

**LIONS COMMUNITY SERVICE
FOUNDATION (SINGAPORE)**

[UEN. T03SS0068K]

[IPC No. IPC000644]

[Registered under the Registrar of Societies]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015**

CONTENTS

Statement by Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	5
Statement of Financial Position	8
Statement of Changes in Funds	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

SUHAIMI SALLEH & ASSOCIATES

[UEN. S88PF02472]

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6725.8161

STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

- a) the financial statements as set out on pages 5 to 26 are drawn up so as to give a true and fair view of the financial position of the Society as at 30 June 2015, and the financial performance, changes in funds and cash flows of the Society for the year then ended.
- b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on **30 APR 2016**

Honorary Chairman	Heng Mok Hee, Sylvester
Honorary Vice Chairman	Tay Khin Sian, Anthony
Honorary Secretary	Kang Shi Ying
Honorary Treasurer	Tan Eng Siong
Audit Chairman and Director	Ng Jwee Phuan @ Federick (Eric)

On behalf of the Management Committee,



Heng Mok Hee, Sylvester

Chairman 2014/2015



Tan Eng Siong

Treasurer 2014/2015

Singapore

30 APR 2016

**SUHAIMI SALLEH &
ASSOCIATES**

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent, #08-01
Excalibur Centre,
Singapore 408571.
T: (65) 6846.8376
F: (65) 6725.8161

Independent auditor's report to the members of:

**LIONS COMMUNITY SERVICE FOUNDATION
(SINGAPORE)**

[UEN. T03SS0068K]
[IPC No. 000644]
[Registered under the Registrar of Societies]

Report on the Financial Statements

We have audited the accompanying financial statements of Lions Community Service Foundation (Singapore) ("the Society"), which comprise the statement of financial position of the Society as at 30 June 2015, and statement of financial activities, statement of changes in 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 Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, Chapter 311, ("the Act"), the Singapore Charities Act, Chapter 37 ("the Charities Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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 of financial statements that give a true and fair view 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 management, 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.

**SUHAIMI SALLEH &
ASSOCIATES**

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent, #08-01
Excalibur Centre, Singapore 408571.
T: (65) 6846.8376
F: (65) 6725.8161

CONT'D

Independent auditor's report to the members of:

**LIONS COMMUNITY SERVICE FOUNDATION
(SINGAPORE)**

[UEN. T03SS0068K]
[IPC No. 000644]
[Registered under the Registrar of Societies]

Opinion

In our opinion, the financial statements of the Society are properly drawn up in accordance with the provisions of the 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 30 June 2015 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, the accounting and other records required by the regulations enacted under the Act to be kept by the Society have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Chapter 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Society.



SUHAIMI SALLEH & ASSOCIATES
Public Accountants and
Chartered Accountants

Singapore, **30 APR 2016**

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Notes	Unrestricted Fund		Restricted Fund					Club / District Project Fund S\$	Care and Share Fund S\$	Total S\$	Grand Total S\$
		Accumulated Fund S\$	LCSF Education Fund S\$	Lions Home for Elders Fund S\$	Lions Befrienders Fund S\$	Lions Quest Fund S\$	Club / District Project Fund S\$	Care and Share Fund S\$				
2015												
INCOME												
Income from generating funds:												
Voluntary income												
Contributions from members	4	21,500	0	0	0	0	0	0	0	0	0	21,500
Donations received		343,360	32,000	4,000	0	0	873,019	0	0	0	909,019	1,252,379
Care & Share Grant		0	0	0	0	0	0	0	189,000	0	189,000	189,000
Less: Donation paid	5	(364,860)	(22,000)	(4,000)	0	0	(873,019)	0	189,000	(1098,019)	(1,462,879)	
		(109,955)	(22,000)	(140,283)	0	(75)	(613,305)	0	(18,127)	(793,790)	(903,745)	
Other income												
Interest income		2,848	0	0	0	0	0	0	0	0	0	2,848
Miscellaneous income		674	0	0	0	0	0	0	0	0	0	674
TOTAL INCOME		258,427	10,000	(136,283)	0	(75)	259,714	0	170,873	304,229	562,656	
EXPENDITURE												
Cost of charitable activities												
CPF Contributions		0	0	0	0	0	0	0	582	0	582	582
Meals and entertainments		500	0	0	0	0	0	0	0	0	0	500
Membership subscriptions		0	0	0	0	0	0	0	144	0	144	144
Postage, printing and stationery		686	0	0	0	0	0	0	0	0	0	686
Refreshments		0	0	0	0	72	0	0	0	0	72	72
Salary		0	0	0	0	0	0	0	12,273	0	12,273	12,273
SDL expense		0	0	0	0	0	0	0	24	0	24	24
		1,186	0	0	0	72	0	0	13,023	13,095	14,281	

