



**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, 2020

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

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

	<u>PAGE</u>
Directors' statement	1 - 2
Independent auditor's report	3 - 5
Statement of financial position	6
Statement of profit or loss and other comprehensive income	7
Statement of changes in funds	8
Statement of cash flows	9
Notes to financial statements	10 - 36

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, 2020.

In the opinion of the directors:

- (a) the accompanying financial statements of the Company as set out on pages 6 to 36 are drawn up so as to give a true and fair view of the financial position of the Company as at June 30, 2020, 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;
- (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; and
- (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
Abhijit Ghosh
Kan Shook Wah
De Silva Susan Mary

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

DIRECTORS' STATEMENT


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.

ON BEHALF OF THE DIRECTORS



.....
Koh Kok Hong Joseph



.....
Abhijit Ghosh

04 DEC 2020

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, 2020, 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 36.

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, 2020 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 LLP

Public Accountants and
Chartered Accountants
Singapore

December 4, 2020

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

STATEMENT OF FINANCIAL POSITION
As at June 30, 2020

	Note	2020 \$	2019 \$
<u>ASSETS AND LIABILITIES</u>			
Current assets			
Cash and bank balances	6	8,357,358	6,152,646
Other receivables	7	3,725,155	2,811,641
Other current assets	8	1,210,404	456,673
Deposits	9	98,201	92,071
Inventories	10	116,290	71,745
Total current assets		<u>13,507,408</u>	<u>9,584,776</u>
Non-current asset			
Plant and equipment	11	<u>583,972</u>	<u>462,850</u>
Total assets		<u>14,091,380</u>	<u>10,047,626</u>
Current liabilities			
Trade and other payables	12	5,601,565	3,946,341
Lease liabilities	13	<u>199,793</u>	<u>-</u>
Total current liabilities		<u>5,801,358</u>	<u>3,946,341</u>
Non-current liability			
Lease liabilities	13	<u>86,555</u>	<u>-</u>
Net assets		<u>8,203,467</u>	<u>6,101,285</u>
<u>FUNDS</u>			
Restricted operating funds	14	1,413,521	1,186,582
Unrestricted operating funds	14	6,398,146	4,634,847
WWFS Conservation Fund	15	<u>391,800</u>	<u>279,856</u>
Total funds		<u>8,203,467</u>	<u>6,101,285</u>

See accompanying notes to financial statements.

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended June 30, 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
INCOME	16	22,208,761	22,276,256
OPERATING EXPENDITURE:			
- Expense related to the donation in kind received	17	(1,239,409)	(1,024,100)
- Staff costs and staff related costs	17	(11,500,111)	(10,950,981)
- Professional fees		(1,209,343)	(1,204,568)
- Travel and meetings		(303,838)	(765,093)
- Communication and media		(433,013)	(454,264)
- Raising and outreach expenses		(1,596,679)	(2,748,006)
- Funds disbursed to donor specified global conservation programmes		(2,739,667)	(3,233,223)
- Rental and rental related expenses	19	(46,765)	(266,379)
- Depreciation	11	(410,704)	(222,468)
- Repair and maintenance		(64,855)	(71,298)
- Telecommunications expenses		(65,487)	(83,636)
- Training expenses		(66,351)	(64,910)
- Interest expense	17	(9,868)	-
- Others		(420,489)	(661,755)
Total expenditure		(20,106,579)	(21,750,681)
Surplus before income tax	17	2,102,182	525,575
Income tax	18	-	-
Net surplus, representing total comprehensive income for the financial year		<u>2,102,182</u>	<u>525,575</u>

See accompanying notes to financial statements.

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

STATEMENT OF CHANGES IN FUNDS
Year ended June 30, 2020

	Restricted operating funds \$ (Note 14)	Unrestricted operating funds \$ (Note 14)	WWFS Conservation Fund \$ (Note 15)	Total \$
Balance at July 1, 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
Net surplus, representing total comprehensive income for the financial year	226,939	1,763,299	111,944	2,102,182
Balance at June 30, 2020	1,413,521	6,398,146	391,800	8,203,467

