

**WWF-WORLD WIDE FUND FOR
NATURE (SINGAPORE) LIMITED
(A company limited by guarantee and
and not having a share capital)
(Registration No. 200602275E)**

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2019

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of WWF-World Wide Fund for Nature (Singapore) Limited the ("Company") for the financial year ended June 30, 2019.

In the opinion of the directors:

- (a) the financial statements of the Company as set out on pages 6 to 33 are drawn up so as to give a true and fair view of the financial position of the Company as at June 30, 2019, and the financial performance, changes in funds and cash flows of the Company for the financial year then ended in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations"), and Financial Reporting Standards in Singapore ("FRSs");
- (b) the use of donation monies was in accordance with the objectives of the Company as required under Regulation 11 (use of donations) of the Charities (Institutions of a Public Character) Regulations;
- (c) the Company has complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations and the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012; and
- (d) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.
- (e) the accounting and other records required to be kept by the Company have been properly kept in accordance with the Act and the Charities Act and Regulations.

The Company was incorporated on February 20, 2006, and is limited by guarantee. In the event of winding up, the members of the Company guarantee to contribute a sum not exceeding \$1 each to the assets of the Company.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Koh Kok Hong Joseph	
Goh Hwee Cheng	
Agarwal Achal	
Shaw Chai Chung Markham	
Lye Lin Heng	
Geh Min	(Appointed on April 9, 2019)
Ghosh Abhijit	(Appointed on April 9, 2019)
Kan Shook Wah	(Appointed on April 9, 2019)
Kataria Tarun	(Appointed on April 9, 2019)
De Silva Susan Mary	(Appointed on November 20, 2019)

2 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose object is to enable the directors of the Company to acquire benefits by means of the subscription to or acquisition of shares or debentures of the Company or any other body corporate.

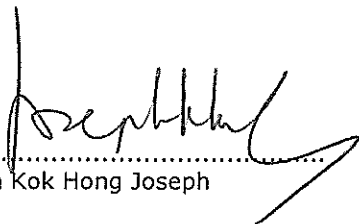
WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
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DIRECTORS' STATEMENT

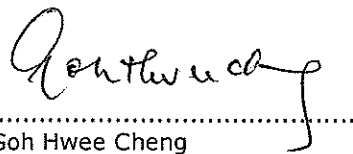
3 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



.....
Koh Kok Hong Joseph



.....
Goh Hwee Cheng

December 6, 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED (A company limited by guarantee)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WWF-World Wide Fund For Nature (Singapore) Limited (the "Company") which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 33.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "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 give a true and fair view of the financial position of the Company as at June 30, 2019 and of the financial performance, changes in the funds and cash flows of the Company for the 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 Company in accordance with the Accounting and Corporate Regulatory Authority *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 opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Statement set out on pages 1 to 2.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED (A company limited by guarantee)

Responsibilities of Management and Those Charged with Governance 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 Act, the Charities Act and Regulations and FRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company'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:

- (a) 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 Company'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 Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED (A company limited by guarantee)

- (e) 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 the directors 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.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Act, and the Charities Act and Regulations.

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

- (a) the Company 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 Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations and the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

Deloitte & Touche 

Public Accountants and
Chartered Accountants
Singapore

December 6, 2019

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL POSITION
As at June 30, 2019

	<u>Note</u>	<u>2019</u>	<u>2018</u>
		\$	\$
<u>ASSETS AND LIABILITY</u>			
Current assets			
Cash and bank balances	6	6,152,646	5,655,463
Other receivables	7	2,811,641	2,092,092
Other current assets	8	456,673	666,988
Deposits	9	92,071	77,119
Inventories	10	71,745	83,498
Total current assets		<u>9,584,776</u>	<u>8,575,160</u>
Non-current asset			
Plant and equipment	11	<u>462,850</u>	<u>527,413</u>
Total assets		<u>10,047,626</u>	<u>9,102,573</u>
Current liability			
Trade and other payables	12	<u>3,946,341</u>	<u>3,526,863</u>
Net assets		<u>6,101,285</u>	<u>5,575,710</u>
<u>FUNDS</u>			
Restricted operating funds	13	1,186,582	939,926
Unrestricted operating funds	13	4,634,847	4,383,873
WWFS Conservation Fund	14	<u>279,856</u>	<u>251,911</u>
Total funds		<u>6,101,285</u>	<u>5,575,710</u>

See accompanying notes to financial statements.

