



# *Moving Forward With A Smile*

ANNUAL REPORT 2015/16



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## *Management Board*



**Standing (L-R):**

Lion Eugene Tan (Director), Lion Dr. William Choo (Director, Chairman Medical Committee & Fundraising Committee), Lion Albert Chew (Director, Chairman Contracts & Purchasing Committee), Lion Jeffery Yang (Co-opted Director), Lion Victor Lee (Director, Chairman Constitution & By Laws Committee), Lion Ho Sum Kwong (Director), Lion Shirley Lee (Director), Lion Nancy Lye (Director), Lion Chua Ser Kiong (Director, Chairman Building & Maintenance Committee), Lion Dr. Chey Chor Khoo (Co-opted Director, Chairman Publication Committee)



**Seated (L-R):**

PDG Steven Seah (Trustee), PCC Lim Hon Chee (Trustee), 2nd VDG Jerrick Tay (2nd Vice Chairman), District Governor Nancy Lim, PCC Chin Siew Gim (Immediate Past Chairman), PDG Isabel Cheong (Chairman), PDG Bobby Eng (1st Vice Chairman), 1st VDG Gilbert Tan (1st Vice District Governor), Lion Angeline Woo (Honorary Secretary), Lion Henry Kwek (Co-opted Director, Chairman Bishan Project)

**Not in photo:**

PDG Eric Ng (Trustee), Lion Peter Tan Peng Khoon (Assistant Treasurer), Lion Andy Tan W.T. (Director), Lion Peter Anthony Lim (Co-opted Director, Chairman Corporate Communications Committee), Lion Dayanand Menon (Co-opted Director, Chairman Audit Committee)





## Chairman's Report

My tenure as elected Chairman of Lions Home for the term, 2015 -2016 promises to be an exciting and challenging one. Yet I am prepared to take this challenge in my stride, as I am confident of the support of my fellow Board of Directors and Executive Staff of Lions Home.

The year 2015 is a significant one, as it marks the relocation of the Lions Home Toa Payoh to Bishan, come October. This site in Toa Payoh Rise holds special memories for Lions clubs members, as it was where the first Lions nursing home was started by the Lions Clubs of Singapore 30 years ago.

Nevertheless with the passing of time, it is time to move on, and we look forward to the new Home in Bishan, with its well designed age-friendly, and eco green environment.

The location of the Lions Home in Bishan will bring our services closer to the Community, enabling us to foster volunteerism and partnership with the surrounding Community.

Besides the built in environment, the Home in Bishan will be fully equipped with high technology equipment, like electrical operated beds, biodegradable sanitary equipment and remote control ceiling hoists for patient transfer.

Digital communication using the latest in IT technology will enhance effective connectivity both externally and internally.

### Financial Status

The Lions Home audited Financial Statement for FY 201 recorded an increase in the Home's Operating expenses of 4% from 2013. By the same token, the grant from Ministry of Health increased by 4%. There was also a 5% increase in residents and staff cost.

The accumulated reserves the Home has, will go towards acquiring more equipment for both the new Home in Bishan, upgrading of equipment in the Bedok Home, initiating new programmes and enhancing current programmes for our beneficiaries.

### Programmes and Services Expenditure

96% of our residents in Lions Home, beneficiaries of our programmes and services, are heavily subsidised, both by the Ministry of Health and by the Lions Home. Their subsidies range from 10 % to 75 %.

The implementation of the Mandatory Enhanced Nursing Home Standards within this year will incur additional expenses on the Home's operation. Currently, more than 90% of our Residents on incontinence management programme incur an annual

cost of incontinence products of \$ 155,000.

Nutritional expenditure on Residents requiring special milk feeds, cost \$ 180,000 per year.

Funds from the Community Silver Trust are being utilised for extended programmes such as Residents' outings and Residents' activities.

### Ministry of Health Corporate Governance Audit

In March 2015, the Ministry of Health commissioned auditors to perform a Corporate Governance review and internal audit on Lions Home, to assess its internal control mechanisms, and performance in the implementation of Charities Act Regulation.