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS
Year ended June 30, 2020

	2020	2019
	\$	\$
Operating activities		
Surplus before income tax	2,102,182	525,575
Adjustments for:		
Depreciation	410,704	222,468
Interest expense	9,868	-
Plant and equipment written off	1,229	-
Operating cash flows before working capital changes	2,523,983	748,043
Other receivables and deposits	(919,644)	(734,501)
Other current assets	(753,731)	210,315
Inventories	(44,545)	11,753
Trade and other payables	1,655,224	419,478
Cash generated from operations	2,461,287	655,088
Interest paid	(9,868)	-
Net cash from operating activities	2,451,419	655,088
Investing activity		
Purchase of plant and equipment, representing cash used in investing activity	(47,391)	(157,905)
Financing activity		
Repayment of lease liabilities, representing cash used in financing activity	(199,316)	-
Net increase in cash and cash equivalents	2,204,712	497,183
Cash and cash equivalents at beginning of year	6,052,646	5,555,463
Cash and cash equivalents at end of year (Note 6)	8,257,358	6,052,646

Reconciliation of liabilities arising from financing activity

The table below details changes in the company's liabilities arising from financing activity, including both cash and non-cash changes. Liabilities arising from financing activity are those for which cash flows were, or future cash flows will be, classified in the company's statement of cash flows as cash flows from financing activity.

	June 30, 2019	Adoption of FRS 116	July 1, 2019	Financing cash flows	June 30, 2020
	\$	\$	\$	\$	\$
Lease liabilities	-	485,664	485,664	(199,316)	286,348

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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 (2019 : 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, 2020 were authorised for issue by the Board of Directors on December 4, 2020.

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 leasing transactions that are within the scope FRS 116 *Leases* and 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*.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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, 2019. 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 116 Leases

FRS 116 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of FRS 116 on the Company's financial statements is described below.

The date of initial application of FRS 116 for the Company is July 1, 2019.

The Company has applied FRS 116 using the cumulative catch-up approach which:

- requires the Company measure right-of-use assets at amount equal to liability at the date of initial application; and
- does not permit restatement of comparatives, which continue to be presented under FRS 17 and INT FRS 104.

(a) **Impact of the new definition of a lease**

The Company has made use of the practical expedient available on transition to FRS 116 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with FRS 17 and INT FRS 104 will continue to be applied to those leases entered or changed before July 1, 2019.

The change in definition of a lease mainly relates to the concept of control. FRS 116 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in FRS 17 and INT FRS 104.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

The Company applies the definition of a lease and related guidance set out in FRS 116 to all lease contracts entered into or modified on or after July 1, 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in FRS 116 does not significantly change the scope of contracts that meet the definition of a lease for the Company.

(b) Impact on lessee accounting

Former operating leases

FRS 116 changes how the Company accounts for leases previously classified as operating leases under FRS 17, which were off-balance-sheet.

Applying FRS 116, for all leases, the Company:

- i. Recognises right-of-use assets as part of plant and equipment and lease liabilities in the statements of financial position, initially measured at the present value of the remaining lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with FRS 116:C8(b)(ii);
- ii. Recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss and other comprehensive income; and
- iii. Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under FRS 17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under FRS 116, right-of-use assets are tested for impairment in accordance with FRS 36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes coffee machine and copier), the Company has opted to recognise a lease expense on a straight-line basis as permitted by FRS 116. This expense is presented within rental and rental related expenses in the statement of profit or loss and other comprehensive income.

The Company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying FRS 17.

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Company has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Company has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Financial impact of initial application of FRS 116

The lessee's incremental borrowing rate applied to the lease liabilities recognised in the statement of financial position on July 1, 2019 is 2.5%.

The following table shows the operating lease commitments disclosed applying FRS 17 at June 30, 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	<u>2020</u>
	\$
Operating lease commitments at June 30, 2019	584,240
Less: Short-term leases and leases of low value assets	(4,444)
Less: Non-lease component separately identified in lease contracts	(88,770)
Less: Effect of discounting the above amounts	(5,362)
Lease liabilities recognised at July 1, 2019	<u><u>485,664</u></u>

Right-of-use assets were measured at the amount equal to the lease liability. Consequently, right-of-use assets of \$485,664 were recognised as part of plant and equipment (Note 11) on July 1, 2019.

Amendment to FRS 116: Covid-19-Related Rent Concessions

The Company early adopted Amendment to FRS 116: *Covid-19-Related Rent Concessions* that is effective for annual periods beginning on or after June 1, 2020. As a practical expedient, the amendment to FRS 116 allows a lessee to elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this standard if the change were not a lease modification. The Company has applied the practical expedient to all rent concessions that meet the conditions set out.