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (Cont'd)

	Notes	Unrestricted Fund	Restricted Fund					Total S\$	Grand Total S\$
		Accumulated Fund S\$	LCSF Education Fund S\$	Lions Home for Elders Fund S\$	Lions Befrienders Fund S\$	Lions Quest Fund S\$	Club / District Project Fund S\$		
Governance costs									
Accounting fees		1,800	0	0	0	0	0	0	1,800
Amortisation of intangible assets	12	2,667	0	0	0	0	0	0	2,667
Auditors' remuneration		3,300	0	0	0	0	0	0	3,300
Bank charges		90	0	0	0	0	0	0	90
Depreciation of property, plant and equipment	11	1,365	0	0	0	0	0	0	1,365
General expenses		65	0	0	0	0	0	0	65
Office supplies		890	0	0	0	0	0	0	890
Website expenses		45	0	0	0	0	0	0	45
		<u>10,222</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,222</u>
TOTAL EXPENDITURE		11,408	0	0	0	72	0	13,023	24,503
Surplus/(Deficit) for the year		247,019	10,000	(136,283)	0	(147)	259,714	157,850	538,153
Total funds brought forward		826,118	215,977	10,283	0	24,512	185,170	0	1,262,060
Total fund carried forward		<u>1,073,137</u>	<u>225,977</u>	<u>(126,000)</u>	<u>0</u>	<u>24,365</u>	<u>444,884</u>	<u>157,850</u>	<u>1,800,213</u>

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Notes	Unrestricted Fund		Restricted Fund				Total S\$	Grand Total S\$
		Accumulated Fund S\$	LCSF Education Fund S\$	Lions Home for Elders Fund S\$	Lions Befrienders Fund S\$	Lions Quest Fund S\$	Club / District Project Fund S\$		
2014									
INCOME									
Income from generating funds:									
Voluntary income									
Contributions from members	4	21,240	0	0	0	0	0	0	21,240
Donations received		77,567	55,000	50,560	24,000	0	281,455	411,015	488,582
		98,807	55,000	50,560	24,000	0	281,455	411,015	509,822
Less: Donations paid	5	(13,700)	(30,100)	(157,777)	(52,777)	0	(131,500)	(372,154)	(385,854)
Other income									
Interest income		1,403	0	0	0	0	0	0	1,403
TOTAL INCOME		86,510	24,900	(107,217)	(28,777)	0	149,955	38,861	125,371
EXPENDITURE									
Cost of charitable activities									
Training expenses		0	0	0	0	0	0	0	22,749
Fund raising expenses		0	0	0	0	0	65,155	65,155	65,155
		0	0	0	0	0	65,155	65,155	87,904
Governance costs									
Amortisation of deferred capital grant	14	(456)	0	0	0	0	0	0	(456)
Amortisation of intangible assets	12	2,497	0	0	0	0	0	0	2,497
Annual general meeting expenses		1,088	0	0	0	0	0	0	1,088
Auditors' remuneration		1,500	0	0	0	0	0	0	1,500
Bank charges		30	0	0	0	0	0	0	30
Depreciation of property, plant and equipment	11	762	0	0	0	0	0	0	762
Secretarial fee		4,000	0	0	0	0	0	0	4,000
Website expenses		343	0	0	0	0	0	0	343
		9,764	0	0	0	0	0	0	9,764
TOTAL EXPENDITURE		9,764	0	0	0	0	65,155	87,904	97,668
Surplus/(Deficit) for the year		76,746	24,900	(107,217)	(28,777)	0	84,800	(49,043)	27,703
Transfer during the year		(28,777)	0	0	28,777	0	0	28,777	0
Total funds brought forward		778,149	191,077	117,500	0	47,261	100,370	456,208	1,234,357
Total fund carried forward		826,118	215,977	10,283	0	24,512	185,170	435,942	1,262,060