The final report stated there were no instances of non-compliance to the requirements set out in the regulations.

Some gaps were identified in the internal control processes, with the management taking immediate action to rectify and strengthen the processes. The Lions Home Board Internal Audit Committee, reviewed the report, and was satisfied with the remedial action taken by management staff

### Challenges

Recruitment of Care Staff:

The demand for care staff is on the rise, as more Hospitals, Nursing homes and Community care centres are being built to meet the needs of the aging population.

In response to this challenge, the Home plans to review and look into the redesigning of jobs of care staff, and implement flexi working hours for local staff, in order to attract and retain them.

In conclusion, I am grateful to all Lions Clubs of Singapore, the generous members of the public, and Corporate Companies for their unwavering support in enabling Lions Home to make a difference to the lives of the needy in our Community.

I must also applaud the staff of the Lions Home for the Elders, for their dedication and commitment in making Lions Home an establishment well recognised for its high standards in Aged Care.

**PDG Isabel Cheong**  
Chairman

## Residents' Occupancy

(as at end of July 2015)

Total number of residents: 286  
 Number of new admissions: 42  
 Numbers of discharged: 17  
 Number of deaths: 29



## Staff Headcount

(as at end of July 2015)

Total staff: 197  
 Care staff: 136  
 Administrative staff: 30  
 Support staff: 28



## Community Silver Trust

To enhance the standard and quality of care and management of our residents in Lions Home, fund from the Community Silver Trust (a matching dollar for dollar grant from the government) is utilised to acquire technology to equip the new Bishan Home such as:

### Macerator

An advanced system technology, used for the disposal of biodegradable bedpans & urinals in a quick, efficient and hygienic way.

### Benefits

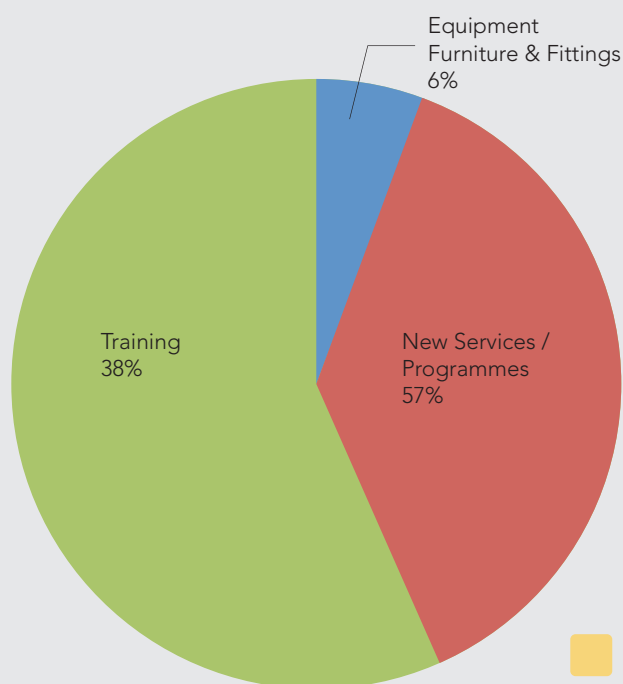
i) Hygienic, ii) Improve infection control by breaking the infection cycle, iii) significant environmental and cost benefit.

### Ceiling Mounted Hoist

Ceiling Track system hoist, used for i) transfer of residents, ii) assist in rehabilitation for residents requiring standing, and walking practice.

### Benefits

Safe and effective patient handling tasks, for both staff and residents.



Audited Expenditure of the Community Silver Trust Fund  
 (Matching Dollar to Dollar) for FY 2014 (April 2014-March 2015)



LIONS HOME FOR THE ELDER  
(Registered in Singapore under the Societies Act)  
STATEMENT BY THE MANAGEMENT BOARD

On behalf of the Management Board, we, Isabel Cheong and Peter Tan Peng Khoon, being the Chairman and Assistant Treasurer of Lions Home For The Elders respectively, do hereby state that in our opinion, the financial statements set out on pages 4 to 21 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 financial position of the Society at 31 March 2015 and of the financial performance, statement of changes in accumulated fund and other funds and cash flows for the financial year then ended on that date.