Standards issued but not effective

At the date of authorisation of these financial statements, the following Amendments to FRSs that are relevant to the Company were issued but not effective:

Amendments to FRS 1 and FRS 8	<i>Definition of Material</i> ¹
Amendments to FRS 1	<i>Classification of Liabilities as Current or Non-current</i> ²
Conceptual Framework	Amendments to References to Conceptual Framework in FRS Standards ¹

¹ Effective for annual periods beginning on or after January 1, 2020.

² Effective for annual periods beginning on or after January 1, 2023.

Management anticipates that the adoption of the amendments to FRS that were issued at the date of authorisation of these financial statements but not yet effective will not have a material impact on the financial statements of the Company in the period of their initial adoption.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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.

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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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.

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.

Other financial liabilities

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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

LEASES (before July 1, 2019) - 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.

LEASES (from July 1, 2019)

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within 'plant & equipment' in the statement of financial position.

The Company applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described below.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Rental and rental related expense' in the statement of profit or loss and other comprehensive income.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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. 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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

Construction in progress is stated at cost and is not depreciated. Cost includes direct related expenditure incurred during the period of construction and up to the completion of the construction. The accumulated costs will be reclassified to the appropriate plant and equipment account when the construction is substantially completed and the asset is ready for its intended use.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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.

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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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.

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

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 the following critical judgements have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are disclosed below):

Impact of COVID-19

On March 11, 2020, the World Health Organisation declared the Coronavirus Disease ("COVID-19") outbreak to be a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects and this has impacted the Company's operations. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from April 7, 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and activities at the business location. As a result, the Company's business activities were suspended from April 7, 2020 to June 18, 2020.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Management has considered the impact of COVID-19 in evaluating the loss allowance for other receivables. Other receivables are primarily due from related companies, related parties and government, which risk of default is assessed as low after considering the potential impact of COVID-19. Details on this area which involves significant judgement and estimation uncertainty are further discussed below.

Solvency and liquidity

As at June 30, 2020, the company is in a net cash position \$2,469,445 (2019 : \$2,206,305). The Company's financial results and operating cash flows will face headwinds from the COVID-19 operating environment and the Company is carefully managing its operating expenses in this operating environment. Management believes that the Company has adequate resources available to continue in operational existence for at least the next 12 months from the date of authorisation of these 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:

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 impact of COVID-19 on 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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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:

	2020	2019
	\$	\$
<u>Financial assets</u>		
Amortised cost	11,776,718	9,056,358
<u>Financial liabilities</u>		
Amortised cost	1,452,847	1,576,180
Lease liabilities	286,348	-

(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.

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>	
	2020	2019	2020	2019
	\$	\$	\$	\$
United States Dollars	842,891	577,072	640,661	416,349
Euro	615,824	2,560	22,585	31,837
Australian Dollars	198,335	-	-	-
Swiss Franc	460,990	453,491	550,199	402,189

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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 will increase (decrease) by:

	<u>Strengthen</u>		<u>Weaken</u>	
	2020	2019	2020	2019
	\$	\$	\$	\$
United States Dollars	20,223	16,072	(20,223)	(16,072)
Euro	59,324	(2,928)	(59,324)	2,928
Australian Dollars	19,834	-	(19,834)	-
Swiss Franc	(8,921)	5,130	8,921	(5,130)

(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 \$1,336,327 (2019 : \$759,098) 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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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 are considered to have low risk of default as these are not due for repayment at the end of reporting period and there has been no significant increase in credit risk 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 for related companies and related parties, management has taken into account the financial position of the related companies and related parties 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, apart from non-current lease liabilities. Maturity analysis of lease liabilities is disclosed in Note 13.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

(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 2019.

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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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.

	2020	2019
	\$	\$
Income from the supporting organisation:		
- WWF International	(5,220,380)	(6,241,867)
Income from related parties	(2,943,576)	(2,866,797)
Funds disbursed to donor specified global conservation programmes:		
- Related parties	1,747,390	2,299,733
- Related companies	992,277	933,489
	2,739,667	3,233,222
Expenses paid to WWF International	71,254	-
Payments on behalf of:		
- Related parties	8,462	20,319
- WWF International	54,435	63,572
	62,897	83,891

6 CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and on hand	5,712,108	3,528,943
Fixed deposits	2,645,250	2,623,703
	8,357,358	6,152,646
Less: Pledged fixed deposits	(100,000)	(100,000)
Cash and cash equivalents in the statement of cash flows	8,257,358	6,052,646

Cash amounting to \$1,336,327 (2019 : \$759,098) was placed in trust with an outsourced accounting service provider for payroll purposes.