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	2015 S\$	2014 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	482,792	700,280
Fixed deposits	9	1,500,000	500,751
Other receivables, deposits and prepayment	10	95,411	59,040
		<u>2,078,203</u>	<u>1,260,071</u>
Non-current assets			
Property, plant and equipment	11	1,207	1,523
Intangible assets	12	0	2,667
		<u>1,207</u>	<u>4,190</u>
Total assets		<u>2,079,410</u>	<u>1,264,261</u>
LIABILITIES			
Current liabilities			
Accruals		279,197	2,201
		<u>279,197</u>	<u>2,201</u>
Total liabilities		<u>279,197</u>	<u>2,201</u>
Net assets		<u>1,800,213</u>	<u>1,262,060</u>
FUNDS			
Unrestricted Fund			
- Accumulated Fund	13(i)	<u>1,073,137</u>	<u>826,118</u>
Restricted Fund			
- LCSF Education Fund	13(ii)	225,977	215,977
- Lions Home for Elders Fund	13(iii)	(126,000)	10,283
- Lions Befrienders Fund	13(iv)	0	0
- Lions Quest Fund	13(v)	24,365	24,512
- Club / District Project Fund	13(vi)	444,884	185,170
- Care and Share Fund	13(vii)	157,850	0
		<u>727,076</u>	<u>435,942</u>
TOTAL ACCUMULATED FUNDS		<u>1,800,213</u>	<u>1,262,060</u>

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

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Unrestricted Fund	Restricted Funds						Total restricted funds	Total funds S\$
	S\$	LCSF Education Fund S\$	Lions Home for Elders Fund S\$	Lions Befrienders Fund S\$	Lions Quest Fund S\$	Club/District Fund S\$	Care and Share Fund S\$		
Balance as at 1 July 2013	778,149	191,077	117,500	0	47,261	100,370	0	456,208	1,234,357
Surplus for the year	76,746	24,900	(107,217)	(28,777)	(22,749)	84,800	0	47,457	27,703
Transfer of funds to/(from)	(28,777)	0	0	28,777	0	0	0	28,777	0
Balance as at 30 June 2014 and 1 July 2014	826,118	215,977	10,283	0	24,512	185,170	0	435,942	1,262,060
Surplus/(Deficit) for the year	247,019	10,000	(136,283)	0	(147)	259,714	157,850	291,134	538,153
Transfer of funds to/(from)	0	0	0	0	0	0	0	0	0
Balance as at 30 June 2015	1,073,137	225,977	(126,000)	0	24,365	444,884	157,850	727,076	1,800,213

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Notes	2015 S\$	2014 S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before taxation		538,153	27,703
Adjustments for:			
Amortisation of intangible assets	12	2,667	2,497
Amortisation of deferred capital grant	14	0	(456)
Depreciation of property, plant and equipment	11	1,365	762
Interest on fixed deposit		(2,848)	(1,403)
Operating surplus before working capital changes		539,337	29,103
Changes in working capital:			
Increase in other receivables, deposits and prepayments		(34,961)	(39,760)
Increase in accruals		276,996	1,121
Cash generated from / (used in) operations		781,372	(9,536)
Interest received		1,438	1,403
Net cash flows generated from / (used in) operating activities		782,810	(8,133)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for website development costs	12	0	(4,000)
Purchase of property, plant and equipment	11	(1,049)	(2,285)
Net cash flows used in investing activities		(1,049)	(6,285)
CASH FLOWS FROM FINANCING ACTIVITIES			
Placement of fixed deposits		(999,249)	(376)
Net cash used in financing activities		(999,249)	(376)
Net decrease in cash and cash equivalents		(217,488)	(14,794)
Cash and cash equivalents brought forward		700,280	715,074
Cash and cash equivalents carried forward	8	482,792	700,280
Cash and cash equivalents carried forward comprise:			
Cash at bank		482,792	297,734
Short-term deposits		0	402,546
	8	482,792	700,280

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

1. GENERAL INFORMATION

Lions Community Service Foundation (Singapore) ("the Society") is registered in the Republic of Singapore under the Societies Act, Chapter 311. It is also a charity under the Charities Act, Chapter 37 since 2 May 2013. Its Unique Entity Number is (UEN) is T03SS0068K.