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended June 30, 2019

	<u>Note</u>	<u>2019</u>	<u>2018</u>
		\$	\$
INCOME	15	22,276,256	18,960,300
OPERATING EXPENDITURE:			
- Expense related to the donation in kind received	16	(1,024,100)	(1,871,950)
- Staff costs and staff related costs	16	(10,950,981)	(8,681,719)
- Professional fees		(1,204,568)	(681,712)
- Travel and meetings		(765,093)	(663,709)
- Communication and media		(454,264)	(501,252)
- Raising and outreach expenses		(2,748,006)	(2,306,472)
- Funds disbursed to donor specified global conservation programmes		(3,233,223)	(3,232,729)
- Grant to third parties		-	-
- Rental on operating leases	18	(266,379)	(212,431)
- Depreciation		(222,468)	(173,570)
- Repair and maintenance		(71,298)	(10,518)
- Telecommunications expenses		(83,636)	(90,987)
- Training expenses		(64,910)	(44,583)
- Others		(661,755)	(498,349)
Total expenditure		(21,750,681)	(18,969,981)
Surplus (Deficit) before income tax	16	525,575	(9,681)
Income tax	17	-	-
Net surplus (deficit), representing total comprehensive income (loss) for the financial year		<u>525,575</u>	<u>(9,681)</u>

See accompanying notes to financial statements.

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
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STATEMENT OF CHANGES IN FUNDS
Year ended June 30, 2019

	Restricted operating funds	Unrestricted operating funds	WWFS Conservation Fund	Total
	\$ (Note 13)	\$ (Note 13)	\$ (Note 14)	\$
Balance at July 1, 2017	539,846	4,784,200	261,345	5,585,391
Net surplus (deficit), representing total comprehensive income (loss) for the financial year	400,080	(400,327)	(9,434)	(9,681)
Balance at June 30, 2018	939,926	4,383,873	251,911	5,575,710
Net surplus, representing total comprehensive income for the financial year	246,656	250,974	27,945	525,575
Balance at June 30, 2019	1,186,582	4,634,847	279,856	6,101,285

See accompanying notes to financial statements.

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
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STATEMENT OF CASH FLOWS
Year ended June 30, 2019

	2019	2018
	\$	\$
Operating activities		
Surplus (Deficit) before income tax	525,575	(9,681)
Adjustments for:		
Depreciation	222,468	173,570
Plant and equipment written off	-	1,159
Write down of inventories to net realisable value	-	32,488
Operating cash flows before working capital changes	748,043	197,536
Other receivables and deposits	(734,501)	(912,528)
Other current assets	210,315	(398,489)
Inventories	11,753	(61,463)
Trade and other payables	419,478	(525,111)
Net cash from (used in) operating activities	655,088	(1,700,055)
Investing activity		
Purchase of plant and equipment, representing cash used in investing activity	(157,905)	(187,823)
Financing activity		
Pledged deposits, representing cash used in financing activity	-	(100,000)
Net increase (decrease) in cash and cash equivalents	497,183	(1,987,878)
Cash and cash equivalents at beginning of year	5,555,463	7,543,341
Cash and cash equivalents at end of year (Note 6)	6,052,646	5,555,463

See accompanying notes to financial statements.

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1 GENERAL

The Company (Registration No. 200602275E) is incorporated and domiciled as a public company in Singapore limited by guarantee. The address of its registered office and principal place of business is at 354 Tanglin Road #02-11, Singapore 247672. The financial statements are expressed in Singapore dollars.

Under Article 8 of the Memorandum of Association of the Company, each member of the Company undertakes to contribute a sum not exceeding \$1 to the assets of the Company in the event of it being wound up. The number of members at the end of the reporting period is 3 (2018 : 3). The Company has been registered as a charity under the Charities Act since March 10, 2006.

Included in the Company, is WWFS Conservation Fund which has been conferred with the status of Institution of a Public Character ("IPC") for a period of 2 years commencing January 1, 2008. The IPC status was renewed for another two years commencing July 1, 2019.

The principal activities of the Company are to promote conservation awareness/programmes and coordinate and support regional conservation activities.

