

**LIONS COMMUNITY SERVICE
FOUNDATION (SINGAPORE)**

[UEN. T03SS0068K]
[IPC No. IPC000644]

[Registered under the Societies Act, Chapter 311
in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2017**

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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
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STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

- a) the financial statements as set out on pages 7 to 27 are drawn up so as present fairly, in all material respects, state of affairs of Lion Community Service Foundation (Singapore) (the "Society") as at 30 June 2017, and the results, changes in funds and cash flows of the Society for the financial year covered by financial statement, and
- 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 for issue on **29 DEC 2017**

Ng Jwee Phuan@ Fredrick (Eric)
Tay Khin Sian, Anthony
Lily Tan
Loh Chuan Fatt
Heng Mok Hee, Sylvester

Honorary Chairman
Honorary Vice Chairman
Honorary Secretary
Honorary Treasurer
Audit Chairman and Director

On behalf of the Management Committee,



Ng Jwee Phuan@ Fredrick (Eric)
Chairman 2016/2017



Loh Chuan Fatt
Treasurer 2016/2017

Singapore, **29 DEC 2017**

**SUHAIMI SALLEH &
ASSOCIATES**

Public Accountants and
Chartered Accountants of Singapore

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Excalibur Centre,
Singapore 408571.
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Independent auditor's report to the members of:

**LIONS COMMUNITY SERVICE FOUNDATION
(SINGAPORE)**

[UEN. T03SS0068K]

[IPC No. 000644]

[Registered under Societies Act, Chapter 311
in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Lions Community Service Foundation (Singapore)** (the "Society") which comprise the statement of financial position as at 30 June 2017, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Society for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Society as at 30 June 2017, and the results, changes in funds and cash flows of the Society for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the statement by Management Committee set out on page 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**SUHAIMI SALLEH &
ASSOCIATES**

Public Accountants and
Chartered Accountants of Singapore

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(CONT'D)

Independent auditor's report to the members of:

**LIONS COMMUNITY SERVICE FOUNDATION
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**SUHAIMI SALLEH &
ASSOCIATES**

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Independent auditor's report to the members of:

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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**SUHAIMI SALLEH &
ASSOCIATES**

Public Accountants and
Chartered Accountants of Singapore

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Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

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

- (a) the Society has not used the donation moneys in accordance with its objectives 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 of the Charities (Institutions of a Public Character) Regulations.


SUHAIMI SALLEH & ASSOCIATES

Public Accountants and
Chartered Accountants

Singapore, 29 DEC 2017

Partner in charge: Lee Choon Keat
PAB No: 01721

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Note	Unrestricted Funds		Restricted Funds							Grand Total Funds	
	Accumulated Fund S\$	Club /District Project Fund S\$	Total Unrestricted Funds S\$	LCSF Education Fund S\$	Lions Home for Elders Fund S\$	Lions Befrienders Fund S\$	Development fund S\$	Lions Quest Fund S\$	Care and Share Fund S\$		Total Restricted Funds S\$
INCOME											
Income from generating funds:											
Voluntary income											
4	24,833	0	24,833	0	0	0	0	0	0	0	24,833
	581,497	363,325	944,822	50,000	24,824	2,000	100,000	(6,935)	0	169,889	1,114,711
	0	0	0	0	0	0	0	0	1,356,790	1,356,790	1,356,790
	606,330	363,325	969,655	50,000	24,824	2,000	100,000	(6,935)	1,356,790	1,526,679	2,496,334
5	(243,257)	(33,083)	(276,340)	(20,000)	(50,624)	(4,000)	0	0	(777,634)	(852,258)	(1,128,598)
	40,784	0	40,784	0	0	0	0	0	0	0	40,784
	2,884	0	2,884	0	0	0	0	0	0	0	2,884
	43,668	0	43,668	0	0	0	0	0	0	0	43,668
	406,741	330,242	736,983	30,000	(25,800)	(2,000)	100,000	(6,935)	579,156	674,421	1,411,404
TOTAL INCOME (net of donations paid)											
EXPENDITURE											
Governance costs											
	3,000	0	3,000	0	0	0	0	0	0	0	3,000
	3,300	0	3,300	0	0	0	0	0	0	0	3,300
	213	0	213	0	0	0	0	0	0	0	213
6	0	0	0	0	0	0	0	0	4,423	4,423	4,423
	0	0	0	0	0	0	0	0	2,829	2,829	2,829
11	6,950	0	6,950	0	0	0	0	0	0	0	6,950
	0	0	0	0	0	0	0	0	15,600	15,600	15,600
	89	0	89	0	0	0	0	0	0	0	89
6	2,846	0	2,846	0	0	0	0	0	28,254	28,254	31,100
6	27	0	27	0	0	0	0	0	84	84	84
	586	0	586	0	0	0	0	0	2,544	2,544	2,571
	17,011	0	17,011	0	0	0	0	0	53,734	53,734	70,744
	389,730	330,242	719,972	30,000	(25,800)	(2,000)	100,000	(6,935)	525,422	620,687	1,340,659
	(800)	0	(800)	0	800	0	0	0	0	800	0
	1,555,012	968,407	2,523,419	368,377	25,000	2,000	0	15,524	(803,808)	(392,907)	2,130,512
	1,943,942	1,298,649	3,242,591	388,377	0	0	100,000	8,589	(278,386)	228,580	3,471,171