The principal objectives of the Society are the harnessing of the fiscal resources generated by Lions fund raising activities through a central organisation that would unite Lions in their community service efforts and maximising the value of the funds application.

The Society has been conferred the Institution of Public Character ("IPC") status for the period from 20 May 2014 to 31 August 2015. Subsequently, its IPC status was extended from 1 September 2015 to 28 February 2017.

The Society is domiciled in the Republic of Singapore and its registered address is at 487, Bedok South Avenue 2, Singapore 469316.

These financial statements are presented in Singapore Dollar, which is the Society's functional currency.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of Societies Act (Chapter 311), Charities Act (Chapter 37) 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 management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2014

On 1 July 2014, the Society adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Society and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretations and amendments to published standards effective in 2014

Effective for annual periods beginning on or after 1 July 2014

- Amendment to FRS 32 Financial Instruments: Presentation (Offsetting financial assets and financial liabilities)
- Amendment to FRS 36 Impairment of Assets (Recoverable amount disclosures for non-financial assets)
- Amendment to FRS 39 Financial Instruments: Recognition and Measurement (Novation of derivatives and continuation of hedge accounting)

New or amended Standards and Interpretations effective after 1 July 2014

The following are the new or amended Standards and Interpretations that are not yet applicable, but may be early adopted for the current financial year:

Descriptions	Annual periods commencing on
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers	1 January 2018

Management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Society's activities. Revenue is recognised as follows:

2.2.1 Members contributions

Contributions are recognised in the statement of comprehensive income on accrual basis when the contributions and donations are committed to the Society.

2.2.2 Donations

Donations are taken up and accrued as and when they are committed. Those uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.3 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Society will comply with all attached conditions. Government grants, relating to costs are deferred and recognised in the statement of financial activities over the period necessary to match them with the costs they are intended to compensate.

2.2.4 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2 Significant accounting policies (Cont'd)

2.3 Expenditure recognition

All expenditures are accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.3.1 Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Society. The total costs of charitable activities are apportionment of overhead and shared costs.

2.3.2 Governance and other administrative costs include the costs of governance arrangement, which relate to the general running of the Society, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.4 Property, plant and equipment

2.4.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that are 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.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

2.4.2 Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computers	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

2.4.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in statement of financial activities during the financial year in which it is incurred.

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment (Cont'd)

2.4.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

2.5 Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

2.5 Impairment of non-financial assets (Cont'd)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in statement of financial activities, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revalued increase.

2.6 Intangible assets

Intangible assets which comprise website development costs, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation of intangible assets is calculated on a straight-line basis to write-off the costs over their estimated useful lives of 3 years. The amortisation expense on intangible assets is recognised in the statement of financial activities through the "amortisation of intangible assets" line item.

The carrying value of intangible assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Significant accounting policies (Cont'd)

2.7 Financial assets

2.7.1 Classification

The Society classifies its financial assets as loans and receivables. The classification depends on 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.

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 reporting date, which are classified as non-current assets. Loans and receivables are classified within "Trade and other receivables" and "Cash and cash equivalents" on the statement of financial position.

2.7.2 Recognition and derecognition

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 disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in statement of financial activities.

2.7.2 Recognition and derecognition (Cont'd)

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.

2.7.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using effective interest method.

2.7.4 Impairment

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of loans and receivables including other 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. The amount of bad debts written off is recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of change in value.

Fixed deposits that have short maturities of three months or less from the date of acquisition are reported as cash and cash equivalents. All other fixed deposits are reported separately in the statement of financial position.