The financial statements of the Company for the financial year ended June 30, 2019 were authorised for issue by the Board of Directors on December 6, 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

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June 30, 2019

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after July 1, 2018. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below.

The Company applied FRS 109 with an initial application date of July 1, 2018. The Company has not restated the comparative information, which continues to be reported under FRS 39.

The significant accounting policies for financial instruments under FRS 109 is as disclosed in the notes to financial statements below.

(i) Classification and measurement of financial assets and financial liabilities

The Company has applied the requirements of FRS 109 to instruments that have not been derecognised as at July 1, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 1, 2018. The classification of financial assets is based on two criteria: the Company's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. There are no changes in classification and measurement of the Company's financial assets and financial liabilities.

(ii) Impairment of financial assets

FRS 109 requires an expected credit loss model as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Specifically, FRS 109 requires the Company to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at fair value through other comprehensive income ("FOCI"), ii) lease receivables, iii) contract assets and iv) loan commitments and financial guarantee contracts to which the impairment requirements of FRS 109 apply.

Effects arising from the adoption of FRS 109 have not resulted in any material adjustment to allowance recognised upon application.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18 *Revenue* and the related interpretations. FRS 115 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Details of these new requirements as well as their impact on the financial statements are described below.

The Company has applied FRS 115 using the modified retrospective method with the cumulative effect of initially applying this standard recognised at the date of initial application (July 1, 2018). Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and the related interpretations. The Company has elected to apply this standard retrospectively only to contracts that are not completed contracts at the date of initial application.

FRS 115 uses the terms 'contract liability' to describe what might more commonly be known as 'income received in advance', however the standard does not prohibit an entity from using alternative descriptions in the statement of financial position.

The Company's significant accounting policies for its revenue streams are disclosed below. Apart from providing more extensive disclosures on the Company's revenue transactions, effects arising from the adoption of FRS 115 have not resulted in any material adjustment to the financial statements.

Standards issued but not effective

At the date of authorisation of these financial statements, the following FRSS, INT FRSS and amendments to FRS that are relevant to the Company were issued but not effective:

FRS 116 Leases

(Applies to annual periods beginning on or after January 1, 2019)

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the existing framework.

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June 30, 2019

As at June 30, 2019, the Company has non-cancellable operating lease commitments of \$584,240. The existing framework does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in Note 18. A preliminary assessment indicates that these arrangements will meet the definition of a lease under FRS 116, and hence the Company will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of FRS 116. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Company's financial statements and the management is currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until management completes the review.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets (before July 1, 2018)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Cash and bank balances

Cash and bank balances comprise cash on hand, fixed deposits and bank balances and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Other receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market, are initially measured at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment 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 carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Financial assets (from June 1, 2018)

Classification of financial assets

Debt instruments mainly comprise cash and bank balances and other receivables that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
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Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers historical loss rates for each category of debtors and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Classification as debt

Financial liabilities issued by the Company are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis except for short-term payables when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PLANT AND EQUIPMENT - Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Software in the course of construction for administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees. Depreciation of these assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment	-	5 years
Furniture and fixtures	-	5 years
Leasehold improvements	-	5 years
Computer equipment and software	-	3 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured.

Donations are recognised as and when the Company's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. This normally coincides with the receipt of the donation. Donations received in advance are deferred and recognised as and when the projects are held.

When a donation in kind (goods or services) is received, the fair value of the consideration received is estimated to be the price that the Company would have paid in the open market for an equivalent item. Where a donation in kind that cannot be capitalised is recognised, an equivalent amount is included as expenditure in the statement of profit or loss and other comprehensive income. Where a donation in kind refers to donation of assets, an equivalent amount is recognised as cost of plant and equipment in the statement of financial position to be depreciated over their estimated useful lives, or other assets as appropriate.

Income from related parties and companies are recognised over time when services are performed.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants relating to approved projects are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they become receivable.

INTEREST INCOME - Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

INCOME TAX - The Company is an organisation set up only for charitable purposes, and is registered with the Commissioner of Charities under the Charities Act (Cap. 37). The Company is exempted from income tax under the Singapore Income Tax Act.

