year/period	<u>248,643</u>	<u>252,923</u>	
The deficit for the year includes interest income of \$108 (2013: \$94).			
This fund is set up and funded by Ministry of Health to finance the residents who are unable to pay the hospital charges, fees or other expenses incurred by them.			
20. Agency for Integrated Care (AIC) Fund	2014	2013	
	\$	\$	
Balance at beginning of year/period	6,868	717	
Grant received during the year/period	50,378	63,136	
Disbursement during the year/period	(37,129)	(56,985)	
Surplus during the year/period	<u>13,249</u>	<u>6,151</u>	
Balance at end of year/period	<u>20,117</u>	<u>6,868</u>	
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.			
21. Community Silver Trust	2014	2013	
	\$	\$	
Balance at beginning of year/period	939,513	-	
Grant received during the year/period	312,812	1,073,067	
Disbursement during the year/period	(193,847)	(133,554)	
Surplus during the year/period	<u>118,965</u>	<u>939,513</u>	
Balance at end of year/period	<u>1,058,478</u>	<u>939,513</u>	
Community Silver Trust ("CST") is a Trust managed by MOH. The objective of CST is to encourage donations and provide additional resources for the services providers in the intermediate and long term care sector to enhance capabilities and provide value-added services to achieve higher quality care and affordable step down care.			

Lions Home For The Elders		Lions Home For The Elders	
22. Tax-deductible receipts		The tax-deductible receipts during the year totalled \$1,302,547 (2013: \$1,667,380).	
23. Donations from public fund raising events		Donations from public raising events included in profit or loss:	
		1.1.2012 to 31.3.2014	1.1.2012 to 31.3.2013
		\$	\$
Other appeal letters (note 7)		48,351	102,947
Flag day (note 8)		323,417	192,595
Street selling campaign (note 9)		3,318	11,139
Charity golf project (note 10)		181,200	39,000
		556,286	345,681
24. Financial instruments			
a) Categories of financial instruments		2014	2013
Financial instruments as at balance sheet date are as follow:		\$	\$
Financial assets		13,441,942	11,939,748
Loans and receivables (including cash and cash equivalents)			
Financial liabilities		524,309	499,019
At amortised cost			
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 13) 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.			

Lions Home For The Elders		Lions Home For The Elders	
24. Financial instruments (cont'd)		21	
b) Financial risk management (cont'd)			
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 12.			
		2014	2013
		\$	\$
Not past due and not impaired		69,169	82,876
Past due but not impaired		244,684	254,546
Past due and impaired		122,874	156,978
		436,727	494,400
Less: Allowance for doubtful receivables		(122,874)	(156,978)
		313,853	337,422
The age analysis of the amount that are past due but not impaired are as follows:		\$	\$
Past due < 1 months		168,970	82,876
Past due 1 to 3 months		61,321	151,820
Past due over 3 months		14,393	19,850
		244,684	254,546
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.			
Fair values			
The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Society approximate their fair values.			

Lions Home For The Elders		Lions Home For The Elders	
25. Fund management		22	
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.			
26. Authorisation of financial statements			
The financial statements for the financial year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Management Board meeting dated 21 July 2014.			

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	
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.	

OPERATING CENTRES

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HEF Reference No: HEF/003/G

IPC Reference No: F/3677-C

ROS Reference: S237/79 WEL

Date of registration with the Registry of Society: 16 May 1980