Isabel Cheong  
Chairman

27 Jul 2015

Peter Tan Peng Khoon  
Assistant Treasurer



BAKER TILLY

TFW

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
LIONS HOME FOR THE ELDER  
(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 21, which comprise the balance sheet as at 31 March 2015, 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 financial position of the Society as at 31 March 2015, and the financial performance, changes in funds and cash flows of the Society for the financial ended on that date.



**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 the financial year ended 31 March 2015 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

27 July 2015

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**LIONS HOME FOR THE ELDERLY**  
(Registered in Singapore under the Societies Act)  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the financial year ended 31 March 2015

	Note	2015 \$	2014 \$
<b>Income</b>			
Ambulance reimbursement		29,014	32,207
Bank interest income		62,303	44,244
Diapers reimbursement		273,250	289,900
Escort service reimbursement		12,716	11,544
Fees received from residents		2,269,153	2,194,984
Government operating grants		4,312,181	4,199,540
Medical reimbursement - residents		228,453	249,174
Milk, Ryles Tubes reimbursement		69,703	70,951
Subsidy for enhance special employment		767,357	621,063
Subsidy for GST absorbed by government		186,625	158,625
Subsidy for interim subsidy top up		43,074	69,989
Subsidy for land rental		453,881	453,881
Subsidy for replacement ratio		346,205	344,862
Subsidy for TCF government subsidy top up		201,338	205,510
Subsidy - others		1,500	374
Sundry income		3,690	1,221
		<b>9,260,443</b>	<b>8,948,069</b>
<b>Expenditure</b>			
Administrative expenses	3	219,882	217,915
Establishment expenses	4	1,323,376	1,222,653
Residents' welfare	5	2,577,860	2,348,770
Staff costs	6	5,527,705	5,272,009
		<b>9,448,823</b>	<b>9,061,347</b>
		<b>(188,380)</b>	<b>(113,278)</b>
<b>Other income</b>			
Donations	7	1,594,514	1,237,510
Other appeal letters	8	41,963	23,815
Flag day	9	247,829	314,494
Street selling campaign	10	—	3,318
Charity golf project		—	64,533
		<b>1,884,306</b>	<b>1,643,670</b>
<b>Total surplus for the year</b>	15	<b>1,695,926</b>	<b>1,530,392</b>
<b>Net surplus/(deficit) from other funds:</b>			
Net surplus from LHE Toa Payoh Society Fund	17	64,382	48,173
Net surplus from LHE Bedok Society Fund	18	13,530	20,866
Net deficit from LHE Medifund	19	(201,616)	(4,280)
Net surplus from Agency for Integrated Care Fund	20	—	13,249
Net surplus from Community Silver Trust	21	2,730,143	118,965
<b>Total comprehensive income for the year</b>		<b>4,302,365</b>	<b>1,727,365</b>

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 2015

	Accumulated Fund \$	Development Fund \$	LHE Toa Payoh Society Fund \$	LHE Bedok Society Fund \$	LHE Medifund \$	AIC Fund \$	Community Silver Trust \$	Total \$
Balance at 1.4.2013	–	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
Net surplus/(deficit) for the year	1,695,926	–	64,382	13,530	(201,616)	–	2,730,143	4,302,365
Depreciation charge	–	–	(2,774,035)	(443,164)	–	–	–	(3,217,199)
Written off	–	–	–	(1,200)	–	–	–	(1,200)
Adjustment of prior year profit due to GST not claimable	–	(461,191)	–	–	–	–	–	(461,191)
Transfer (to)/from other funds	(1,695,926)	1,566,996	86,272	42,658	–	–	–	–
<b>Balance at 31.3.2015</b>	<b>–</b>	<b>12,249,042</b>	<b>192,375</b>	<b>5,237,149</b>	<b>47,027</b>	<b>20,117</b>	<b>3,788,621</b>	<b>21,534,331</b>