2.9 Other payables

Other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.10 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, approximate their fair values due to their short-term nature.

The fair values of forward currency contracts are determined using actively quoted forward currency exchange rates at the reporting date. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rate.

The fair values of non-current financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Society for similar financial liabilities.

2.11 Provisions

Provisions for other liabilities and charges are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.12 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities. Contingent rents are recognized as an expense in the statement of financial activities in the financial year in which they are incurred.

2.13 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.14 Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contributions have been paid. The Society's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.15 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Society if that person:
 - (i) has control or joint control of the Society;
 - (ii) has significant influence over the Society; or
 - (iii) is a member of the key management personnel of the Society or of a parent of the Society.

- (b) An entity is related to the Society if any of the following conditions applies:
 - (i) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) The entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Society or to the parent of Society.

2. Significant accounting policies (Cont'd)

2.16 Deferred capital grant

Grants obtained for the purchase of property, plant and equipment and payment for website development costs are retained in Deferred Capital Grants and amortised on a straight line basis over the useful life of the assets purchased.

2.17 Funds

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the General Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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.

Estimated useful lives of property, plant and equipment

The Society reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

Allowance for impairment of receivables

The Society reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual client. If there are indications that the financial position of a client has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

4. DONATIONS RECEIVED

	2015 S\$	2014 S\$
Donations – tax exempt receipts	1,221,061	433,410
Donations – non - tax exempt receipts	<u>31,318</u>	<u>55,172</u>
	<u>1,252,379</u>	<u>488,582</u>

During the financial year, the Society issued tax-deductible receipts for donations totalling S\$1,221,061 (2014: S\$433,410) pursuant to its Institution of a Public Character (“IPC”) status.

5. DONATIONS PAID

The following were donations paid out during the financial year.

	2015 S\$	2014 S\$
ITE Bursary Fund	20,000	12,000
SMU Bursary Fund	0	10,000
NUS Bursary Fund	0	10,000
Junior College Bursary Fund	0	3,100
Leadership Training Bursary Fund	0	5,000
Lions Befrienders	0	52,777
Lions Home for the Elders	140,283	157,777
Lions District Humanitarian Project	<u>311,022</u>	<u>135,200</u>
	<u>471,305</u>	<u>385,854</u>

6. STAFF COSTS

	2015 S\$	2014 S\$
Salaries	12,273	0
CPF Contribution	582	0
SDL	<u>24</u>	<u>0</u>
	<u>12,879</u>	<u>0</u>

7. INCOME TAX

The Society is registered as a charity organisation under Charities Act, Chapter 37. As an approved charity, it is exempt from income tax under Section 13(1) of the Income Tax Act.

8. CASH AND CASH EQUIVALENTS

	2015 S\$	2014 S\$
Cash at bank	482,792	297,734
Short-term deposits	0	402,546
	482,792	700,280

In 2014, short-term deposits are made up of 3 month time deposits bearing interest rate of 0.10% per annum.

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

9. FIXED DEPOSITS

	2015 S\$	2014 S\$
Fixed deposits	1,500,000	500,751

Fixed deposits are made up of 6 to 12 month (2014: 6 to 12 month) time deposits bearing interest rates ranging from 0.20% to 1.60% (2014: 0.15% to 0.25%) per annum.

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	2015 S\$	2014 S\$
Interest receivables	1,410	0
Other receivables	84,001	59,040
Prepayment	10,000	0
	95,411	59,040

At the reporting date, the carrying amounts of other receivables, deposits and prepayment approximated their fair values.