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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 end of the reporting period.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Company are presented in Singapore dollars, the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit and loss.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Company's accounting policies

Management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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:

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Loss allowance for other receivables

The Company assesses at each reporting date the allowance required for its receivables. The Company considers factors such as the probability of significant financial difficulties of the debtor, historical defaults or significant delay in payments and economic conditions.

Significant judgement is made by management in determining the amount and timing of future cash flows, estimated based on historical loss experience for assets with similar credit risk characteristics and any relevant forward-looking adjustments, including taking into consideration the credit-worthiness, past collection history, settlement arrangements, subsequent receipts and on-going dealings with the receivables.

The carrying amount of other receivables is disclosed in Note 7 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2019	2018
	\$	\$
<u>Financial assets</u>		
Amortised cost (2018 : Loans and receivables)	9,056,358	7,824,674
<u>Financial liability</u>		
Amortised cost	1,576,180	1,212,741

(b) Financial risk management policies and objectives

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk and liquidity risk. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) Foreign exchange risk

The Company's foreign exchange risk arose mainly from the exchange rate movement of the United States Dollars ("USD") and Swiss Franc ("CHF"). The exposure is managed through the timing of receipts and payments as negotiated with the related parties and companies since funding received and programme funding provided, are mainly from/to related parties and companies.

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The carrying amounts of monetary assets and monetary liabilities denominated in currencies other than Singapore dollars at the respective year end are as follows:

	<u>Assets</u>		<u>Liabilities</u>	
	2019	2018	2019	2018
	\$	\$	\$	\$
United States Dollars	577,072	556,053	416,349	1,001,838
Swiss Franc	453,491	905,513	402,189	20,181

Foreign currency sensitivity

The following table details the Company's sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency ("SGD"), with all the other variables held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

At the end of the reporting period, if the relevant foreign currency strengthens/weakens by 10% against the Singapore Dollars, surplus before tax (2018 : deficit before tax) will increase (decrease) by:

	<u>Strengthen</u>		<u>Weaken</u>	
	2019	2018	2019	2018
	\$	\$	\$	\$
United States Dollars	16,072	22,142	(16,072)	(22,142)
Swiss Franc	5,130	(88,533)	(5,130)	88,533

(ii) Interest rate risk

The Company is exposed to interest rate risk through the impact of interest rates changes on interest-earning cash and fixed deposits. The Company does not have any significant interest-bearing financial liabilities and financial assets. No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's income or expenditure arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

(iii) Credit risk

The Company places its cash and bank balances with reputable institutions and an amount of \$759,098 (2018 : \$733,155) is placed in trust with an outsourced accounting service provider.

The maximum credit risk that the Company is exposed to is represented by the carrying amounts of its financial assets as stated in the statement of financial position.

Management is of the view that no loss allowance is required as these receivables are recoverable.

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The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

For the purpose of impairment assessment, the receivables due from related companies are considered to have low credit risk as these are not due for repayment at the end of reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the financial position of the related companies and general economic conditions of the countries in which these entities operate, in estimating the probability of default of the receivables as well as the loss upon default. Management determines the receivables due from these companies are subject to immaterial credit loss.

The Company has not made any allowance for ECL on the rest of the financial assets as management has assessed that these receivables are recoverable and historical default rate and risk of default is low.

(iv) Liquidity risk

The Company adopts prudent liquidity risk management by monitoring its projected and actual cash inflows and outflows to ensure that its funding needs are identified and managed in advance. The Company maintains sufficient cash deemed adequate to finance its operations. The Company has no financial liabilities which mature later than one year from the end of the reporting period.

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(v) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, other receivables, trade and other payables approximate their respective fair values due to the relatively short-term nature of the financial assets and financial liabilities.

(c) *Capital risk management policies and objectives*

The Company is not subject to any externally imposed capital requirements and its operations are funded mainly by donations. The capital structure of the Company comprises restricted operating funds, unrestricted operating funds and WWFS Conservation Fund. The Company's overall strategy remains unchanged from 2018.

It is the policy of the Company to maintain a level of unrestricted operating funds of approximately 6 months of its monthly management and administrative costs to ensure that the Company's operational activities could continue during a period of unforeseen difficulty. The management and directors monitor the Company's reserves level regularly on an ongoing basis.