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note	Unrestricted Funds		Total Unrestricted Funds S\$	Restricted Funds					Total Restricted Funds S\$	Grand Total Funds S\$
	Accumulated Fund S\$	Club / District Project Fund S\$		LCSF Education Fund S\$	Lions Home for Elders Fund S\$	Lions Befrienders Fund S\$	Lions Quest Fund S\$	Care and Share Fund S\$		
	26,180	0	26,180	0	0	0	0	0	0	26,180
4	100,900	148,365	249,265	142,400	342,000	213,000	0	0	697,400	946,665
	0	0	0	0	0	0	0	0	479,210	479,210
	127,080	148,365	275,445	142,400	342,000	213,000	0	0	1,176,610	1,452,055
5	(64,613)	0	(64,613)	0	0	(111,000)	(8,841)	(916,581)	(1,036,422)	(1,101,035)
	22,686	0	22,686	0	0	0	0	0	0	22,686
	3,605	0	3,605	0	0	0	0	0	0	3,605
	26,291	0	26,291	0	0	0	0	0	0	26,291
	88,758	148,365	237,123	142,400	342,000	102,000	(8,841)	(437,371)	140,188	377,311
	7,400	0	7,400	0	0	0	0	0	0	7,400
	3,300	0	3,300	0	0	0	0	0	0	3,300
	355	0	355	0	0	0	0	0	0	355
6	0	0	0	0	0	0	0	1,163	1,163	1,163
	1,602	0	1,602	0	0	0	0	0	0	1,602
11	31	0	31	0	0	0	0	0	0	31
	7,800	0	7,800	0	0	0	0	0	0	7,800
	376	0	376	0	0	0	0	0	0	376
6	0	0	0	0	0	0	0	18,080	18,080	18,080
6	1,029	0	1,029	0	0	0	0	30	30	30
	1,846	0	1,846	0	0	0	0	0	0	1,029
	23,739	0	23,739	0	0	0	0	19,273	19,273	43,012
	65,019	148,365	213,384	142,400	342,000	102,000	(8,841)	(456,644)	120,915	334,299
	417,000	0	417,000	0	(317,000)	(100,000)	0	0	(417,000)	0
	1,072,993	820,042	1,893,035	225,977	0	0	24,365	(347,164)	(96,822)	1,796,213
	1,555,012	968,407	2,523,419	368,377	25,000	2,000	15,524	(803,808)	(392,907)	2,130,512

