

OUR COMMITMENT TO COMMUNITY

ANNUAL REPORT

2015 / 2016



CONTENTS

Our Vision

- To provide quality care to the elderly in Singapore based on fairness, effectiveness, efficiency, responsiveness and integration.

Our Mission

- To promote residents' dignity and choice.
- To enable residents to enjoy maximum independence possible.
- To develop, maintain and evaluate our systems and structures for continued improvement of our services.

Our Goals

- To provide love and care to all residents.
- To provide rehabilitation to residents aimed at maximising functional and cognitive abilities and to facilitate their return to the community and loved ones, whenever possible.
- To continually improve our standards and quality of care and services through research, training and education.

04 Chairman's Report

05 Board of Directors

06 Organisation Structure

07 Key Highlights

- *Corporate Governance Workshop*
14 March 2016
- *Strategic Thinking and Planning Course*
25 June 2016

08 Corporate Governance, Loan Policy, Personal Data Protection Policy, Conflict of Interest Policy and Reserve Policy

09 Residential Care and Staff Headcount

10 Operating Expenses and Source of Funds

10 Financial Statements



CHAIRMAN'S REPORT

The relocation of the Lions Home in Toa Payoh to Bishan in October 2015, was an opportunity for us to gain a position as a reputable Aged Care Service Provider for the larger Bishan community. This strategic location amongst the Bishan housing blocks, schools, churches, Bishan Community Centre, and the Bishan Home for the medically challenged residents, paves the way for the Home to forge a strategic partnership with these establishments.

The Lions Home in Bishan has, in providing day care services and programmes for clients and residential and long term care for the aged sick, made a positive impact in this community.

The Lions Home in Bedok South, well established in the community in the eastern part of Singapore since 1997, still maintains its quality of services and programmes to cater to the demands for nursing home care from residents living in the vicinity.

The rapidly changing landscape in Aged Care providing both social and health care services, and the mandatory enhancement in the standards of care in nursing home facilities, has propelled Lions Home to take an innovative approach to improve and enhance its overall operation and systems, so as to stay relevant in this sector.

Board Governance

I am grateful to the Board of Directors for their commitment and single mindedness in steering the Home's direction towards achieving and ensuring transparency in all aspects of governance. It is timely that in having attended two workshops on "Understanding the Role of Corporate Governance" and "Strategic Thinking and Planning", the Board acted to review its Board and Organisation Structure, Policies and defined more clearly the role of each Committee.

Financial Status

I am happy to report the sound status of Lions Home financial internal control, having passed through a stringent audit.

The Financial Statement for FY 2015 showed an increase of 11.4% in our Operating Expenses and an increase of 21% in Operating Income, compared to FY 2014.

Higher rental costs for the Lions Home in Toa Payoh and the subsequent relocation to Lions Home in Bishan contributed to the increase in our operating expenses.

The increase in our operating income came from various grants received from the Ministry of Health, including reimbursements for rental and relocation costs.

Net donations saw an increase of 12% for FY 2015, mainly from the Lions Clubs fund raising efforts and their donations to the new facilities in the Lions Home Bishan.



Programmes & Services Expenses

96% of our residents' fees and medications are subsidised by the Ministry of Health. However, the Lions Home has had to meet the shortfall from financially disadvantaged residents who are unable to meet the shortfall in their fees despite the government subsidy they receive.

Challenges

All interim and long-term care facilities including the Lions Home face the perennial challenge of securing healthcare staff in Singapore.

Nonetheless, in the face of competition for healthcare staff, we at Lions Home continue to operate within our limited resources, striving to enhance productivity and efficiency through upgrading the training skills of healthcare staff. In our effort to retain our healthcare staff, we have embarked on career development opportunities, revision of competitive remuneration adjustments, all with the support of the Ministry of Health.

In compliance with Ministry of Health staffing ratio, and competition from other Aged Care facilities for healthcare staff, achieving 100% occupancy in our 384-bed Home is a challenge which will require much more creative ways to attract healthcare staff to work in the Lions Home as the preferred choice in this industry.

In conclusion, I am grateful to all our valuable stake holders, Lions Clubs of Singapore, our partners in the business corporations, private donors, members of the public and the various constituencies in the community for their unstinting support and generosity, and the time, effort and resources they have put into raising funds for the Lions Home. Their contributions have made possible a more purposeful and meaningful life for our residents in the Home that many regard as their own.

I would like to recognise and pay tribute to all staff of the Lions Home for their loyalty and dedication, whose individual talents, knowledge and skills have collectively created a dynamic workforce that has made the Lions Home an establishment held in high regard in the Aged Care industry.

A handwritten signature in blue ink, which appears to read 'Isabel Cheong'.

