

**WWF-WORLD WIDE FUND FOR
NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)
(Registration No. 200602275E)**

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2012

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

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

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

REPORT OF THE DIRECTORS

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended June 30, 2012.

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 date of this report are:

Christopher John Hails
Soh Gim Teik
Chew Hai Chwee
Yvonne Choo

**2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS
BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES**

Sections 201 (6)(f) and 201 (6)(A)(g) of the Singapore Companies Act, Cap. 50 (the "Act") do not apply to the Company as it is a company limited by guarantee and without share capital and debentures.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Sections 201 (6)(g) and 201 (6)(A)(h) of the Act do not apply to the Company as it is a company limited by guarantee and without share capital and debentures.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that Mr Christopher John Hails has an employment relationship with WWF International, Switzerland, and has received remuneration in that capacity.

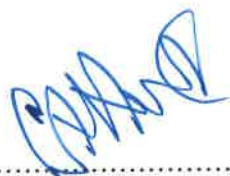
5 OPTION TO TAKE UP UNISSUED SHARES, OPTION EXERCISED AND UNISSUED SHARES UNDER OPTION

Sections 201 (11) and (12) of the Act do not apply to the Company as it is a company limited by guarantee.

6 AUDITORS

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

ON BEHALF OF THE DIRECTORS



.....
Christopher John Hails



.....
Yvonne Choo


Date: 3 December 2012

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

STATEMENT OF DIRECTORS

In the opinion of the directors, the accompanying financial statements set out on pages 6 to 23 are drawn up so as to give a true and fair view of the state of affairs of the Company as at June 30, 2012 and of the results, changes in equity and cash flows of the Company for the financial year then ended, and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS



.....
Christopher John Hails



.....
Yvonne Choo

Date: 3 December 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

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

Report on the Financial Statements

We have audited the accompanying 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, 2012, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 23.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act"), the Singapore Charities Act Chapter 37 (the "Charities Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at June 30, 2012 and of the results, changes in equity and cash flows of the Company for the year ended on that date.

Other Matters

The financial statements for the year ended June 30, 2011 were audited by another auditor who expressed an unqualified opinion on those financial statements in their report dated January 19, 2012.

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.

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 16 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) Regulations.

Deloitte & Touche LLP

Public Accountants and
Certified Public Accountants

Singapore
December 3, 2012

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

STATEMENT OF FINANCIAL POSITION
As at June 30, 2012

	<u>Note</u>	<u>2012</u> \$	<u>2011</u> \$
<u>ASSETS AND LIABILITY</u>			
Current assets			
Cash and bank balances	6	2,398,549	1,496,261
Trade and other receivables	7	81,870	204,330
Other current assets	8	9,969	77,619
Deposits	9	35,826	20,860
Total current assets		<u>2,526,214</u>	<u>1,799,070</u>
Non-current asset			
Plant and equipment	10	<u>163,653</u>	<u>52,907</u>
Total asset		<u>2,689,867</u>	<u>1,851,977</u>
Current liability			
Trade and other payables	11	<u>760,263</u>	<u>479,830</u>
Net assets		<u>1,929,604</u>	<u>1,372,147</u>
<u>EQUITY</u>			
Restricted operating funds	12	1,633,986	723,368
Unrestricted operating funds		133,556	451,807
WWFS conservation fund	13	<u>162,062</u>	<u>196,972</u>
Total equity		<u>1,929,604</u>	<u>1,372,147</u>

See accompanying notes to financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME
Year ended June 30, 2012

	<u>Note</u>	<u>2012</u> \$	<u>2011</u> \$
INCOME	14	5,920,838	4,037,246
OPERATING EXPENDITURE			
- Expense related to the donation in kind received	15	(495,880)	(257,689)
- Employee compensation	15	(2,330,942)	(2,149,683)
- Professional fees		(169,529)	(208,853)
- Travel and meetings		(322,523)	(268,251)
- Communication and media		(426,838)	(56,084)
- Fund-raising expenses		(643,774)	(238,816)
- Grant to other related companies		(234,215)	(134,747)
- Grant to third parties		(68,800)	(60,000)
- Rental on operating leases		(120,645)	(117,180)
- Depreciation	10	(63,505)	(42,477)
- Repair and maintenance		(5,351)	(3,824)
- Telecommunications expenses		(101,610)	(107,477)
- Training expenses		(38,720)	(17,122)
- Others		(341,049)	(107,233)
- Currency exchange losses		-	(455)
Total expenditure		(5,363,381)	(3,769,891)
Surplus before income tax	15	557,457	267,355
Income tax	16	-	-
Net surplus, representing total comprehensive income for the financial year		<u>557,457</u>	<u>267,355</u>

See accompanying notes to financial statements.