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	2017	2016
		S\$	S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	355,480	65,742
Fixed deposits	9	3,100,000	2,054,022
Other receivables	10	16,775	12,374
		<u>3,472,255</u>	<u>2,132,138</u>
Non-current assets			
Property, plant and equipment	11	<u>2,216</u>	<u>5,045</u>
Total assets		<u>3,474,471</u>	<u>2,137,183</u>
LIABILITIES			
Current liabilities			
Other payables	13	3,300	6,671
Total liabilities		<u>3,300</u>	<u>6,671</u>
NET ASSETS		<u>3,471,171</u>	<u>2,130,512</u>
FUNDS			
Unrestricted Funds			
- Accumulated Fund	14(i)	1,943,942	1,555,012
- Club / District Project Fund	14(ii)	<u>1,298,649</u>	<u>968,407</u>
		<u>3,242,591</u>	<u>2,523,419</u>
Restricted Funds			
- LCSF Education Fund	14(iii)	398,377	368,377
- Lions Home for Elders Fund	14(iv)	0	25,000
- Lions Befrienders Fund	14(v)	0	2,000
- Development Fund	14(vi)	100,000	0
- Lions Quest Fund	14(vii)	8,589	15,524
- Care and Share Fund	14(viii)	<u>(278,386)</u>	<u>(803,808)</u>
		<u>228,580</u>	<u>(392,907)</u>
TOTAL FUNDS		<u>3,471,171</u>	<u>2,130,512</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Unrestricted Funds		Restricted Funds							Total Funds S\$	
	Accumulated Fund S\$	Club/ District Project Fund S\$	Total Unrestricted Funds S\$	LCSF Education Fund S\$	Lions Home for Elders Fund S\$	Lions Benefrinders Fund S\$	Development Fund S\$	Lions Quest Fund S\$	Care and Share Fund S\$		Total Restricted Funds S\$
Balance as at 30 June 2015 and 1 July 2015	1,072,993	820,042	1,893,035	225,977	0	0	0	24,365	(347,164)	(96,822)	1,796,213
Surplus/(Deficit) for the year	65,019	148,365	213,384	142,400	342,000	102,000	0	(8,841)	(456,644)	120,915	334,299
Transfer	417,000	0	417,000	0	(317,000)	(100,000)	0	0	0	(417,000)	0
Balance as at 30 June 2016	1,555,012	968,407	2,523,419	368,377	25,000	2,000	0	15,524	(803,808)	(392,907)	2,130,512
Surplus/(Deficit) for the year	389,730	330,242	719,972	30,000	(25,800)	(2,000)	100,000	(6,935)	525,422	620,687	1,340,659
Transfer	(800)	0	(800)	0	800	0	0	0	0	800	0
Balance as at 30 June 2017	1,943,942	1,298,649	3,242,591	398,377	0	0	100,000	8,589	(278,386)	228,580	3,471,171

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Notes	2017 S\$	2016 S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		1,340,659	334,299
Adjustments for:			
Depreciation of property, plant and equipment	11	2,829	1,602
Interest income		(40,784)	(22,686)
Operating surplus before working capital changes		<u>1,302,704</u>	<u>313,215</u>
Changes in operating assets and liabilities:			
Other receivables		50	88,051
Other payables		(3,371)	(272,526)
Net cash generated from operating activities		<u>1,299,383</u>	<u>128,740</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	0	(5,440)
Interest received		36,333	13,672
Placement of fixed deposits		(1,045,978)	(554,022)
Net cash used in investing activities		<u>(1,009,645)</u>	<u>(545,790)</u>
Net decrease in cash and cash equivalents		289,738	(417,050)
Cash and cash equivalents at beginning of financial year		65,742	482,792
Cash and cash equivalents at end of financial year	8	<u>355,480</u>	<u>65,742</u>
Cash and cash equivalents carried forward comprise:			
Cash at bank	8	<u>355,480</u>	<u>65,742</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 2003. Its Unique Entity Number is (UEN) is T03SS0068K.

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

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 1 September 2015 to 28 February 2017. Subsequently, its IPC status was extended from 1 March 2017 to 31 August 2019.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of 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.