PDG Isabel Cheong
Chairman

BOARD OF DIRECTORS

Effective 2016



Seated (Left to Right)

Lion Chua Soo Chiew (Treasurer)
 Lion Angeline Woo Rong Zheng (Secretary)
 2nd VDG Jeffrey Yang (2nd Vice Chairman)
 PDG Bobby Eng (1st Vice Chairman)
 PDG Isabel Cheong (Chairman)
 DG Gilbert Tan (District Governor)
 PCC Chin Siew Gim (Immediate Past Chairman)
 PCC Lim Hon Chee (Trustee)

Standing (Left to Right)

Lion Goh Boo Han (Assistant Treasurer)
 Lion Francis Woo (Director)
 Lion Shirley Lee (Director)
 Lion Eric Koh (Director)
 Lion Albert Chew (Director)
 Lion Richard Khoo (Director)
 Lion Victor Lee (Director)
 Lion Peter Anthony Lim (Co-opted Director)

Not in Photo

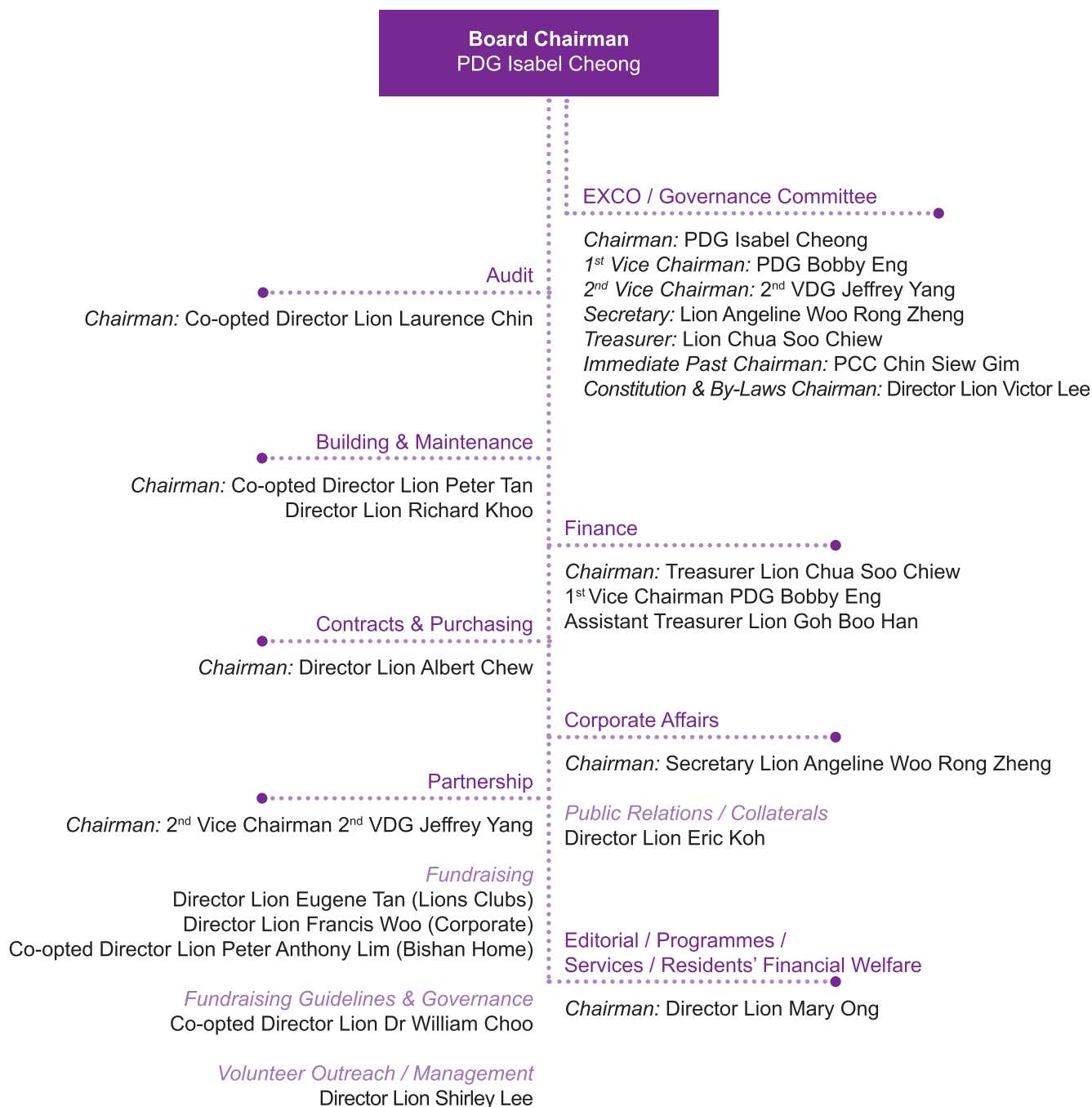
1st VDG Jerrick Tay (1st Vice District Governor)
 PDG Eric Ng (Trustee)
 Lion Eugene Tan (Director)
 Lion Mary Ong (Director)
 Lion Dr William Choo (Co-opted Director)
 Lion Laurence Chin (Co-opted Director)
 Lion Peter Tan (Co-opted Director)

The Management Board of the Lions Home comprises of only Lions members serving on a voluntary basis, and receiving no remuneration nor benefits. Board meetings are held five times a year, excluding the Annual General Meeting, with members having to submit Self-Assessment Declaration Forms annually.

