

**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, 2017**

**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 - 29     |

**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 the Company for the financial year ended June 30, 2017.

In the opinion of the directors:

- (a) the financial statements of the Company as set out on pages 6 to 29 are drawn up so as to give a true and fair view of the financial position of the Company as at June 30, 2017, 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 Singapore Charities Act, Chapter 37 and other relevant regulations, and Financial Reporting Standards in Singapore;
- (b) the use of donation moneys was in accordance with the objectives of the Company as required under regulation 11 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.

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:

Christopher John Hails  
Chan Ee Lin  
Goh Hwee Cheng  
Agarwal Achal  
Shaw Chai Chung Markham  
Lye Lin Heng  
Koh Kok Hong Joseph (Appointed on July 18, 2017)  
Maureen Saskia De Rooij (Appointed on July 18, 2017)

**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 debentures of the Company or any other body corporate.


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

**DIRECTORS' STATEMENT**

**3 AUDITORS**

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

ON BEHALF OF THE DIRECTORS

  
.....  
Agarwal Achal

  
.....  
Goh Hwee Cheng

November 21, 2017

## **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 of the Company as at June 30, 2017, 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 29.

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, 2017 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 (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Directors 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.

The directors' 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)**

#### **Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

- (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 by the Act 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 use of donation moneys was not in accordance with the objectives of the Company 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 (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.

*Deloitte & Touche LLP*

Public Accountants and  
Chartered Accountants  
Singapore

November 21, 2017

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

**STATEMENT OF FINANCIAL POSITION**  
**As at June 30, 2017**

|                                    | <u>Note</u> | <u>2017</u>      | <u>2016</u>      |
|------------------------------------|-------------|------------------|------------------|
|                                    |             | \$               | \$               |
| <b><u>ASSETS AND LIABILITY</u></b> |             |                  |                  |
| <b>Current assets</b>              |             |                  |                  |
| Cash and bank balances             | 6           | 7,543,341        | 7,195,411        |
| Other receivables                  | 7           | 1,196,315        | 506,978          |
| Other current assets               | 8           | 268,499          | 238,790          |
| Deposits                           | 9           | 60,368           | 34,558           |
| Inventories                        | 10          | 54,523           | 21,166           |
| Total current assets               |             | <u>9,123,046</u> | <u>7,996,903</u> |
| <b>Non-current asset</b>           |             |                  |                  |
| Plant and equipment                | 11          | <u>514,319</u>   | <u>102,596</u>   |
| <b>Total assets</b>                |             | <u>9,637,365</u> | <u>8,099,499</u> |
| <b>Current liability</b>           |             |                  |                  |
| Trade and other payables           | 12          | <u>4,051,974</u> | <u>2,166,526</u> |
| <b>Net assets</b>                  |             | <u>5,585,391</u> | <u>5,932,973</u> |
| <b><u>FUNDS</u></b>                |             |                  |                  |
| Restricted operating funds         | 13          | 539,846          | 1,290,753        |
| Unrestricted operating funds       | 13          | 4,784,200        | 4,303,454        |
| WWFS Conservation Fund             | 14          | <u>261,345</u>   | <u>338,766</u>   |
| <b>Total funds</b>                 |             | <u>5,585,391</u> | <u>5,932,973</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, 2017**

|   | <u>Note</u> | <u>2017</u>      | <u>2016</u>    |
|---|-------------|------------------|----------------|
|   |             | \$               | \$             |
| <b>INCOME</b>   | 15          | 12,957,647       | 8,740,976      |
| <b>OPERATING EXPENDITURE</b>  |             |                  |                |
| - Expense related to the donation in kind received  | 16          | (1,083,267)      | (369,069)      |
| - Staff costs and staff related costs   | 16          | (5,539,516)      | (3,587,353)    |
| - Professional fees   |             | (588,906)        | (436,195)      |
| - Travel and meetings   |             | (423,184)        | (319,310)      |
| - Communication and media   |             | (521,676)        | (373,349)      |
| - Fund-raising and outreach expenses  |             | (2,111,235)      | (1,429,913)    |
| - Funds disbursed to donor specified global conservation programmes                                 |             | (2,091,701)      | (1,064,019)    |
| - Grant to third parties  |             | (7,017)          | (21,066)       |
| - Rental on operating leases  |             | (186,839)        | (126,222)      |
| - Depreciation  |             | (75,939)         | (54,571)       |
| - Repair and maintenance  |             | (2,330)          | (1,891)        |
| - Telecommunications expenses   |             | (75,249)         | (69,528)       |
| - Training expenses   |             | (42,136)         | (16,092)       |
| - Others  |             | (556,234)        | (278,184)      |
| Total expenditure   |             | (13,305,229)     | (8,146,762)    |
| <b>(Deficit)/Surplus before income tax</b>  | 16          | (347,582)        | 594,214        |
| Income tax  | 17          | -                | -              |
| <b>Net (deficit)/surplus, representing total comprehensive (loss)/income for the financial year</b> |             | <u>(347,582)</u> | <u>594,214</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, 2017**