11. PROPERTY, PLANT AND EQUIPMENT

	Computers S\$	Total S\$
Cost		
At 1 July 2013	1,550	1,550
Additions	2,285	2,285
At 30 June 2014 and 1 July 2014	<u>3,835</u>	<u>3,835</u>
Additions	1,049	1,049
Disposals	0	0
At 30 June 2015	<u><u>4,884</u></u>	<u><u>4,884</u></u>
Accumulated depreciation and impairment loss		
At 1 July 2013	1,550	1,550
Charge	762	762
Write back	0	0
At 30 June 2014 and 1 July 2014	<u>2,312</u>	<u>2,312</u>
Charge	1,365	1,365
Write back	0	0
At 30 June 2015	<u><u>3,677</u></u>	<u><u>3,677</u></u>
Net carrying value		
At 30 June 2014	<u>1,523</u>	<u>1,523</u>
At 30 June 2015	<u>1,207</u>	<u>1,207</u>

12. INTANGIBLE ASSETS

	Website Development Costs S\$	Total S\$
Cost		
At 1 July 2013	11,650	11,650
Additions	4,000	4,000
At 30 June 2014 and 30 June 2015	<u>15,650</u>	<u>15,650</u>
Accumulated amortisation and impairment loss		
At 1 July 2013	10,486	10,486
Charge	2,497	2,497
At 30 June 2014 and 1 July 2014	<u>12,983</u>	<u>12,983</u>
Charge	2,667	2,667
At 30 June 2015	<u><u>15,650</u></u>	<u><u>15,650</u></u>
Net carrying value		
At 30 June 2014	<u>2,667</u>	<u>2,667</u>
At 30 June 2015	<u>0</u>	<u>0</u>

13. FUNDS

Unrestricted Fund

(i) Accumulated Fund

This is a general purpose fund to be used for non-specific purposes at the discretion of the board of directors in furtherance of the Society's objects.

Restricted Funds

(ii) LCSF Education Fund

The LCSF Education Fund was set up for the purpose of establishing scholarships, bursaries or other schemes with institutions of learning in Singapore to provide financial assistance to deserving students. It is administered by the Society in collaboration with the educational institutions. Currently, the Society is funding students from primary, secondary, post-secondary (such as junior colleges and specialist institutes) to tertiary level of the education system in Singapore.

(iii) Lions Home for Elders Fund

The Lions Home for Elders Fund is the fund allotted or specified by donors for the Lions Home for the Elders. The Lions Home for the Elders operates two homes, one in Bedok and another in Toa Payoh. The homes were established to provide long-term skilled nursing care and/or assistance with activities of daily living for elderly persons. These older persons either do not have families or caregivers to look after them at home, or the caregiver is unable to provide the level of nursing care required.

(iv) Lions Befrienders Fund

The Lions Befrienders Fund is the fund allotted or specified by donors for the Lions Befrienders Service Association. The Lions Befrienders Service Association was established to reach out to lonely elderly persons aged 60 and above through visitation by volunteers and organised social/recreational activities in the HDB flats.

(v) Lions Quest Fund

The Lions Quest Fund was established to support the training programmes of the Society. Lions Quest is a school-based, comprehensive, positive youth development and preventive programme that unites the home, school and community through life skills, character education, civic values, drug prevention and service learning education.

(vi) Club/District Project Fund

The Club/District Project Fund is set up for fund raising projects that are one off in nature (e.g. tree planting project) or too small in terms of fund raised.

(vii) Care and Share Fund

Care and Share fund is a grant from Ministry of Social and Family Development ("MSF"), based on qualifying donations, to develop the charitable agency's capabilities and capacity in the provision of social services and programmes for its beneficiaries. The unused funds for projects that are withdrawn or terminated prematurely may be clawed back if the new proposed projects are not approved by MSF.

13. FUND (Cont'd)

Restricted Fund (Cont'd)

Net assets of the restricted funds are as follows:

2015	Cash and cash equivalents / Fixed deposit S\$	Represented by:		Net assets as at 30.06.2015 S\$
		Other receivables, deposit and prepayment S\$	Accruals S\$	
LCSF Education Fund	215,977	10,000	0	225,977
Lions Home for Elders Fund	(126,000)	0	0	(126,000)
Lions Befrienders Fund	0	0	0	0
Lions Quest Fund	24,365	0	0	24,365
Club / District Project Fund	623,955	80,001	(259,072)	444,884
Care and Share Fund	172,577	0	(14,727)	157,850
	<u>910,874</u>	<u>90,001</u>	<u>(273,799)</u>	<u>727,076</u>