The Board is made up of Committees, each with different and specific functions and responsibilities, and chaired by Directors. Meetings are held regularly, and include meetings by the Finance and Audit Committees to review and approve audited financial statements, and prepare the Annual Budget.

The Human Resource Committee meets twice yearly and deliberate on personnel matters and remuneration. The Fundraising Committee meets eight to ten times a year for the Flag Day event and also volunteers on Recognition Night.

2015–2016 MANAGEMENT BOARD STRUCTURE



The revamping of the Board Structure now includes the EXCO / Governance Committee under the Executive Committee which helps to define the role of each Committee as “Mission” focus & “Operation” focus. This will direct the Board Members to plan strategically

for the Organisation and have members on board with diverse professional expertise that will contribute to the long term development of the Lions Home for the Elders (LHE).

Key Highlights



Management Board Members attended the workshop “Understanding the Regulations & Code of Governance for Charities & IPCs” at the Social Service Institute on 14 March 2016



Management Board Members attended the “Strategic Thinking & Planning Course” which was held at Holiday Inn Singapore, Orchard City Centre on 25 June 2016



CORPORATE GOVERNANCE & POLICIES

Corporate Governance

Roles of EXCO / Governance Committee

The role of the EXCO / Governance Committee of the Lions Home for the Elders (LHE) is to advise the Management Board on matters relating to the Board's governance, structure and processes, effectiveness of the Board and its members so as to ensure that the Board fulfils its legal, ethical and functional roles and responsibilities.

Chair: Chairman of Lions Home Management Board

Committee: Members of Lions Home Executive Committee

Assisted and Supported by: Chief Executive Officer

Responsibilities

- To ensure that Board policies and procedures are in place, periodically reviewed, and recommend changes as required.
- To assist the Board in periodically updating and reviewing its primary areas of focus based on the strategic plan, the annual board assessment, and an annual review of a plan for board development in line with the organisation's mission, goals, objectives programmes and services.
- To ensure LHE complies with Corporate Governance Policies and Guidelines.
- To ensure that the Board, its committees and members comply with guidelines as set out in the LHE Board of Directors Handbook.
- To manage the process for succession of Board Members and Chief Executive Officer.

Board Nomination and Election

- Process and Procedures for nomination, election and appointments to the Board shall be in compliance with LHE Constitution and By-Laws, and other legal requirements.
- Nomination and Election of Lions members with the skills / expertise are encouraged to serve on the Board.

Frequency of Meetings

Monthly Meeting

Loan Policy

Lions Home for the Elders has a Loan Policy that it will not grant any loans or make any donations to staff or external parties at all times.

Personal Data Protection Policy

Lions Home for the Elders has a Personal Data Protection Policy which provides information on how we collect, use data and to whom we may disclose.

For enquiry on your personal data protection, please contact:

Ms Doreen Lye, Chief Executive Officer of Lions Home

Email: doreen.lye@lionshome.org.sg

Policy of 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.

Reserve Policy

Lions Home for the Elders has a Reserve Policy to ensure proper management of its resources in order to sustain a working capital for ongoing programmes and services for our beneficiaries.

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

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

RESIDENTIAL CARE & STAFF HEADCOUNT ⁹

Residential Care

(as at end March 2016)

Bedok Home – 154 Beds,
Total Number of Occupancy: 121

Bishan Home – 230 Beds,
Total Number of Occupancy: 160

Total number of residents who have benefitted from Lions Home assistance through Medifund for the period **April 2015 to March 2016: 177 Residents**

Bishan Home – 104
Bedok Home – 73

Total number of residents who have received help through Lions Home subsidy for the period **April 2015 to March 2016: 106 Residents**

Bishan Home – 56
Bedok Home – 50

Transitional Convalescent Facility (TCF)

Total number of residents who have benefitted from Lions Home assistance through Medifund for the period **April 2015 to March 2016: 11 Cases**

Staff Headcount

(as at end March 2016)