|  | Restricted<br>operating<br>funds<br>\$ | Unrestricted<br>operating<br>funds<br>\$ | WWFS<br>Conservation<br>Fund<br>\$<br>(Note 14) | Total<br>\$ |
|--|--|--|---|-------------|
| <b>Balance at July 1, 2015</b>   | 1,292,917                              | 3,521,476                                | 524,366   | 5,338,759   |
| Net (deficit)/surplus, representing total<br>comprehensive income for the<br>financial year        | (2,164)                                | 781,978                                  | (185,600)                                       | 594,214     |
| <b>Balance at June 30, 2016</b>  | 1,290,753                              | 4,303,454                                | 338,766   | 5,932,973   |
| Net (deficit)/surplus, representing total<br>comprehensive (loss)/income for the<br>financial year | (750,907)                              | 480,746                                  | (77,421)  | (347,582)   |
| <b>Balance at June 30, 2017</b>  | 539,846                                | 4,784,200                                | 261,345   | 5,585,391   |

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, 2017**

|   | 2017             | 2016             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Operating activities</b>   |                  |                  |
| (Deficit)/Surplus before income tax   | (347,582)        | 594,214          |
| Adjustment for:   |                  |                  |
| Depreciation  | 75,939           | 54,571           |
| Plant and equipment written off   | 1,819            | -                |
| Write down of inventories to net realisable value                                 | 9,554            | 196              |
| Operating cash flows before working capital changes                               | (260,270)        | 648,981          |
| Other receivables and deposits  | (715,147)        | (107,525)        |
| Other current assets  | (29,709)         | (87,246)         |
| Inventories   | (42,911)         | (5,156)          |
| Trade and other payables  | 1,885,448        | 809,369          |
| Net cash from operating activities  | 837,411          | 1,258,423        |
| <b>Investing activity</b>   |                  |                  |
| Purchase of plant and equipment, representing net cash used in investing activity | (489,481)        | (87,948)         |
| Net increase in cash and bank balances  | 347,930          | 1,170,475        |
| Cash and bank balances at the beginning of the financial year                     | 7,195,411        | 6,024,936        |
| <b>Cash and bank balances at the end of the financial year (Note 6)</b>           | <b>7,543,341</b> | <b>7,195,411</b> |

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, 2017**

**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 (2016 : 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 2 years commencing December 31, 2015.

The principal activities of the Company is 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, 2017 were authorised for issue by the Board of Directors on November 21, 2017.

**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 ("FRS").

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*.

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**ADOPTION OF NEW AND REVISED STANDARDS** - On 1 July 2016, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. 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.

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

- FRS 109 *Financial Instruments* <sup>2</sup>
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)* <sup>2</sup>
- FRS 116 *Leases* <sup>3</sup>
- Amendments to FRS 7 *Statement of Cash Flows Disclosure Initiative* <sup>1</sup>

<sup>1</sup> Applies prospectively to annual periods beginning on or after January 1, 2017, with early application permitted.

<sup>2</sup> Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

<sup>3</sup> Applies to annual periods beginning on or after January 1, 2019, with early application permitted for that entities that apply FRS 115 at or before the date of initial application of FRS 116.