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 2015

	Note	2015 \$	2014 \$
<b>Non-current asset</b>			
Property, plant and equipment	11	5,288,749	8,300,306
<b>Current assets</b>			
Sundry receivables	12	686,040	723,234
Cash and cash equivalents	13	16,663,376	12,757,370
		17,349,416	13,480,604
<b>Total assets</b>		<b>22,638,165</b>	<b>21,780,910</b>
<b>Current liabilities</b>			
Sundry payables	14	648,895	638,794
Accrued operating expenses		454,939	230,560
		1,103,834	869,354
<b>Net assets</b>		<b>21,534,331</b>	<b>20,911,556</b>
<b>General Funds (unrestricted)</b>			
Accumulated Fund	15	–	–
Development Fund	16	12,249,042	11,143,237
LHE Toa Payoh Society Fund	17	192,375	2,815,756
LHE Bedok Society Fund	18	5,237,149	5,625,325
		17,678,566	19,584,318
<b>Specific Fund (restricted)</b>			
LHE Medifund	19	47,027	248,643
Agency for Integrated Care Fund	20	20,117	20,117
Community Silver Trust	21	3,788,621	1,058,478
		3,855,765	1,327,238
		<b>21,534,331</b>	<b>20,911,556</b>

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

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

**STATEMENT OF CASH FLOWS**  
For the financial year ended 31 March 2015

	2015 \$	2014 \$
<b>Cash flows from operating activities</b>		
Net surplus for the year	1,695,926	1,530,392
Adjustments for:		
Interest income	(62,303)	(44,244)
Operating cash flows before movements in working capital	1,633,623	1,486,148
Sundry receivables	37,194	34,543
Payables	(226,711)	(85,656)
Cash generated from operations	1,444,106	1,435,035
LHE Medifund	(201,616)	(4,280)
Agency for Integrated Care Fund	—	13,249
Community Silver Trust	2,730,143	118,965
<b>Net cash from operating activities</b>	<b>3,972,633</b>	<b>1,562,969</b>
<b>Cash flows from investing activities</b>		
Interest received	62,303	44,244
Purchases of property, plant and equipment	(128,930)	(84,395)
<b>Net cash used in investing activities</b>	<b>(66,627)</b>	<b>(40,151)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,906,006</b>	<b>1,522,818</b>
Cash and cash equivalents at beginning of financial year	12,757,370	11,234,552
<b>Cash and cash equivalents at end of financial year (note 13)</b>	<b>16,663,376</b>	<b>12,757,370</b>

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
For the financial year ended 31 March 2015

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. Summary of 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(f) 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 2015 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.



Lions Home For The Elders		Lions Home For The Elders
2. Summary of significant accounting policies (cont'd)	2. Summary of significant accounting policies (cont'd)	2. Summary of significant accounting policies (cont'd)
(b) Income recognition	(e) Financial assets	(c) Financial assets
Income from the various sources are recognised on the following basis:	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.	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.
Donations	On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in income or expenditure.	On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in income or expenditure.
Admission fees, fees received from residents and from day rehabilitation and Society nursing and reimbursement income	Initial measurement	Initial measurement
- on receipt basis	Loans and receivables are initially recognised at fair value plus transaction costs.	Loans and receivables are initially recognised at fair value plus transaction costs.
- on accrual basis	Subsequent measurement	Subsequent measurement
- accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.	Loans and receivables are carried at amortised cost using the effective interest method.	Loans and receivables are carried at amortised cost using the effective interest method.
- on accrual basis when the receipts are certain.	Impairment	Impairment
(c) Income tax	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.	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.
The Society is a registered charity under the Charities Act and is exempt from income tax under the provisions of the Income Tax Act.	Loans and receivables	Loans and receivables
(d) Property, plant and equipment	An allowance for impairment of loans and 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.	An allowance for impairment of loans and 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.
Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.	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.	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.
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.	(f) Impairment of non-financial assets	(f) Impairment of non-financial assets
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:	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.	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.
Leasehold properties	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.	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.
Plant and equipment and motor vehicles	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.	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.
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" (excluding prepayments) and "cash and cash equivalents" on the balance sheet.		