▲ Bedok Home Administrative, Clinical, Kitchen & Maintenance Departments

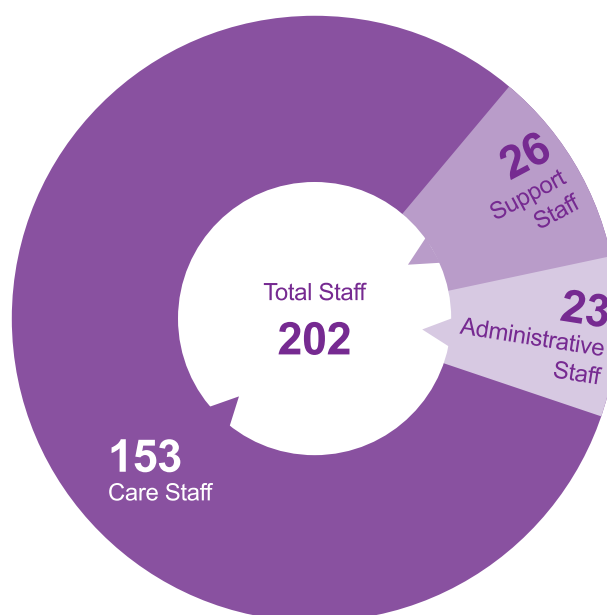


▲ Bishan Home Administrative, Kitchen & Maintenance Departments



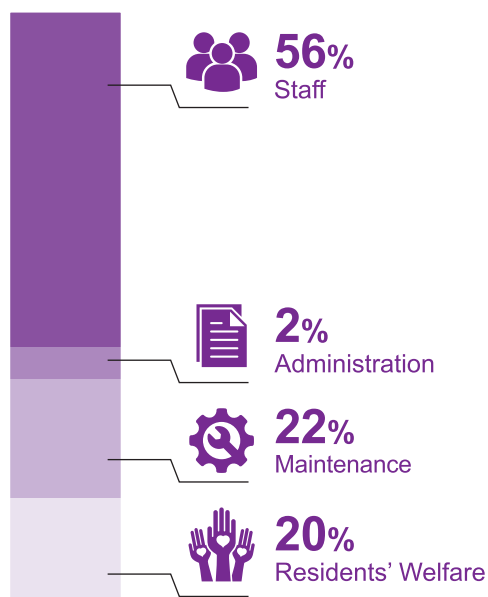
▲ Bishan Home Clinical Department

All staff are appraised annually through the open performance appraisal.

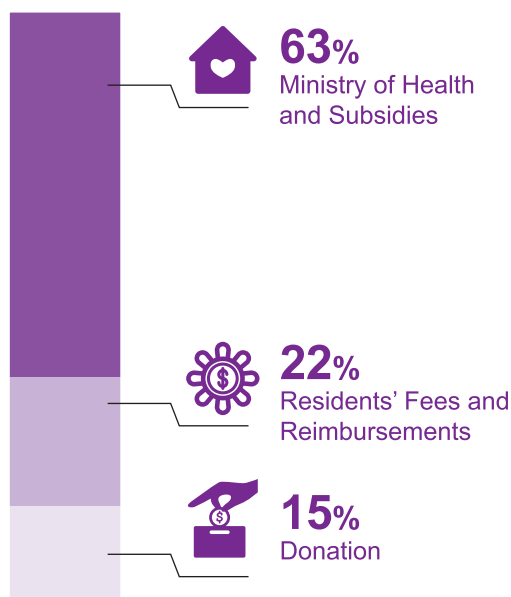


10 OPERATING EXPENSES & SOURCE OF FUNDS

Operating Expenses
(as at end March 2016)



Source of Funds
(as at end March 2016)



FINANCIAL STATEMENTS

STATEMENT BY THE MANAGEMENT BOARD

On behalf of the Management Board, we, Isabel Cheong and Chua Soo Chiew, 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 12 to 22 are drawn up in accordance with the Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the financial position of the Society at

31 March 2016 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

Chua Soo Chiew
Honorary Treasurer

25 July 2016

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LIONS HOME FOR THE ELDERLY**
(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 12 to 22, which comprise the balance sheet as at 31 March 2016, 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 the 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 present fairly, in all material respects, the financial position of the Society as at 31 March 2016, and the financial performance, changes in funds and cash flows of the Society for the financial year ended on that date.

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 2016 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 11 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