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will have no material impact on the financial statements of the company in the period of their initial adoption except for the following:

**FRS 109 Financial Instruments**

FRS 109 *Financial Instruments* issued in December 2014 replaces FRS 39 *Financial Instruments* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

Key requirements of FRS 109:

All recognised financial assets that are within the scope of FRS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have 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, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under FRS 109, entities make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

In relation to the 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 an entity 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. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management anticipates that the initial application of FRS 109 may not result in any material changes to the accounting policies relating to financial instruments. Additional disclosures may be made with respect of trade and other receivables, including any significant judgement and estimation made. Management has commenced an assessment of the possible impact of implementing FRS 109. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Company's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 109.

**FRS 115 Revenue from Contracts with Customers**

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

**WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED**  
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**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

Under FRS 115, an entity recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. In addition, extensive disclosures are required by FRS 115.

Management anticipates that the initial application of the new FRS 115 may not result in material changes to the accounting policies relating to revenue recognition apart from more extensive disclosures. Management has commenced assessment of the possible impact of implementing FRS 115. It is currently impracticable to disclose any further information on the known or reasonably estimate impact to the financial statements in the period of initial application as the management has yet to complete its detailed assessment. The management does not plan to early adopt the new FRS 115.

**FRS 116 Leases**

FRS 116 was issued in June 2016 and it will supersede FRS 17 Leases and its associated interpretative guidance.

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 predecessor FRS 17.

As at June 30, 2017, the Company has non-cancellable operating lease commitments as disclosed in Note 18. FRS 17 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.

**Amendments to FRS 7 Statement of Cash Flows: Disclosure Initiative**

The amendments required an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Management does not anticipate the application of these amendments to have a material impact on the Company's financial statements.

**WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED**  
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**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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.

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.

**Financial assets**

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.

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.



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**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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.

**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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**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.

**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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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.

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** - Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured based on the fair value of consideration received or receivable (in cash or in kind).

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 when services are rendered.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**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 exempt 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.

**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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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:

Allowance for doubtful debts

The policy for allowance for bad and doubtful debts of the Company is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history and on-going dealings with these parties. If the financial conditions of the counterparties were to deteriorate, resulting in an impairment of their ability to make payments, allowances may be required. The management is of the view that there is no doubtful debt allowance required as at year end.

The carrying amount of other receivables from related companies 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:

|   | 2017      | 2016      |
|---|-----------|-----------|
|   | \$        | \$        |
| <b>Financial assets</b>                                     |           |           |
| Loans and receivables (including cash and cash equivalents) | 8,800,024 | 7,736,947 |
| <b>Financial liabilities</b>                                |           |           |
| Amortised cost  | 1,466,437 | 905,162   |

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

(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 management

The Company's foreign exchange risk arose mainly from the exchange rate movement of the United States dollars ("USD") and 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> |         |
|-----------------------|---------------|--------|--------------------|---------|
|                       | 2017          | 2016   | 2017               | 2016    |
|                       | \$            | \$     | \$                 | \$      |
| United States dollars | 314,167       | 19,541 | 245,126            | 107,640 |

*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> |       |
|-----------------------|-------------------|---------|---------------|-------|
|                       | 2017              | 2016    | 2017          | 2016  |
|                       | \$                | \$      | \$            | \$    |
| United States dollars | 6,904             | (8,810) | (6,904)       | 8,810 |

(ii) Interest rate risk management

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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

(iii) Credit risk management

The Company places its cash and bank balances with reputable institutions and an amount of \$937,742 (2016 : \$347,311) 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 allowance for doubtful debts is required as these receivables are recoverable.

(iv) Liquidity risk management

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.

(v) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables approximate their respective fair values due to the relatively short-term nature of the financial assets and 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 2016.

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 PARTY TRANSACTIONS**

The members of the Company are:

- World Wide Fund for Nature (Incorporated in Switzerland), known as WWF International
- Peter Scott Wildlife Endowment Foundation
- Mr Christopher John Hails

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

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.