5 RELATED COMPANIES AND PARTY TRANSACTIONS

At the end of the reporting period, the members of the Company are:

- World Wide Fund for Nature (Incorporated in Switzerland), known as WWF International
- Mr Teng Ngiek Lian
- Mr Christopher John Hails

Related companies are entities under common control of World Wide Fund for Nature.

Other related parties are National Organisations ("NO") which are part of the WWF network. Some of the NOs have members on the Board of WWF International. WWF International has agreed with the NOs to serve them and to be supported by them, as their effective central instrument to define fundamental WWF network policy, unite the WWF network, coordinate the WWF network activities and provide the WWF network with all appropriate services. Other related parties also comprise companies which are controlled by a person or a close member of that person's family who has significant influence over the Company.

WWFS CONSERVATION FUND - It is not the normal practice for the trustees, or people connected with them, to receive remuneration, or other benefits, from the WWFS Conservation Fund for which they are responsible, or from institutions connected with the WWFS Conservation Fund. The Chief Executive Officer and the direct reporting senior officers of the Company have employment relationships with the Company and have received remuneration in those capacities.

As a normal practice and for avoidance of any conflicts of interests, trustees make their declaration of interests as necessary at each trustee meeting of WWFS Conservation Fund conducted during the financial year. The key management personnel carry out their daily duties independently from the trustees.

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Some of the Company's significant transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected below in these financial statements other than those disclosed elsewhere in the financial statements. Amounts due from/to related companies and related parties are unsecured, repayable upon demand and interest-free.

	2019	2018
	\$	\$
Income from the supporting organisation:		
- WWF International	<u>(6,241,867)</u>	<u>(5,143,341)</u>
Income from related parties	<u>(2,866,797)</u>	<u>(2,444,877)</u>
Funds disbursed to donor specified global conservation programmes:		
- Related parties	2,299,733	1,003,267
- Related companies	933,489	2,229,461
	<u>3,233,222</u>	<u>3,232,729</u>
Expenses paid to related parties	<u>-</u>	<u>1,468</u>
Payments on behalf of:		
- Related parties	20,319	-
- Related companies	-	902
- WWF International	63,572	50,809
	<u>83,891</u>	<u>51,711</u>

6 CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash at bank and on hand	3,528,943	3,052,053
Fixed deposits	2,623,703	2,603,410
	6,152,646	5,655,463
Less: Pledged fixed deposits	(100,000)	(100,000)
Cash and cash equivalents in the statement of cash flows	<u>6,052,646</u>	<u>5,555,463</u>

Cash amounting to \$759,098 (2018 : \$733,155) was placed in trust with an outsourced accounting service provider for payroll purposes.

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Fixed deposits bear an interest rate of 0.2 % to 1.3 % (2018 : 0.2% to 1.3%) per annum for a tenure of 30 to 12 months (2018 : 3 to 6 months). The pledged deposit is used as security for credit facilities provided by a bank.

Included above is the following amount pertaining to WWFS Conservation Fund:

	2019	2018
	\$	\$
Cash at bank	362,943	421,305

7 OTHER RECEIVABLES

	2019	2018
	\$	\$
Other receivables from related companies (Note 5)	1,653,839	1,247,590
Other receivables from related parties (Note 5)	167,466	129,577
Staff travel advances	8,450	27,300
Other receivables from third parties	286,713	130,492
Government grant receivable	695,173	597,133
	<u>2,811,641</u>	<u>2,092,092</u>

The following amount pertains to the WWFS Conservation Fund:

	2019	2018
	\$	\$
Other receivables	<u>16,224</u>	<u>12,271</u>

For the purpose of impairment assessment, other receivables are considered to have low credit risk as these are not due for repayment at the end of the reporting period and there has been no significant increase in the risk of default on these receivables since initial recognition. Based on management's assessment and the Company's historical credit loss experience with the relevant counterparties, the management had assessed the expected credit loss to be insignificant. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the financial position of the third parties and related companies, adjusted for factors that are specific to these companies and general economic conditions of the industry in which these companies operate, in estimating the probability of default of the receivables as well as the loss upon default. Management determines the receivables from these companies are subject to immaterial credit loss.

Previous accounting policy for impairment of other receivables

The other receivables are not past due and the Company has not recognised any allowance on these receivables as management has assessed that these receivables are recoverable as there is no change in creditworthiness of these parties.