These financial statements are presented in Singapore Dollar (S\$), which is the Society's functional currency.

The preparation of these 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 2016

On 1 July 2016, 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)*****New or amended Standards and Interpretations effective after 1 July 2016***

The following are the new or amended Standards and Interpretations (Issued by Accounting Standards Council up to (04 January 2017) that are not yet applicable, but may be early adopted for the current financial year:

Descriptions	Annual periods commencing on
Amendments to: <ul style="list-style-type: none"> - FRS 7 Statement of cash flows (Disclosure initiative) - FRS 12 Income taxes (Recognition of deferred tax assets for unrealised losses) 	1 January 2017
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers Amendments to: <ul style="list-style-type: none"> - FRS 102 Classification and Measurement of Share-based Payment Transactions - FRS 40 Transfers of Investment Property - FRS 115 Clarifications to FRS 115 Revenue from contracts with customers 	1 January 2018
FRS 116 Leases	1 January 2019

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 Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.4 Interest income

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

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.

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
Furniture and Fixtures	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. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment (Cont'd)

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.

2.4.4 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 and intangible assets 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.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in statement of financial activities, 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. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expenses, a reversal of that impairment is also recognised in statement of financial activities.

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 in the following categories: 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 each Statement of financial position 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 presented as current assets, except those expected to be realised later than 12 months after the statement of financial position date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

2.7.2 Recognition and de-recognition

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.

2.7.3 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 statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognised as an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in statement of financial activities.

The impairment allowance is reduced through statement of financial activities in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

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.

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 where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in statement of financial activities on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in statement of financial activities when 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 statement of financial position 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.

2.16 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. Significant accounting policies (Cont'd)

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

	2017	2016
	S\$	S\$
Donations – tax exempt receipts	674,348	845,765
Donations – non - tax exempt receipts	440,363	100,900
	<u>1,114,711</u>	<u>946,665</u>

During the financial year, the Society issued tax-deductible receipts for donations totalling S\$674,348 (2016: S\$845,765) pursuant to its Institution of a Public Character ("IPC") status.

5. DONATIONS PAID

The following were donations paid out during the financial year.

	2017	2016
	S\$	S\$
Education Fund	50,000	139,200
Lions Befrienders	2,000	211,000
Lions District Humanitarian Project	1,048,774	538,835
Lions Home for the Elders	24,824	212,000
	<u>1,128,598</u>	<u>1,101,035</u>

6. STAFF COSTS

	2017	2016
	S\$	S\$
Salaries	31,100	18,080
CPF Contribution	4,423	1,163
SDL	84	30
	<u>35,607</u>	<u>19,273</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

	2017 S\$	2016 S\$
Cash at bank	<u>355,480</u>	<u>65,742</u>

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

9. FIXED DEPOSITS

	2017 S\$	2016 S\$
Fixed deposits	<u>3,100,000</u>	<u>2,054,022</u>

These are 12 months (2016: 6 to 12 months) time deposits bearing interest rates ranging from 1.45% to 1.90% (2016: 1.45% to 1.90%) per annum.

10. OTHER RECEIVABLES

	2017 S\$	2016 S\$
Interest receivables	14,875	10,424
Deposits	1,900	1,900
Other receivables	0	50
	<u>16,775</u>	<u>12,374</u>

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

11. PROPERTY, PLANT AND EQUIPMENT

	Computers S\$	Furniture and Fixtures S\$	Total S\$
Cost			
At 30 June 2015 and 1 July 2015	4,884	0	4,884
Additions	0	5,440	5,440
At 30 June 2016	4,884	5,440	10,324
Additions	0	0	0
At 30 June 2017	4,884	5,440	10,324
Accumulated depreciation and impairment loss			
At 30 June 2015 and 1 July 2015	3,677	0	3,677
Depreciation charge	595	1,007	1,602
At 30 June 2016	4,272	1,007	5,279
Depreciation charge	612	2,217	2,829
At 30 June 2017	4,884	3,224	8,108
Net carrying value			
At 30 June 2016	612	4,433	5,045
At 30 June 2017	0	2,216	2,216