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.

|  | 2017               | 2016               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| Income from the supporting organisation              |                    |                    |
| - WWF International                                  | <u>(3,267,180)</u> | <u>(2,343,840)</u> |
| Expenses paid to supporting organisation             |                    |                    |
| - WWF International                                  | <u>50</u>          | <u>19,309</u>      |
| Income from related parties                          | <u>(1,589,203)</u> | <u>(1,005,040)</u> |
| Shared services cost recovery from a related company | <u>(41,667)</u>    | <u>(50,000)</u>    |



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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

|   | 2017             | 2016             |
|---|------------------|------------------|
|   | \$               | \$               |
| Funds disbursed to donor specified global conservation programmes |                  |                  |
| - Related parties   | 1,711,020        | 933,378          |
| - Related companies   | 380,681          | 102,534          |
| - WWF International   | -                | 28,107           |
|   | <u>2,091,701</u> | <u>1,064,019</u> |
| Receipts on behalf of related companies                           | <u>-</u>         | <u>10,936</u>    |
| Expenses paid to related parties                                  | <u>6,911</u>     | <u>49,565</u>    |
| Payments on behalf of   |                  |                  |
| - Related parties   | 1,012            | 1,054            |
| - Related companies   | 611,032          | 839,994          |
| - WWF International   | 61,540           | 15,698           |
|   | <u>673,584</u>   | <u>856,746</u>   |
| Payments on behalf by   |                  |                  |
| - Related parties   | 7,514            | 18,911           |
| - Related companies   | 990              | 13,063           |

**6 CASH AND BANK BALANCES**

|                          | 2017             | 2016             |
|--------------------------|------------------|------------------|
|                          | \$               | \$               |
| Cash at bank and on hand | 5,054,607        | 4,731,637        |
| Fixed deposits           | 2,488,734        | 2,463,774        |
|                          | <u>7,543,341</u> | <u>7,195,411</u> |

Cash amounting to \$937,742 (2016 : \$347,311) was placed in trust with an outsourced accounting service provider.

Fixed deposits bear an interest rate of 0.2% to 1.1% (2016 : 0.15% to 1.5%) per annum for a tenure of 3 to 6 months (2016 : 3 to 6 months).

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

|              | 2017             | 2016             |
|--------------|------------------|------------------|
|              | \$               | \$               |
| Cash at bank | <u>1,066,649</u> | <u>1,173,013</u> |

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**7 OTHER RECEIVABLES**

|   | 2017             | 2016           |
|---|------------------|----------------|
|   | \$               | \$             |
| Other receivables from related companies (Note 5) | 386,068          | 475,409        |
| Staff travel advances                             | 12,250           | 5,000          |
| Other receivables                                 | 156,337          | 26,569         |
| Government grant receivable                       | 641,660          | -              |
|   | <u>1,196,315</u> | <u>506,978</u> |

The following amount pertains to the WWFS Conservation Fund:

|                   |               |               |
|-------------------|---------------|---------------|
| Other receivables | <u>90,000</u> | <u>10,055</u> |
|-------------------|---------------|---------------|

The trade and other receivables are not past due and the Company has not recognised any allowance on these receivables as management is of the view that these receivables are recoverable.

**8 OTHER CURRENT ASSETS**

|   | 2017           | 2016           |
|---|----------------|----------------|
|   | \$             | \$             |
| Prepayments                                       | 105,993        | 77,722         |
| Advance funding to global conservation programmes | 162,506        | 161,068        |
| Other assets                                      | -              | 51,263         |
| Less: Provision for obsolescence                  | -              | (51,263)       |
|   | <u>268,499</u> | <u>238,790</u> |

The following amount pertains to the WWFS Conservation Fund:

|             |              |          |
|-------------|--------------|----------|
| Prepayments | <u>4,177</u> | <u>-</u> |
|-------------|--------------|----------|

**9 DEPOSITS**

|                     | 2017          | 2016          |
|---------------------|---------------|---------------|
|                     | \$            | \$            |
| Refundable deposits | <u>60,368</u> | <u>34,558</u> |

**10 INVENTORIES**

|             | 2017          | 2016          |
|-------------|---------------|---------------|
|             | \$            | \$            |
| Merchandise | <u>54,523</u> | <u>21,166</u> |

The cost of inventories recognised as an expense includes \$9,554 (2016 : \$196) in respect of write-downs of inventory to net realisable value.