2014	Cash and cash equivalents / Fixed deposit S\$	Represented by:	
		Net assets as at 30.06.2014 S\$	
Represented by:			
LCSF Education Fund	215,977	215,977	
Lions Home for Elders Fund	10,283	10,283	
Lions Befrienders Fund	0	0	
Lions Quest Fund	24,512	24,512	
Club / District Project Fund	185,170	185,170	
Care and Share Fund	0	0	
	<u>435,942</u>	<u>435,942</u>	

14. DEFERRED CAPITAL GRANTS

	2015 S\$	2014 S\$
Opening balance	0	456
Amortisation of deferred capital grant	0	(456)
Closing balance	<u>0</u>	<u>0</u>

In financial year ended 30 June 2014, these amounts represented donations received for Society's charitable activities and for purchase of property, plant and equipment. The unamortised balance as at the date of the statement of financial position substantially represent sums payable to the grantor or donor should the Society fail to fulfil the obligations stipulated under the letter of offer.

15. RELATED PARTY TRANSACTIONS

REMUNERATION PAID TO MANAGEMENT COMMITTEE

The management committee members did not received any remuneration from the Society during the financial year.

RELATED PARTY TRANSACTIONS

The Society had no significant transactions with related parities during the financial year.

16. COMMITMENTS

The Society has formally committed to make the following donations to a tertiary institution for the next financial year.

	2015 S\$	2014 S\$
Payable not later than one year	10,000	15,000
Payable between one and five years	10,000	15,000
	<u>20,000</u>	<u>30,000</u>

The above committed amounts have not been recognised in the financial statements.

17. RESERVE POSITION AND POLICY

The Society's reserve position for financial year ended 30 June 2015 is as follows:

		2015 S\$'000	2014 S\$'000	Increase/ (decrease) %
A	Unrestricted Funds			
	Accumulated general funds	1,073	826	29%
B	Restricted or Designated Funds			
	Designated Funds	0	0	0%
	Restricted Funds	727	436	67%
C	Endowment Funds	0	0	0%
D	Total Funds	1,800	1,262	43%
E	Total Annual Operating Expenditure	928	483	92%
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.2	1.7	(42%)

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Administrative Costs.

The Society does not have a reserve policy.

18. FINANCIAL INSTRUMENTS

The financial assets and liabilities of the Society as at the financial reporting date are as follows:

	2015	2014
	S\$	S\$
<u>Financial Assets</u>		
Cash and cash equivalents	482,792	700,280
Other receivables	85,411	59,040
Fixed deposits	1,500,000	500,751
	<u>2,068,203</u>	<u>1,260,071</u>
<u>Financial Liabilities</u>		
Accruals	279,197	2,201

19. FINANCIAL RISK MANAGEMENT

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee on an informal basis.

Credit risk

The Society has no significant concentrations of credit risk.

Liquidity risk

The Society adopts prudent liquidity risk management by maintaining sufficient cash and marketable securities, and available funding through an adequate amount of committed credit facilities.

Liquidity risk is the risk that the Society will encounter difficulty in meeting its financial obligations due to shortage of funds. The Society exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Society maintains a level of cash and cash equivalents deemed adequate to finance the Society's operations.

The table below summarizes the maturity profile of the Society's financial liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	Within one year	Later than one year but not later than five years	Total
	S\$	S\$	S\$
2015			
<u>Financial liabilities</u>			
Trade and other payables	<u>279,197</u>	<u>0</u>	<u>279,197</u>
2014			
<u>Financial liabilities</u>			
Trade and other payables	<u>2,201</u>	<u>0</u>	<u>2,201</u>

19. FINANCIAL RISK MANAGEMENT (Cont'd)

Interest rate risk

The Society's income and operating cash flows are not substantially affected by changes in market interest rates, as they do not have significant interest-bearing assets or liabilities as at the statement of financial position date.

20. MANAGEMENT OF CONFLICT OF INTEREST

There is no paid staff on the Society's Management Committee.

Management Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him/her as one of the Society's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Management Committee member may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

21. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 30 June 2015 were authorised for issue by the Management Committee on **30 APR 2016**