## 2. Summary of 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. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants are given in the form of subvention and capital grants.

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 incidental to 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 lease term.

When an operating lease is terminated before the lease period expires, 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.

## 2. Summary of significant accounting policies (cont'd)

### l) 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(c). 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 2015 and the annual depreciation charge for the financial year ended 31 March 2015 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 year.

### 3. Administrative expenses

	2015 \$	2014 \$
Advertisement	18,626	26,249
Auditor's remuneration	18,000	18,750
Bank charges	2,335	2,038
General expenses	11,685	1,697
Insurance	19,576	22,323
Kitchen expenses	4,013	4,916
Printing, postage and stationery	16,253	14,233
Professional fee	59,842	77,284
Transport	4,636	6,392
Upkeep of motor vehicle	33,823	18,975
Volunteer expenses	31,093	25,058
	<b>219,882</b>	<b>217,915</b>

### 4. Establishment expenses

	2015 \$	2014 \$
IT maintenance - hardware	26,076	32,763
IT maintenance - software	22,145	15,863
Land rental	462,478	456,761
Repairs and maintenance	281,697	284,434
Telephone	23,259	25,442
Utilities	360,332	401,413
Vaccine and infection control consumables	12,343	5,977
GST not claimable	135,046	—
	<b>1,323,376</b>	<b>1,222,653</b>



Lions Home For The Elders

**5. Residents' welfare**

	2015 \$	2014 \$
Allowance for doubtful receivables (note 12)	69,975	89,679
Bad debt written off	12,849	—
Bedding and clothing (net)	4,087	2,890
Cleaning and laundry	102,744	88,347
Dental/reflexology consumables	213	—
GST absorbed by government	176,146	176,351
Medical expenses	595,698	650,672
Medical/professional services	613,539	481,847
Miscellaneous	3,005	7,479
Physiotherapy/occupant consumables	11,875	5,472
Residents' food and refreshment	246,200	241,138
Residents' transport	28,787	32,065
Residents' diapers	154,472	168,075
TCF expenses	358,270	404,755
	<b>2,377,860</b>	<b>2,348,770</b>

**6. Staff costs**

	2015 \$	2014 \$
CPF	283,731	272,161
Medical expenses	32,164	39,195
Medical insurance	35,977	35,540
Recruitment expenses	32,295	30,650
Salaries and bonus	3,999,807	3,836,361
Staff food and refreshment	117,146	106,616
Staff training	13,220	12,323
Staff uniform	8,278	26,385
Staff welfare	21,448	11,104
Foreign worker levy	606,199	586,432
Staff accommodation	377,440	315,242
	<b>5,527,705</b>	<b>5,272,009</b>

The number of persons employed at the end of the financial year is 197 (2014: 193) of which 150 (2014: 148) persons are Nursing Care staff, and 47 (2014: 45) persons are Administrative and Maintenance staff. The remuneration of our Executives are:

\$150,001 to \$175,000 per annum	2 staff (2014: 1 staff)
\$125,001 to \$150,000 per annum	Nil (2014: 1 staff)
\$100,001 to \$125,000 per annum	Nil (2014: Nil)
\$75,001 to \$100,000 per annum	3 staffs (2014: 3 staffs)
\$50,000 to \$75,000 per annum	Nil (2014: Nil)

Total remuneration paid to the Executives for the financial year amounted to \$584,619 (2014: \$551,830). The number of executives at the end of financial year ended is 5 (2014: 5).

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.