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**11 PLANT AND EQUIPMENT**

|                                 | Office<br>equipment | Furniture<br>and<br>fixtures | Leasehold<br>improvements | Computer<br>equipment | Computer<br>software | Software<br>under<br>development | Total     |
|---------------------------------|---------------------|------------------------------|---------------------------|-----------------------|----------------------|----------------------------------|-----------|
|                                 | \$                  | \$                           | \$                        | \$                    | \$                   | \$                               | \$        |
| <b>Cost</b>                     |                     |                              |                           |                       |                      |                                  |           |
| At July 1, 2015                 | 26,946              | 66,291                       | 86,107                    | 143,823               | 40,430               | -                                | 363,597   |
| Additions                       | 4,936               | 2,221                        | 2,083                     | 28,930                | -                    | 49,778                           | 87,948    |
| At June 30, 2016                | 31,882              | 68,512                       | 88,190                    | 172,753               | 40,430               | 49,778                           | 451,545   |
| Additions                       | 7,588               | 83,449                       | 303,935                   | 62,536                | -                    | 31,973                           | 489,481   |
| Written off                     | (4,282)             | (54,158)                     | (36,622)                  | (18,649)              | -                    | -                                | (113,711) |
| At June 30, 2017                | 35,188              | 97,803                       | 355,503                   | 216,640               | 40,430               | 81,751                           | 827,315   |
| <b>Accumulated depreciation</b> |                     |                              |                           |                       |                      |                                  |           |
| At July 1, 2015                 | 18,887              | 53,930                       | 66,418                    | 117,204               | 37,939               | -                                | 294,378   |
| Depreciation                    | 5,290               | 9,539                        | 17,395                    | 19,990                | 2,357                | -                                | 54,571    |
| At June 30, 2016                | 24,177              | 63,469                       | 83,813                    | 137,194               | 40,296               | -                                | 348,949   |
| Depreciation                    | 3,397               | 10,497                       | 32,097                    | 29,841                | 107                  | -                                | 75,939    |
| Written off                     | (3,687)             | (52,934)                     | (36,622)                  | (18,649)              | -                    | -                                | (111,892) |
| At June 30, 2017                | 23,887              | 21,032                       | 79,288                    | 148,386               | 40,403               | -                                | 312,996   |
| <b>Carrying amount</b>          |                     |                              |                           |                       |                      |                                  |           |
| At June 30, 2017                | 11,301              | 76,771                       | 276,215                   | 68,254                | 27                   | 81,751                           | 514,319   |
| At June 30, 2016                | 7,705               | 5,043                        | 4,377                     | 35,559                | 134                  | 49,778                           | 102,596   |

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**12 TRADE AND OTHER PAYABLES**

|  | 2017             | 2016             |
|--|------------------|------------------|
|  | \$               | \$               |
| Trade creditors  | 327,609          | 207,310          |
| Other creditors  | 21,118           | 22,317           |
| Income from related companies received in advance (Note 5) | 2,293,871        | 660,956          |
| Payable to related companies (Note 5)                      | 56,437           | 18,041           |
| Payable to related party (Note 5)                          | 202,943          | 60,471           |
| Accrued expenses   | 806,958          | 575,307          |
| Donations received in advance                              | 291,666          | 600,408          |
| Provision for annual leave                                 | 51,372           | 21,716           |
|  | <u>4,051,974</u> | <u>2,166,526</u> |

The following amount pertains to the WWFS Conservation Fund:

|                               | 2017          | 2016           |
|-------------------------------|---------------|----------------|
|                               | \$            | \$             |
| Accrued expenses              | 57,288        | 27,282         |
| Donations received in advance | <u>45,891</u> | <u>381,641</u> |

Liabilities for amounts payable are normally settled on 30 to 60 days (2016 : 30 to 60 days) credit terms.

In the stand-alone statement of financial position of the WWFS Conservation Fund, there is a balance due to WWF Singapore of \$808,431 (2016 : \$447,518).