Fixed deposits bear an interest rate of 0.20% to 1.30% (2019 : 0.2% to 1.3%) per annum for a tenure of 3 to 12 months (2019 : 3 to 12 months). The pledged deposit is used as security for credit facilities provided by a bank.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

	2020	2019
	\$	\$
Cash at bank	758,106	362,943

7 OTHER RECEIVABLES

	2020	2019
	\$	\$
Other receivables from related companies (Note 5)	531,419	1,653,839
Other receivables from related parties (Note 5)	927,019	167,466
Staff advances	40,513	8,450
Other receivables from third parties	353,315	286,713
Grant receivable arising from Jobs Support Scheme ("JSS")	403,996	-
Other government grant receivable	1,468,893	695,173
	3,725,155	2,811,641

The following amount pertains to the WWFS Conservation Fund:

	2020	2019
	\$	\$
Other receivables	3,970	16,225

For the purpose of impairment assessment, other receivables are considered to be recoverable 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, related companies and related parties, 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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

8 OTHER CURRENT ASSETS

	2020	2019
	\$	\$
Prepayments	74,432	42,807
Advance funding to global conservation programmes	1,135,972	413,886
	<u>1,210,404</u>	<u>456,673</u>

The following amounts pertain to the WWFS Conservation Fund:

	2020	2019
	\$	\$
Prepayments	<u>3,895</u>	<u>4,020</u>

9 DEPOSITS

	2020	2019
	\$	\$
Refundable deposits	<u>98,201</u>	<u>92,071</u>

10 INVENTORIES

	2020	2019
	\$	\$
Merchandise	<u>116,290</u>	<u>71,745</u>

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

11 PLANT AND EQUIPMENT

	Office equipment	Furniture and fixtures	Leasehold improvements	Computer equipment	Computer software	Office space (Right-of-use assets)	Office equipment (Right-of-use assets)	Construction in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost:									
At July 1, 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
Adoption of FRS 116	-	-	-	-	-	472,210	13,454	-	485,664
At July 1, 2019	45,699	118,350	408,779	401,617	197,137	472,210	13,454	-	1,657,246
Additions	-	-	-	32,250	-	-	-	15,141	47,391
Disposals	-	(3,210)	-	-	-	-	-	-	(3,210)
At June 30, 2020	45,699	115,140	408,779	433,867	197,137	472,210	13,454	15,141	1,701,427
Accumulated depreciation:									
At July 1, 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
Depreciation	4,608	20,889	71,859	73,660	36,844	198,230	4,614	-	410,704
Disposals	-	(1,981)	-	-	-	-	-	-	(1,981)
At June 30, 2020	36,778	78,239	284,363	355,696	159,535	198,230	4,614	-	1,117,455
Carrying amount:									
At June 30, 2020	8,921	36,901	124,416	78,171	37,602	273,980	8,840	15,141	583,972
At June 30, 2019	13,529	59,019	196,275	119,581	74,446	-	-	-	462,850

The Company leases office space and office equipment with an average lease term of 2 years (2019 : 2 years). Such right of use assets are presented as part of plant and equipment above.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

12 TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade creditors	34,705	228,069
Other creditors	22	28,978
Income from related companies received in advance (Note 5)	1,999,996	1,694,031
Payable to related companies (Note 5)	299,280	293,835
Payable to related party (Note 5)	436,805	288,662
Accrued expenses	594,529	679,651
Deferred grant income arising from JSS ⁽¹⁾	702,520	-
Other deferred grant income	134,978	-
Donations received in advance	1,311,224	676,130
Provision for annual leave	87,506	56,985
	<u>5,601,565</u>	<u>3,946,341</u>

- ⁽¹⁾ Pertains to JSS which will be recognised to the profit or loss on a systematic basis. In determining the timing of recognition of JSS grant income, management has evaluated and concluded that the period of economic uncertainty commences April 2020 following COVID-19 related lockdowns which resulted in cessation of fundraising events and adversely impacting the Company.