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**7. Other appeal letters**

	2015 \$	2014 \$
Donation (note 23)	68,333	48,351
Less: Expenses	(26,370)	(24,536)
	<b>41,963</b>	<b>23,815</b>

**8. Flag day**

	2015 \$	2014 \$
Donation (note 23)	255,645	323,417
Less: Expenses	(7,816)	(8,923)
	<b>247,829</b>	<b>314,494</b>

**9. Street selling campaign**

	2015 \$	2014 \$
Donation (note 23)	—	3,318

**10. Charity golf project**

	2015 \$	2014 \$
Donation (note 23)	—	181,200
Less: Expenses	—	(116,667)
	<b>—</b>	<b>64,533</b>

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**11. Property, plant and equipment**

	Leasehold properties \$	Plant and equipment \$	Motor vehicles \$	Total \$
<b>2015</b>				
<b>Cost</b>				
Balance at 1.4.2014	23,064,023	4,112,648	197,089	27,373,760
Additions	—	156,969	49,873	206,842
Write off	—	(42,750)	—	(42,750)
Balance at 31.3.2015	<b>23,064,023</b>	<b>4,226,867</b>	<b>246,962</b>	<b>27,537,852</b>
<b>Accumulated depreciation</b>				
Balance at 1.4.2014	15,271,146	3,643,693	158,615	19,073,454
Depreciation charge	3,018,969	183,967	14,263	3,217,199
Write off	—	(41,550)	—	(41,550)
Balance at 31.3.2015	<b>18,290,115</b>	<b>3,786,110</b>	<b>172,878</b>	<b>22,249,103</b>
<b>Carrying amount</b>				
At 31.3.2015	<b>4,773,908</b>	<b>440,757</b>	<b>74,084</b>	<b>5,288,749</b>
<b>2014</b>				
<b>Cost</b>				
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)	—	(5,700)
Balance at 31.3.2014	<b>23,064,023</b>	<b>4,112,648</b>	<b>197,089</b>	<b>27,373,760</b>
<b>Accumulated depreciation</b>				
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	<b>15,271,146</b>	<b>3,643,693</b>	<b>158,615</b>	<b>19,073,454</b>
<b>Carrying amount</b>				
At 31.3.2014	<b>7,792,877</b>	<b>468,955</b>	<b>38,474</b>	<b>8,300,306</b>

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-year lease expired on 8 May 2015. Lease was extended to 31 Dec 2015
Motor vehicles consist of ambulances and vans specifically converted to convey patients to hospitals and homes.		

Additions for the year of property, plant and equipment financed by capital grants received amounted to \$77,912 (2014: \$69,039). Cash paid for remaining additions for the year totalled \$128,930 (2014: \$84,395).

The depreciation charge of \$2,774,035 (2014: \$2,745,198) and \$443,164 (2014: \$438,297) are shown under LHE Toa Payoh Society Fund (note 17) and LHE Bedok Society Fund (note 18) respectively. The carrying amount of leasehold properties \$4,773,908 (2014: \$5,171,982) is solely for the Bedok Home.

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**12. Sundry receivables**

	2015 \$	2014 \$
Prepayments	92,940	38,662
Deposits	180,535	154,109
Sundry debtors	132,242	216,610
Amounts due from residents	<b>416,614</b>	<b>436,727</b>
Allowance for doubtful debts - amounts due from residents	<b>822,331</b>	<b>846,108</b>
	<b>(136,291)</b>	<b>(122,874)</b>
	<b>686,040</b>	<b>723,234</b>

The movements in allowance for doubtful receivables are as follows:

	2015 \$	2014 \$
At 1 April	122,874	156,978
Allowance made (note 5)	69,975	89,678
Allowance written-off	<b>(56,558)</b>	<b>(123,782)</b>
At 31 March	<b>136,291</b>	<b>122,874</b>

**13. Cash and cash equivalents**

	2015 \$	2014 \$
Bank and cash balances	8,393,312	6,533,703
Fixed deposits	<b>8,270,064</b>	<b>6,223,667</b>
	<b>16,663,376</b>	<b>12,757,370</b>

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 1.24% (2014: 0.25% to 1.20%) per annum at the balance sheet date.