25 July 2016

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2016

	Note	2016 \$	2015 \$
Income			
Ambulance reimbursement		30,947	29,014
Bank interest income		83,717	62,303
Diapers reimbursement		272,800	273,250
Escort service reimbursement		10,050	12,716
Fees received from residents		2,419,899	2,269,153
Government operating grants		4,855,298	4,312,181
Medical reimbursement - residents		148,724	228,453
Milk, Ryles Tubes reimbursement		80,972	69,703
Subsidy for enhance special employment		1,383,958	767,357
Subsidy for GST absorbed by government		167,719	186,625
Subsidy for interim subsidy top up		—	43,074
Subsidy for land rental		1,252,080	453,881
Subsidy for replacement ratio		362,452	346,205
Subsidy for TCF government subsidy top up		198,668	201,338
Subsidy - others		—	1,500
Sundry income		10,496	3,690
		11,277,780	9,260,443
Expenditure			
Administrative expenses	4	230,776	219,882
Establishment expenses	5	2,451,460	1,323,376
Residents' welfare	6	2,264,376	2,377,860
Staff costs	7	5,580,073	5,527,705
		10,526,685	9,448,823
		751,095	(188,380)
Other income			
Donations		1,864,687	1,594,514
Other appeal letters	8	62,762	41,963
Flag day	9	121,673	247,829
Lions Charity Show	10	57,515	—
		2,106,637	1,884,306
Total surplus for the year		2,857,732	1,695,926
Net surplus/(deficit) from other funds:			
Net surplus from LHE Bishan Society Fund	17	1,739,497	64,382
Net surplus from LHE Bedok Society Fund	18	345,203	13,530
Net surplus/(deficit) from LHE Medifund	19	95,157	(201,616)
Net deficit from Agency for Integrated Care Fund	20	(195)	—
Net surplus from Community Silver Trust	21	237,360	2,730,143
Total comprehensive income for the year		5,274,754	4,302,365

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

BALANCE SHEET

At 31 March 2016

	Note	2016 \$	2015 \$
Non-current asset			
Property, plant and equipment	11	6,444,881	5,288,749
Current assets			
Sundry receivables	12	2,643,235	686,040
Cash and cash equivalents	13	18,465,909	16,663,376
		21,109,144	17,349,416
Total assets		27,554,025	22,638,165
Current liabilities			
Sundry payables	14	755,150	648,895
Accrued operating expenses		1,054,532	454,939
		1,809,682	1,103,834
Net assets		25,744,343	21,534,331
General Funds (unrestricted)			
Accumulated Fund	15	—	—
Development Fund	16	15,111,375	12,249,042
LHE Bishan Society Fund	17	1,575,367	192,375
LHE Bedok Society Fund	18	4,869,514	5,237,149
		21,556,256	17,678,566
Specific Fund (restricted)			
LHE Medifund	19	142,184	47,027
Agency for Integrated Care Fund	20	19,922	20,117
Community Silver Trust	21	4,025,981	3,788,621
		4,188,087	3,855,765
		25,744,343	21,534,331

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

STATEMENT OF CHANGES IN ACCUMULATED FUND AND OTHER FUNDS

For the financial year ended 31 March 2016

	Accumulated Fund	Development Fund	LHE Bishan Society Fund	LHE Bedok Society Fund	LHE Medifund	AIC Fund	Community Silver Trust	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1.4.2014	—	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	—	—	—	—
Balance at 31.3.2015	—	12,249,042	192,375	5,237,149	47,027	20,117	3,788,621	21,534,331
Net surplus/(deficit) for the year	2,857,732	—	1,739,497	345,203	95,157	(195)	237,360	5,274,754
Depreciation charge	—	—	(494,543)	(487,530)	—	—	—	(982,073)
Write off during the year	—	—	(58,240)	(23,173)	—	—	—	(81,413)
Adjustment of property, plant and equipment previously written off	—	127,072	127,565	(255,893)	—	—	—	(1,256)
Transfer (to)/from other funds	(2,857,732)	2,735,261	68,713	53,758	—	—	—	—
Balance at 31.3.2016	—	15,111,375	1,575,367	4,869,514	142,184	19,922	4,025,981	25,744,343

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2016

	2016 \$	2015 \$
Cash flows from operating activities		
Net surplus for the year	2,857,732	1,695,926
Adjustments for:		
Interest income	(83,717)	(62,303)
Operating cash flows before movements in working capital	2,774,015	1,633,623
Sundry receivables	(1,957,195)	37,194
Payables	704,592	(226,711)
Cash generated from operations	1,521,412	1,444,106
LHE Medifund	95,157	(201,616)
Agency for Integrated Care Fund	(195)	—
Community Silver Trust	237,360	2,730,143
Net cash from operating activities	1,853,734	3,972,633
Cash flows from investing activities		
Interest received	83,717	62,303
Purchases of property, plant and equipment	(134,918)	(128,930)
Net cash used in investing activities	(51,201)	(66,627)
Net increase in cash and cash equivalents	1,802,533	3,906,006
Cash and cash equivalents at beginning of financial year	16,663,376	12,757,370
Cash and cash equivalents at end of financial year (note 13)	18,465,909	16,663,376

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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 9 Bishan Street 13, Singapore. The operations at 41 Toa Payoh Rise, Singapore had shifted to 9 Bishan Street 13 in November. The name of LHE Toa Payoh Society has been changed to LHE Bishan Society accordingly. 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, gender 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 3.

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 2016 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.