**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 so 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, 2017**

**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:

|  | 2017             | 2016             |
|--|------------------|------------------|
|  | \$               | \$               |
| Expenses for charitable activities                                 |                  |                  |
| - Outreach and awareness projects expenses                         | 768,494          | 563,786          |
| - Expense related to the donation in kind received                 | 1,062,019        | 368,138          |
| Other administrative expenses                                      | 17,188           | 4,794            |
| Management fee billed by WWF Singapore*                            | 267,654          | 137,062          |
| Total expenditure incurred for WWFS Conservation Fund's activities | <u>2,115,355</u> | <u>1,073,780</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:

|  | 2017             | 2016             |
|--|------------------|------------------|
|  | \$               | \$               |
| Balance at the beginning of the financial year | 338,766          | 524,366          |
| Add:   |                  |                  |
| Donations and collections                      | 801,901          | 288,932          |
| Donation in kind (Note 16) #                   | 1,062,019        | 368,138          |
| Income from related parties (Note 5)           | 13,099           | -                |
| Others   | 100              | -                |
| Total income                                   | <u>1,877,119</u> | <u>657,070</u>   |
| Less: Expenditure                              | (2,115,355)      | (1,073,780)      |
| Add: Transfer from restricted operating fund   | <u>160,815</u>   | <u>231,110</u>   |
| Net movement for the financial year            | <u>(77,421)</u>  | <u>(185,600)</u> |
| Balance at the end of the financial year       | <u>261,345</u>   | <u>338,766</u>   |

- # 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, \$548,251 (2016 : \$200,325) were tax deductible donations received.

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

15 INCOME

|  | 2017              | 2016             |
|--|-------------------|------------------|
|  | \$                | \$               |
| <b><u>Revenue</u></b>                              |                   |                  |
| Donations and collections                          | 723,118           | 544,569          |
| Direct donors debit program                        | 4,853,478         | 4,155,522        |
| Donation in kind (Note 16)                         | 21,248            | 931              |
| Revenue for WWFS Conservation Fund (Note 14)       | 1,877,119         | 657,070          |
| <b>Total revenue</b>                               | <b>7,474,963</b>  | <b>5,358,092</b> |
| <b><u>Other income</u></b>                         |                   |                  |
| Income from related parties and companies (Note 5) | 4,843,284         | 3,348,880        |
| Government Grant                                   | 591,660           | -                |
| Other income                                       | 47,740            | 34,004           |
| <b>Total income</b>                                | <b>12,957,647</b> | <b>8,740,976</b> |

16 (DEFICIT)/SURPLUS BEFORE INCOME TAX

|  | 2017             | 2016             |
|--|------------------|------------------|
|  | \$               | \$               |
| (Deficit)/Surplus before income tax include: |                  |                  |
| Bank charges*                                | 23,853           | 16,678           |
| Fixed assets expensed off*                   | 117,836          | 17,713           |
| Foreign exchange gain - net                  | 23,010           | 4,407            |
| Costs of temporary workers*                  | 179,135          | 158,065          |
| Cost of merchandise sold *                   | 6,418            | 20,924           |
| Staff costs (other than directors)           |                  |                  |
| - salaries and related costs                 | 4,946,028        | 3,231,600        |
| - defined contribution plans                 | 424,136          | 295,685          |
| - other benefits                             | 85,884           | 55,067           |
| - other staff-related costs                  | 83,468           | 5,001            |
|  | <b>5,539,516</b> | <b>3,587,353</b> |

\* 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, \$1,083,267 (2016 : \$369,069) has an equivalent expense amount shown under the "expenditure" section.

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

Compensation of key management personnel (related party transactions)

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

|   | 2017           | 2016           |
|---|----------------|----------------|
|   | \$             | \$             |
| Salaries and other short-term employee benefits | 200,193        | 208,557        |
| Post-employment benefits - contribution to CPF  | 17,692         | 21,002         |
|   | <u>217,885</u> | <u>229,559</u> |

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

**17 INCOME TAX**

The Company is exempt from tax (Note 2).

**18 OPERATING LEASE COMMITMENTS**

|   | 2017           | 2016           |
|---|----------------|----------------|
|   | \$             | \$             |
| Minimum lease payments under operating lease: |                |                |
| Recognised as an expense during the year      | <u>186,839</u> | <u>126,222</u> |

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

|                      | 2017           | 2016           |
|----------------------|----------------|----------------|
|                      | \$             | \$             |
| Within 1 year        | 174,547        | 126,168        |
| Between 2 to 5 years | 109,497        | 18,613         |
|                      | <u>284,044</u> | <u>144,781</u> |

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