12. INTANGIBLE ASSETS

	Website development costs S\$	Total S\$
Cost		
At 1 July 2015 and 1 July 2016	15,650	15,650
Additions	0	0
At 30 June 2016 and 30 June 2017	15,650	15,650
Accumulated amortisation and impairment loss		
At 30 June 2015 and 1 July 2015	12,983	12,984
Amortisation	2,667	2,667
At 30 June 2016 and 1 July 2016	15,650	15,650
Amortisation	0	0
At 30 June 2017	15,650	15,650
Net carrying value		
At 30 June 2016	0	0
At 30 June 2017	0	0

13. OTHER PAYABLES

	2017 S\$	2016 S\$
Accruals	<u>3,300</u>	<u>6,671</u>

At the reporting date, the carrying amounts of trade and other payables approximated their fair values.

14. FUNDS

Unrestricted Funds

(i) Accumulated Fund

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

(ii) 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 are too small in terms of fund raised.

Restricted Funds

(iii) 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.

(iv) 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.

The donation paid to Lions Home for Elders during the year amounting to S\$NIL (2016: S\$212,000) is included in the amount of "Donation paid" under Care and Share Fund. The donation paid is utilised Care and Share Fund unless they do not meet Care and Share capability and capacity building criteria. At the end of the year, the donation paid by utilisation of Care and Share Fund was transferred to accumulated fund.

14. FUNDS (CONT'D)

Restricted Funds (Cont'd)

(v) 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.

The donation paid to Lions Home for Elders during the year amounting to S\$NIL (2016: S\$100,000) is included in the amount of "Donation paid" under Care and Share Fund. The donation paid is utilised Care and Share Fund unless they do not meet Care and Share capability and capacity building criteria. At the end of the year, the donation paid by utilisation of Care and Share Fund was transferred to accumulated fund.

(vi) Development Fund

The purpose of the Development Fund is to develop a reserve for the maintenance of the property when purchased as well as to replenish the Society financial resources that went into the purchase of the first property. It would form part of the Endowment Fund the establishment of which is an objective of LCSF. It would be used for the purchase of future property should the foundation need to upgrade to meet its future operational needs.

(vii) 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.

(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.

15. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

There is none of the staff received more than S\$100,000 in annual remuneration.

Related party transactions

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

16. COMMITMENTSOperating lease

As at the reporting date, the Society has commitments for future minimum lease payables under non-cancellable operating leases as follows:

	2017 S\$	2016 S\$
Payable not later than one year	7,800	15,600
Payable between one and five years	0	7,800
	<u>7,800</u>	<u>23,400</u>

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the Society.

Other commitment

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

	2017 S\$	2016 S\$
Payable not later than one year	<u>64,000</u>	<u>10,000</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 2017 is as follows:

		2017	2016	Increase
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	3,243	2,523	29
B	Restricted or Designated Funds			
	Designated Funds	0	0	0
	Restricted Funds	228	(393)	158
C	Endowment Funds	0	0	0
D	Total Funds	3,471	2,130	63
E	Total Annual Operating Expenditure	1,199	1,144	5
F	Ratio of Funds to Annual Operating Expenditure (A/E)	2.70	2.21	

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:

	2017	2016
	S\$	S\$
<u>Financial Assets</u>		
Cash and cash equivalents	355,480	65,742
Fixed deposits	3,100,000	2,054,022
Other receivables and deposits (excluding prepayment)	16,775	12,374
	<u>3,472,255</u>	<u>2,132,138</u>
<u>Financial Liabilities</u>		
Other payables	<u>3,300</u>	<u>6,671</u>

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

	2017	2016
	S\$	S\$
Payable within one year		
<u>Financial liabilities</u>		
Other payables	<u>3,300</u>	<u>6,671</u>

20. FINANCIAL RISK MANAGEMENT

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.

21. 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.

22. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 30 June 2017 were authorised for issue by the Management Committee on **29 DEC 2017**