(b) Income recognition

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

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

(c) Income tax

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

(d) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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 Bishan 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.

Recognition and derecognition

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

has transferred substantially all risks and rewards of ownership.

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

Initial measurement

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

Subsequent measurement

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

Impairment

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

Loans and receivables

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

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

(f) Impairment of non-financial assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately

in income or expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(g) Financial liabilities

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

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

A financial liability is derecognised when the obligation is extinguished.

(h) Government grants

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

3. 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 reporting date in accordance with the accounting policy in Note 2(d). The estimation of the useful lives and residual amount involves assumption concerning the future and estimation of the assets' common life expectancies and expected level of usage.

The Society's leasehold building was constructed specifically for the operating activities of the Society. The construction costs were fully financed by a grant from Ministry of Health ("MOH") and the land lease tenure on which the building is erected is on a 3 + 3 years basis since the first tenancy agreement in 1997. As the Management Board believes that the landlord, Singapore Land Authority will continue to renew and extend the lease up to the building's estimated useful life of 30 years based on the total extended number of operating years' lease for a nursing home generally granted by the local government agency, the leasehold building is hence depreciated on a straight-line basis over its estimated useful life of 30 years.

The net carrying amount of property, plant and equipment at 31 March 2016 and the annual depreciation charge for the financial year ended 31 March 2016 are disclosed in Note 11.

Any changes in the expected useful lives of these assets would affect the net carrying amount of property, plant and equipment and the depreciation charge for the financial year.

4. Administrative expenses

	2016 \$	2015 \$
Advertisement	21,050	18,626
Auditor's remuneration	18,000	18,000
Bank charges	1,936	2,335
General expenses	2,687	11,685
Insurance	25,597	19,576
Kitchen expenses	6,540	4,013
Printing, postage and stationery	23,157	16,253
Professional fee	57,897	59,842
Transport	7,166	4,636
Upkeep of motor vehicle	25,389	33,823
Volunteer expenses	41,357	31,093
	230,776	219,882

5. Establishment expenses

	2016 \$	2015 \$
IT maintenance – hardware	47,339	26,076
IT maintenance – software	7,026	22,145
Land rental	1,259,012	462,478
Repairs and maintenance	693,927	281,697
Telephone	25,210	23,259
Utilities	302,562	360,332
Vaccine and infection control consumables	1,527	12,343
GST not claimable	114,857	135,046
	2,451,460	1,323,376

6. Residents' welfare

	2016 \$	2015 \$
Allowance for doubtful receivables (note 12)	57,307	69,975
Bad debt written off	–	12,849
Bedding and clothing (net)	4,484	4,087
Cleaning and laundry	96,555	102,744
Dental/reflexology consumables	750	213
GST absorbed by government	176,596	176,146
Medical expenses	500,642	595,698
Medical/professional services	655,649	613,539
Miscellaneous	–	3,005
Physiotherapy/occupant consumables	8,850	11,875
Residents' food and refreshment	242,878	246,200
Residents' transport	33,619	28,787
Residents' diapers	148,299	154,472
TCF expenses	338,747	358,270
	2,264,376	2,377,860

7. Staff costs

	2016 \$	2015 \$
CPF	303,769	283,731
Medical expenses	30,183	32,164
Medical insurance	36,584	35,977
Recruitment expenses	29,544	32,295
Salaries and bonus	4,598,621	3,999,807
Staff food and refreshment	108,962	117,146
Staff training	5,667	13,220
Staff uniform	8,559	8,278
Staff welfare	33,904	21,448
Foreign worker levy	630,758	606,199
Staff accommodation	470,350	377,440
	6,256,901	5,527,705
Funded by CST grant	(676,828)	–
	5,580,073	5,527,705

The number of persons employed at the end of the financial year is 202 (2015: 197) of which 153 (2015: 150) persons are Nursing Care staff, and 49 (2015: 47) persons are Administrative and Maintenance staff. The remuneration of our Executives are:

	Number of Staff
\$175,001 to \$200,000 per annum	2 (2015: Nil)
\$150,001 to \$175,000 per annum	Nil (2015: 2)
\$125,001 to \$150,000 per annum	Nil (2015: Nil)
\$100,001 to \$125,000 per annum	Nil (2015: Nil)
\$75,001 to \$100,000 per annum	3 (2015: 3)
\$50,000 to \$75,000 per annum	2 (2015: Nil)

Total remuneration paid to the Executives for the financial year amounted to \$755,846 (2015: \$584,619). The number of executives at the end of financial year ended is 7 (2015: 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.