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8 OTHER CURRENT ASSETS

	2019	2018
	\$	\$
Prepayments	42,807	46,262
Advance funding to global conservation programmes	413,886	620,726
	<u>456,673</u>	<u>666,988</u>

The following amounts pertain to the WWFS Conservation Fund:

	2019	2018
	\$	\$
Prepayments	<u>4,020</u>	<u>3,762</u>

9 DEPOSITS

	2019	2018
	\$	\$
Refundable deposits	<u>92,071</u>	<u>77,119</u>

10 INVENTORIES

	2019	2018
	\$	\$
Merchandise	<u>71,745</u>	<u>83,498</u>

The cost of inventories recognised as an expense includes \$Nil (2018 : \$32,488) in respect of write-downs of inventory to net realisable value.

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11 PLANT AND EQUIPMENT

	Office equipment	Furniture and fixtures	Leasehold improvements	Computer equipment	Computer software	Software under development	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
At July 1, 2017	35,188	97,803	355,503	216,640	40,430	81,751	827,315
Additions	3,606	12,472	49,276	122,469	-	-	187,823
Written off	-	-	-	(1,461)	-	-	(1,461)
Reclassification	-	-	-	-	81,751	(81,751)	-
At June 30, 2018	38,794	110,275	404,779	337,648	122,181	-	1,013,677
Additions	6,905	8,075	4,000	63,969	74,956	-	157,905
At June 30, 2019	45,699	118,350	408,779	401,617	197,137	-	1,171,582
Accumulated depreciation							
At July 1, 2017	23,887	21,032	79,288	148,386	40,403	-	312,996
Depreciation	3,670	17,403	61,311	54,825	36,361	-	173,570
Written off	-	-	-	(302)	-	-	(302)
At June 30, 2018	27,557	38,435	140,599	202,909	76,764	-	486,264
Depreciation	4,613	20,896	71,905	79,127	45,927	-	222,468
At June 30, 2019	32,170	59,331	212,504	282,036	122,691	-	708,732
Carrying amount							
At June 30, 2019	13,529	59,019	196,275	119,581	74,446	-	462,850
At June 30, 2018	11,237	71,840	264,180	134,739	45,417	-	527,413

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12 TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Trade creditors	228,069	164,984
Other creditors	28,978	49,293
Income from related companies received in advance (Note 5)	1,694,031	1,417,829
Payable to related companies (Note 5)	293,835	66,749
Payable to related party (Note 5)	288,662	122,617
Accrued expenses	679,651	747,403
Donations received in advance	676,130	896,293
Provision for annual leave	56,985	61,695
	<u>3,946,341</u>	<u>3,526,863</u>

The above balances include the following amounts which pertains to the WWFS Conservation Fund:

	2019	2018
	\$	\$
Accrued expenses	3,429	8,482
Donations received in advance	<u>6,000</u>	<u>9,405</u>

Liabilities for amounts payable are normally settled on 30 to 60 days (2018 : 30 to 60 days) credit terms.

In the separate stand-alone statement of financial position of the WWFS Conservation Fund, there is a balance due to WWF Singapore of \$97,652 (2018 : \$174,317).

13 OPERATING FUNDS

The Company's Memorandum of Association provides that no portion of the income and property of the Company shall be paid by way of dividend, bonus or otherwise to the members of the Company.

Restricted operating funds

Fund balances restricted by outside sources are indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to that fund, is charged to that fund. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

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Unrestricted operating funds

Fund balances which are not restricted internally or by outside sources are termed as unrestricted funds. Management retains full control over the use of unrestricted funds in achieving any of its institutional purposes.

14 WWFS CONSERVATION FUND

The WWFS Conservation Fund ("Fund") is an Institution of a Public Character ("IPC") which enables donors to enjoy tax deductions. Donations collected by the Fund are restricted in use. A separate independent board of trustees provides oversight for the Fund. The WWFS Conservation Fund is to be utilised only for the following objectives:

- (a) the conservation of the natural environment and ecological processes in Singapore; and/or
- (b) to promote awareness of conservation efforts in relation to the conservation of the natural environment and ecological processes, such that by any means they will benefit the Singapore community.