**14. Sundry payables**

	2015 \$	2014 \$
Cash held in custody:		
- residents	322,170	283,959
Deposits from residents	102,443	103,598
Sundry payables	184,692	211,176
Medication deposit	<b>39,590</b>	<b>40,061</b>
	<b>648,895</b>	<b>638,794</b>

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Lions Home For The Elders

**15. Accumulated Fund**

	2015 \$	2014 \$
Balance at beginning of year	–	–
Surplus for the year	1,695,926	1,530,392
Transfer to Development Fund (note 16)	(1,695,926)	(1,530,392)
Balance at end of year	–	–

**16. Development Fund**

	2015 \$	2014 \$
Balance at beginning of year	11,143,237	9,697,241
Transfer from Accumulated Fund (note 15)	1,695,926	1,530,392
Transfer to:		
- LHE Toa Payoh Society Fund (note 17)	(86,272)	(46,346)
- LHE Bedok Society Fund (note 18)	(42,658)	(38,050)
- Adjustment for prior years' non-claimable GST	(461,191)	–
Balance at end of year	12,249,042	11,143,237

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. Non-claimable GST for the period 2008-2013 was refunded to the local tax authority.

**17. LHE Toa Payoh Society Fund**

	2015 \$	2014 \$
<i>Capital grant</i>		
Balance at 1 April	8,138,296	8,090,123
Grant received from MOH	64,382	48,173
Balance at end of year 31 March (A)	8,202,678	8,138,296
<i>Building fund</i>		
Balance at 1 April	5,798,081	5,751,735
Transfer from Development Fund (note 16)	86,272	46,346
Balance at 31 March (B)	5,884,353	5,798,081
<i>Accumulated depreciation</i>		
Balance at 1 April	(11,120,621)	(8,375,423)
Depreciation (note 11)	(2,774,035)	(2,745,198)
Balance at 31 March (C)	(13,894,656)	(11,120,621)
Total (A + B + C)	192,375	2,815,756

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Lions Home For The Elders

**18. LHE Bedok Society Fund**

	2015 \$	2014 \$
<i>Capital grant</i>		
Balance at 1 April	8,366,677	8,345,811
Grant received from MOH	13,530	20,866
Balance at 31 March (A <sup>1</sup> )	8,380,207	8,366,677
<i>Building fund</i>		
Balance at 1 April	5,323,909	5,285,859
Transfer from Development Fund (note 16)	42,658	38,050
Balance at end of year 31 March (B <sup>1</sup> )	5,366,567	5,323,909
<i>Accumulated depreciation</i>		
Balance at 1 April	(8,065,261)	(7,623,402)
Depreciation (note 11)	(443,164)	(438,297)
Written off	(1,200)	(3,562)
Balance at end of year 31 March (C <sup>1</sup> )	(8,509,625)	(8,065,261)
Total 31 March (A <sup>1</sup> + B <sup>1</sup> + C <sup>1</sup> )	5,237,149	5,625,325

**19. LHE Medifund**

	2015 \$	2014 \$
Balance at 1 April	248,643	252,923
Medical grant received during the year	819,662	967,180
Disbursement during the year	(1,021,278)	(971,460)
Deficit during the year	(201,616)	(4,280)
Balance at 31 March	47,027	248,643

The deficit for the year includes interest income of \$117 (2014: \$108).

This fund is set up and funded by Ministry of Health to finance the residents who are unable to pay the monthly fees and other medical related charges.

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**20. Agency for Integrated Care (AIC) Fund**

	2015 \$	2014 \$
Balance at 1 April	20,117	6,868
Grant received during the year	12,086	50,378
Disbursement during the year	(12,086)	(37,129)
Surplus during the year	–	13,249
Balance at 31 March	20,117	20,117

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

**21. Community Silver Trust**

	2015 \$	2014 \$
Balance at 1 April	1,058,478	939,513
Grant received during the year	3,204,133	312,812
Disbursement during the year	(473,990)	(193,847)
Surplus during the year	2,730,143	118,965
Balance at 31 March	3,788,621	1,058,478

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. The fund is to be utilised between 3-5 years period and unutilised amount by end of specified period is to be refunded to MOH. As at 31 March 2015, all the unutilised amount is not expired.

**22. Tax-deductible receipts**

The tax-deductible receipts during the year totalled \$1,273,782 (2014: \$1,302,547).