8. Other appeal letters

	2016 \$	2015 \$
Donation (note 23)	83,641	68,333
Less: Expenses	(20,879)	(26,370)
	62,762	41,963

9. Flag day

	2016 \$	2015 \$
Donation (note 23)	133,343	255,645
Less: Expenses	(11,670)	(7,816)
	121,673	247,829

10. Lions Charity Show

	2016 \$	2015 \$
Donation (note 23)	648,400	—
Less: Expenses	(590,885)	—
	57,515	—

11. Property, plant and equipment

	Leasehold properties \$	Plant and equipment \$	Motor vehicles \$	Total \$
2016 Cost				
Balance at 1.4.2015	23,064,023	4,226,867	246,962	27,537,852
Additions	342,400	1,877,218	—	2,219,618
Write off	(11,750,343)	(3,277,940)	(106,570)	(15,134,853)
Balance at 31.3.2016	11,656,080	2,826,145	140,392	14,622,617

Accumulated depreciation				
Balance at 1.4.2015	18,290,115	3,786,110	172,878	22,249,103
Depreciation charge	429,200	535,888	16,985	982,073
Write off	(11,750,343)	(3,196,527)	(106,570)	(15,053,440)
Balance at 31.3.2016	6,968,972	1,125,471	83,293	8,177,736

Carrying amount				
At 31.3.2016	4,687,108	1,700,674	57,099	6,444,881

2015 Cost				
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	23,064,023	4,226,867	246,962	27,537,852

Accumulated depreciation				
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	18,290,115	3,786,110	172,878	22,249,103

Carrying amount				
At 31.3.2015	4,773,908	440,757	74,084	5,288,749

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

Location	Bedok Society 487 Bedok South Avenue 2 Singapore 459316
Usage	Lions Home for the Elders Agreement expires on 31 Dec 2017
Tenure	3 + 3 years renewable tenancy

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 \$2,084,700 (2015: \$77,912). Cash paid for remaining additions for the year totalled \$134,918 (2015: \$128,930).

The depreciation charge of \$494,543 (2015: \$2,774,035) and \$487,530 (2015: \$443,164) are shown under LHE Bishan Society Fund (note 17) and LHE Bedok Society Fund (note 18) respectively.

12. Sundry receivables

	2016 \$	2015 \$
Grants and subsidies receivable	1,578,971	80,162
Donations receivable	379,548	—
Prepayments	35,054	92,940
Deposits	308,175	180,535
Sundry debtors	44,052	52,080
Amounts due from residents	454,386	416,614
	2,800,186	822,331
Allowance for doubtful debts – amounts due from residents	(156,951)	(136,291)
	2,643,235	686,040

The movements in allowance for doubtful receivables are as follows:

	2016 \$	2015 \$
At 1 April	136,291	122,874
Allowance made (note 6)	57,307	69,975
Allowance written-off	(36,647)	(56,558)
At 31 March	156,951	136,291

13. Cash and cash equivalents

	2016 \$	2015 \$
Bank and cash balances	10,117,800	8,393,312
Fixed deposits	8,348,109	8,270,064
	18,465,909	16,663,376

The fixed deposits are placed with reputable financial institutions on varying maturity and interest rate. The effective interest rate of these deposits ranges from 0.6% to 1.29% (2015: 0.25% to 1.24%) per annum at the balance sheet date.

14. Sundry payables

	2016 \$	2015 \$
Cash held in custody – residents	344,028	322,170
Deposits from residents	108,027	102,443
Sundry payables	262,778	184,692
Medication deposit	40,317	39,590
	755,150	648,895

15. Accumulated Fund

	2016 \$	2015 \$
Balance at beginning of year	–	–
Surplus for the year	2,857,732	1,695,926
Transfer to Development Fund (note 16)	(2,857,732)	(1,695,926)
Balance at end of year	–	–

The yearly surpluses are transferred to the Development Fund annually for future development and capital purchases of the Society.

16. Development Fund

	2016 \$	2015 \$
Balance at beginning of year	12,249,042	11,143,237
Transfer from Accumulated Fund (note 15)	2,857,732	1,695,926
Transfer to:		
- LHE Bishan Society Fund (note 17)	(68,713)	(86,272)
- LHE Bedok Society Fund (note 18)	(53,758)	(42,658)
- Adjustment for prior years' non-claimable GST	–	(461,191)
- Adjustment of property, plant and equipment previously written-off	127,072	–
Balance at end of year	15,111,375	12,249,042

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 in prior year.