Expenditure incurred during the financial year for the above objectives are as follows:

	2019	2018
	\$	\$
Expenses for charitable activities:		
- Outreach and awareness projects expenses	830,670	761,376
- Expense related to the donation in kind received	754,100	1,871,950
Other administrative expenses	9,635	12,455
Management fee billed by WWF Singapore*	231,811	383,629
Total expenditure incurred for WWFS Conservation Fund's activities	<u>1,826,216</u>	<u>3,029,410</u>

- * The activities and consequently accounting records of the WWFS Conservation Fund have to be segregated from the other activities of the Company as it is a restricted fund, as described above. The management fee billed to WWFS Conservation Fund represents a recovery of shared costs and expenses.

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Movement in the WWFS Conservation Fund is as follows:

	2019	2018
	\$	\$
Balance at beginning of year	251,911	261,345
Add:		
Donations and collections	179,009	167,395
Donation in kind (Note 16)#	754,100	1,871,950
Income from related parties (Note 5)	-	4,935
Others	12,543	2,605
Total income	945,652	2,046,885
Less: Expenditure	(1,826,216)	(3,029,410)
Add: Transfer from restricted operating fund	908,509	973,091
Net movement for the year	27,945	(9,434)
Balance at end of year	279,856	251,911

Donation in kind is recognised in accordance with the accounting policies on revenue recognition (see Note 2).

Of the total donations received (excluding donation in kind) during the financial year, \$127,225 (2018 : \$129,800) were tax deductible donations received.

15 INCOME

	2019	2018
	\$	\$
Revenue		
Donations and collections	1,585,031	1,242,398
Direct donors debit program	9,447,389	7,407,032
Donation in kind (Note 16)#	270,000	-
Revenue for WWFS Conservation Fund (Note 14)	945,652	2,046,885
Total revenue	12,248,072	10,696,315
Other income		
Income from related parties and companies (Note 5)	9,108,664	7,588,218
Government grant	709,826	605,618
Other income	209,692	70,149
Total other income	10,028,184	8,263,985
Total income	22,276,256	18,960,300

Donation in kind is recognised in accordance with the accounting policies on revenue recognition (see Note 2).

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16 (SURPLUS) DEFICIT BEFORE INCOME TAX

	2019	2018
	\$	\$
(Surplus) Deficit before income tax include:		
- Bank charges*	27,269	24,157
- Plant and equipment expensed off*	28,566	70,881
- Foreign exchange loss (gain) - net	98,723	(32,020)
- Costs of temporary workers*	228,438	181,714
- Cost of merchandise sold*	90,572	55,663
Staff costs (other than directors):		
- Salaries and related costs	9,670,120	7,757,815
- Defined contribution plans	820,771	686,116
- Other benefits	253,781	146,317
- Other staff-related costs	206,309	91,471
	<u>10,950,981</u>	<u>8,681,719</u>

* Included in "Others" in the statement of profit or loss and other comprehensive income.

Donation in kind

No cash was received for the donation in kind. Out of the total amount, \$1,024,100 (2018 : \$1,871,950) has an equivalent expense amount shown under the "expenditure" section.

Compensation of key management personnel (related party transactions)

The remuneration of key management personnel during the year is as follows:

	2019	2018
	\$	\$
Salaries and other short-term employee benefits	196,818	236,977
Post-employment benefits - contribution to CPF	8,940	17,341
	<u>205,758</u>	<u>254,318</u>

There was no compensation paid by the Company to the directors of the Company.

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Compensation of three highest paid staff

With reference to Section 8 of the "Code of Governance for Charities and Institutions of a Public Charter", the annual remuneration of three highest paid staff involved in the day-to-day operations are as follows:

Remuneration band:	2019	2018
\$100,000 to \$200,000	3	2
\$200,001 to \$300,000	-	1

17 INCOME TAX

The Company is exempted from tax (Note 2).

18 OPERATING LEASE ARRANGEMENTS

	2019	2018
	\$	\$
Minimum lease payments under operating lease:		
Recognised as an expense during the year	266,379	212,431

As at the end of the reporting period, the Company has outstanding commitments under non-cancellable operating leases which fall due as follows:

	2019	2018
	\$	\$
Within 1 year	243,831	128,290
Between 2 to 5 years	340,409	76,268
	584,240	204,558

Operating lease payments represent rentals payable for office premises and photocopiers. Leases are negotiated and fixed for an average term of two years.