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

	2020	2019
	\$	\$
Accrued expenses	3,956	3,429
Donations received in advance	<u>105,615</u>	<u>6,000</u>

Liabilities for amounts payable are normally settled on 30 to 60 days (2019 : 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 \$265,312 (2019 : \$97,652).

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

13 LEASE LIABILITIES

	2020
	\$
Maturity analysis:	
Year 1	204,626
Year 2	87,192
	291,818
Less: Unearned interest	(5,470)
	286,348
 Analysed as:	
Current	199,793
Non-current	86,555
	286,348

The Company does not face a significant liquidity risk with regards to its lease liabilities.

14 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.

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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

15 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:

	2020	2019
	\$	\$
Expenses for charitable activities:		
- Outreach and awareness projects expenses	828,785	830,670
- Expense related to the donation in kind received	1,147,372	754,100
Other administrative expenses	8,226	9,635
Management fee billed by WWF Singapore*	287,717	231,811
Total expenditure incurred for WWFS Conservation Fund's activities	<u>2,272,100</u>	<u>1,826,216</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.

Movement in the WWFS Conservation Fund is as follows:

	2020	2019
	\$	\$
Balance at beginning of year	279,856	251,911
Add:		
Donations and collections	387,299	179,009
Government grant	15,648	-
Donation in kind (Note 16)#	1,147,372	754,100
Others	-	12,543
Total income	<u>1,550,319</u>	<u>945,652</u>
Less: Expenditure	(2,272,100)	(1,826,216)
Add: Transfer from restricted operating fund	<u>833,725</u>	<u>908,509</u>
Net movement for the year	<u>111,944</u>	<u>27,945</u>
Balance at end of year	<u>391,800</u>	<u>279,856</u>

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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, \$453,628 (2019 : \$127,225) were tax deductible donations received.

16 INCOME

	2020	2019
	\$	\$
Revenue		
Donations and collections	1,739,681	1,585,031
Direct donors debit program	9,329,077	9,447,389
Donation in kind#	92,037	270,000
Revenue for WWFS Conservation Fund (Note 15)	1,550,319	945,652
Total revenue	<u>12,711,114</u>	<u>12,248,072</u>
Other income		
Income from related parties and companies (Note 5)	8,163,956	9,108,664
Government grants from JSS and Economic Development Board	1,183,005	709,826
Other income	150,686	209,692
Total other income	<u>9,497,647</u>	<u>10,028,184</u>
Total income	<u>22,208,761</u>	<u>22,276,256</u>

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

17 SURPLUS BEFORE INCOME TAX

	2020	2019
	\$	\$
Surplus before income tax include:		
- Bank charges*	19,843	27,269
- Plant and equipment expensed off*	21,021	28,566
- Foreign exchange loss - net*	40,334	98,723
- Costs of temporary workers*	104,617	228,438
- Cost of merchandise sold*	63,491	90,572
Staff costs (other than directors):		
- Salaries and related costs	10,273,379	9,670,120
- Defined contribution plans	824,173	820,771
- Other benefits	330,568	253,781
- Other staff-related costs	71,991	206,309
	<u>11,500,111</u>	<u>10,950,981</u>

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

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Donation in kind

No cash was received for the donation in kind. Out of the total amount, \$1,239,409 (2019 : \$1,024,100) 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:

	2020	2019
	\$	\$
Salaries and other short-term employee benefits	422,279	196,818
Post-employment benefits - contribution to CPF	26,160	8,940
	<u>448,439</u>	<u>205,758</u>

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

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:

	2020	2019
Remuneration band:		
\$100,000 to \$200,000	<u>3</u>	<u>3</u>

Disclosure under FRS 116

Amount recognised in profit or loss relating to leases (The Company as lessee)

	2020
	\$
Depreciation of right-of-use assets	202,844
Interest on lease liabilities	9,868
Rent concessions (included in rental and rental related expenses)	(39,608)
Expenses relating to short-term leases	<u>2,637</u>

18 INCOME TAX

The Company is exempted from tax (Note 2).

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

19 OPERATING LEASE ARRANGEMENTS

The Company as lessee

Disclosure required by FRS 17

	<u>2019</u>
	\$
Minimum lease payments under operating lease:	
Recognised as an expense during the year	<u>266,379</u>

As at June 30, 2019, the Company had outstanding commitments under non-cancellable operating leases which fell due as follows:

	<u>2019</u>
	\$
Within 1 year	243,831
Between 2 to 5 years	<u>340,409</u>
	<u>584,240</u>

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