17. LHE Bishan Society Fund

	2016 \$	2015 \$
<i>Capital grant</i>		
Balance at 1 April	8,202,678	8,138,296
Grant received from MOH	1,739,497	64,382
Write off	(8,020,327)	–
Adjustment of property, plant and equipment previously written off	79,197	–
Balance at end of year 31 March (A)	2,001,045	8,202,678

Building fund

Balance at 1 April	5,884,353	5,798,081
Transfer from Development Fund (note 16)	68,713	86,272
Write off	(5,546,904)	–
Adjustment of property, plant and equipment previously written off	(48,705)	–
Balance at 31 March (B)	357,457	5,884,353

Accumulated depreciation

Balance at 1 April	(13,894,656)	(11,120,621)
Depreciation (note 11)	(494,543)	(2,774,035)
Write off	13,508,991	–
Adjustment of property, plant and equipment previously written off	97,073	–
Balance at 31 March (C)	(783,135)	(13,894,656)
Total (A + B + C)	1,575,367	192,375

18. LHE Bedok Society Fund

	2016 \$	2015 \$
<i>Capital grant</i>		
Balance at 1 April	8,380,207	8,366,677
Grant received from MOH	345,203	13,530
Write off	(873,230)	–
Adjustment of property, plant and equipment previously written off	2,148,361	–
Balance at 31 March (A ¹)	10,000,541	8,380,207

Building fund

Balance at 1 April	5,366,567	5,323,909
Transfer from Development Fund (note 16)	53,758	42,658
Write off	(694,393)	–
Adjustment of property, plant and equipment previously written off	(2,462,359)	–
Balance at end of year 31 March (B ¹)	2,263,573	5,366,567

Accumulated depreciation

Balance at 1 April	(8,509,625)	(8,065,261)
Depreciation (note 11)	(487,530)	(443,164)
Write off	1,544,450	(1,200)
Adjustment of property, plant and equipment previously written off	58,105	–
Balance at end of year 31 March (C ¹)	(7,394,600)	(8,509,625)
Total 31 March (A ¹ + B ¹ + C ¹)	4,869,514	5,237,149

19. LHE Medifund

	2016 \$	2015 \$
Balance at 1 April	47,027	248,643
Medical grant received during the year	968,054	819,662
Disbursement during the year	(872,897)	(1,021,278)
Surplus/(deficit) during the year	95,157	(201,616)
Balance at 31 March	142,184	47,027

The surplus/(deficit) for the year includes interest income of \$97 (2015: \$117).

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.

20. Agency for Integrated Care (AIC) Fund

	2016 \$	2015 \$
Balance at 1 April	20,117	20,117
Grant received during the year	102,737	12,086
Disbursement during the year	(102,932)	(12,086)
Deficit during the year	(195)	—
Balance at 31 March	19,922	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

	2016 \$	2015 \$
Balance at 1 April	3,788,621	1,058,478
Grant received during the year	1,606,269	3,204,133
Disbursement during the year	(1,368,909)	(473,990)
Surplus during the year	237,360	2,730,143
Balance at 31 March	4,025,981	3,788,621

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 2016, all the unutilised amount is not expired.

22. Tax-deductible receipts

The tax-deductible receipts during the year \$2,297,628 (2015: \$1,273,782).

23. Donations from public fund raising events

Donations from public raising events included in income or expenditure:

	2016 \$	2015 \$
Other appeal letters (note 8)	83,641	68,333
Flag day (note 9)	133,343	255,645
Lions Charity Show (note 10)	648,400	—
	865,384	323,978

24. Lease commitments

The Society leases various buildings from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal options. No restrictions are imposed on dividends or further leasing.

Commitments in relation to non-cancellable operating leases contracted for at the balance sheet date, but not recognised as liabilities, are as follows:

	2016 \$	2015 \$
Not later than one financial year	1,019,268	776,559
Later than one financial year but not later than five financial years	3,971,025	1,696,752
Later than five financial years	1,983,600	318,141
	6,973,893	2,791,452

25. Financial instruments

a) Categories of financial instruments

Financial instruments as at balance sheet date are as follow:

	2016 \$	2015 \$
<i>Financial assets</i>		
Loans and receivables (including cash and cash equivalents)	21,074,090	17,256,476
<i>Financial liabilities</i>		
At amortised cost	1,725,321	1,037,015

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.

	2016 \$	2015 \$
Not past due	77,079	118,859
Past due but not impaired	102,677	100,282
Past due and impaired	274,630	197,476
	454,386	416,617
Less: Allowance for doubtful receivables	(156,951)	(136,291)
	297,435	280,326

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

	2016 \$	2015 \$
Past due < 1 months	29,318	33,707
Past due 1 to 3 months	30,938	37,020
Past due over 3 months	42,421	29,555
	102,677	100,282

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:

	2016 \$	2015 \$
Gross amount	274,630	197,476
Less: Allowance for doubtful receivables	(156,951)	(136,291)
	117,679	61,185

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.

26. 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.

27. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the Management Board meeting dated 25 July 2016.



Operating Centres

9 Bishan Street 13
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
Email: lhe.pr@lionshome.org.sg
Admission: pubaf@lionshome.org.sg

Company UEN: S80SS0029B
IPC Registration No.: HEF0003G
ROS Registration No.: S237/79 WEL
Charity Registration No.: 0146
Date of Registration with Registry of Society: 16 May 1980