**23. Donations from public fund raising events**

Donations from public raising events included in profit or loss:

	2015 \$	2014 \$
Other appeal letters (note 7)	68,333	48,351
Flag day (note 8)	255,045	323,417
Street selling campaign (note 9)	–	3,318
Charity golf project (note 10)	–	181,200
	323,978	556,286

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**24. Financial instruments****a) Categories of financial instruments**

Financial instruments as at balance sheet date are as follow:

	2015 \$	2014 \$
<i>Financial assets</i>		
Loans and receivables (including cash and cash equivalents)	17,256,476	13,441,942
<i>Financial liabilities</i>		
At amortised cost	714,845	524,309

**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.

**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.

	2015 \$	2014 \$
Not past due and not impaired	–	69,169
Past due but not impaired	219,141	244,684
Past due and impaired	197,476	122,874
	416,617	436,727
Less: Allowance for doubtful receivables	(156,291)	(122,874)
	280,326	313,853

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Lions Home For The Elders

**24. 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:

	2015 \$	2014 \$
Past due < 1 months	33,707	168,970
Past due 1 to 3 months	155,879	61,321
Past due over 3 months	29,555	14,393
	<b>219,141</b>	<b>244,684</b>

The carrying amount of amounts due from residents individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	2015 \$	2014 \$
Gross amount	197,476	122,874
Less allowance for doubtful debts	(136,291)	(122,874)
	<b>61,185</b>	<b>–</b>

Amounts from residents that are individually determined to be impaired at the balance sheet date relate to residents that are in significant financial difficulties or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

***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.

**25. Fund management**

The Society's objectives when managing its funds are to safeguard and 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 subsidies and donations.

**26. Authorisation of financial statements**

The financial statements for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Management Board meeting dated 27 July 2015.

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**RESERVE POLICY**

Lions Home For The Elders has a reserve police to ensure proper management of its resources in order to sustain a working capital for on going programmes and services for our beneficiaries.

The policy of cash reserves ratio to operating expenditure is 3 years of Lions Home For The Elders annual operating expenses.

Such reserves shall be invested in a risk free investment, principle guaranteed.

**POLICY ON AVOIDANCE OF POTENTIAL CONFLICT OF INTEREST**

The Lions Home For The Elders, including all its Directors and staff, shall avoid any conflict between their own respective personal, professional or business interests and the interests of the Lions Home For The Elders, in any and all actions taken by them on behalf of the Lions Home For The Elders in their respective capacities in the nursing home.

Under any circumstance, in the event that any Director or

staff shall have any direct or indirect interest in, or relationship with, any individual or organisation which offers to enter into any transaction with the Lions Home For The Elders, including but not limited to the following areas:

- any sale, purchase, lease or rental of any product or other asset, with any vendor.
- any vested interest in other organisations that have dealings or relationship with the Lions Home For The Elders.
- any joint ventures between the Lions Home For The Elders and external parties.
- recruitment of staff with close relationship (i.e. Those who are more than acquaintances) with the current Board or Committee members or staff.
- the award of any contract or subcontract.

Such person shall give notice of such interest or relationship and shall thereafter refrain from discussing or voting on the particular transaction in which he/she has an interest, or otherwise attempting to exert any influence on the Lions Home For The Elders to affect a decision to participate or not participate in such transaction.



#### **OPERATING CENTRES**

41 Toa Payoh Rise, Singapore 298101  
Tel: 6252 9900 Fax: 6353 5725

Effective 19 October 2015, 9 Bishan Street, Singapore 579804  
Tel: 6252 9900 Fax: 6353 5725

487 Bedok South Avenue 2, Singapore 469316  
Tel: 6244 0667 Fax: 6244 1682

Website: [www.lionshome.org.sg](http://www.lionshome.org.sg)  
Email: [lhe.pr@lionshome.org.sg](mailto:lhe.pr@lionshome.org.sg)  
Admissions: [pubaf@lionshome.org.sg](mailto:pubaf@lionshome.org.sg)

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Company UEN: S80SS0029B  
IPC Registration No.: HEF0003/G  
ROS Registration No.: ROS 237/79WEL  
Charity Registration No.: 0146  
Date of Registration with the Registry of Societies: 16 May 1980