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

STATEMENT OF CHANGES IN EQUITY
Year ended June 30, 2012

	Restricted operating funds \$	Unrestricted operating funds \$	WWFS conservation fund \$	Total \$
Balance at July 1, 2010	310,577	502,611	291,604	1,104,792
Total comprehensive income for the financial year	<u>412,791</u>	<u>(50,804)</u>	<u>(94,632)</u>	<u>267,355</u>
Balance at June 30, 2011	723,368	451,807	196,972	1,372,147
Total comprehensive income for the financial year	<u>910,618</u>	<u>(318,251)</u>	<u>(34,910)</u>	<u>557,457</u>
Balance at June 30, 2012	<u>1,633,986</u>	<u>133,556</u>	<u>162,062</u>	<u>1,929,604</u>

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, 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
Operating activities		
Surplus before income tax	557,457	267,355
Adjustments for:		
Depreciation	63,505	42,477
Provision for obsolescence	69,764	-
Capitalised donation in kind	<u>(2,599)</u>	<u>(73,436)</u>
Operating cash flows before working capital changes	688,127	236,396
Trade and other receivables and deposits	107,494	452,983
Other current assets	(2,114)	3,650
Trade and other payables	<u>280,433</u>	<u>58,769</u>
Net cash from operating activities	<u>1,073,940</u>	<u>751,798</u>
Investing activity		
Purchase of plant and equipment, representing net cash used in investing activity	<u>(171,652)</u>	<u>(19,615)</u>
Net increase in cash and bank balances	902,288	732,183
Cash and bank balances at the beginning of the financial year	<u>1,496,261</u>	<u>764,078</u>
Cash and bank balances at the end of the financial year (Note 6)	<u>2,398,549</u>	<u>1,496,261</u>

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, 2012

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 is 36 Robinson Road #17-01, City House, Singapore 068877, 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 (2011 : 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 2 years commencing January 1, 2010 and for another 2 years commencing January 1, 2012.

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, 2012 were authorised for issue by the Board of Directors on December 3, 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting ("FRS").

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, 2011. 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 management anticipates that the adoption of FRSs, INT FRSs and amendments to FRS that were issued but effective only in future periods will not have a material impact on the financial statements of the Company of their initial adoption.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the 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 through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are 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.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, 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 impaired where 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.

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 to allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Trade and other payables

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

Derecognition of financial liabilities

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

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

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.

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

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 and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

IMPAIRMENT OF ASSETS - At the end of each reporting period, the Company reviews the carrying amounts of its 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.

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 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 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 companies are recognised when services are rendered.

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 income or expenditure in the period in which they become receivable.

INCOME TAX - The Company is an approved institution of a public character under the Singapore Income Tax Act, and is exempt from income tax.

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 the end of reporting period.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. 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 transaction. At each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit and loss.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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

(ii) *Key sources of estimation uncertainty*

Management is of the opinion that there are no key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant effect of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, except for the determination of the fair value of the donation in kind which is recorded as described in Note 15 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS AND MANAGEMENT

(a) *Categories of financial instruments*

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

	<u>2012</u>	<u>2011</u>
	\$	\$
Financial assets		
Loans and receivables (including cash and bank balances)	<u>2,516,245</u>	<u>1,721,451</u>
Financial liabilities		
Amortised cost	<u>397,761</u>	<u>479,830</u>

(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 currency risk and liquidity risk.

(i) Foreign exchange risk management

The Company transacts business mainly in Singapore dollars and therefore is not exposed to significant exchange rate movements of these foreign currencies against Singapore dollar, which is both the functional and presentation currency. As such, no sensitivity analysis is prepared.

(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.

(iii) Credit risk management

The Company places its cash and bank balances with reputable institutions.

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 WWF International and public 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 2011.

5 RELATED PARTY TRANSACTIONS

The members of the Company are

- World Wide Fund for Nature (Incorporated in Switzerland)
- Peter Scotts Wildlife Endowment Foundation
- Mr Christopher John Hails

Related companies are entities under common control of World Wide Fund for Nature (Programme Offices).

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 have 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.

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 except that the Managing Director and the direct reporting senior officers 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 Board meeting 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.

	<u>2012</u>	<u>2011</u>
	\$	\$
Income from the supporting organisation		
- WWF International	(2,138,060)	(2,145,016)
Income from related companies	<u>(99,737)</u>	<u>(184,630)</u>
Funds disbursed to donor specified programmes by related company	<u>150,841</u>	<u>121,461</u>
Expenses paid to related parties	<u>51,101</u>	<u>59,591</u>

6 CASH AND BANK BALANCES

	<u>2012</u> \$	<u>2011</u> \$
Cash at bank and on hand	2,158,333	1,496,261
Fixed deposits	<u>240,216</u>	<u>-</u>
	<u>2,398,549</u>	<u>1,496,261</u>

Cash amounting to \$219,334 (2011 : \$418,768) was placed in trust with an outsourced accounting service provider. The carrying amounts of these assets approximate their fair values.

Fixed deposits bear an interest rate of 0.08% (2011 : Nil%) per annum for a tenure of 3 months.

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

	<u>2012</u> \$	<u>2011</u> \$
Cash at bank	<u>173,933</u>	<u>253,522</u>

There are no significant cash and cash equivalents of the Company that are not denominated in its functional currency.

7 TRADE AND OTHER RECEIVABLES

	<u>2012</u> \$	<u>2011</u> \$
Other receivables from related companies	29,713	13,343
Staff travel advances	10,678	20,233
Other receivables	214	876
Government grant receivable	<u>41,265</u>	<u>169,878</u>
	<u>81,870</u>	<u>204,330</u>

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

The carrying amounts of trade and other receivables which are denominated in Singapore dollar approximate their fair values.

8 OTHER CURRENT ASSETS

	<u>2012</u>	<u>2011</u>
	\$	\$
Prepayments	9,969	4,183
Other assets	69,764	73,436
Less : Provision for obsolescence	<u>(69,764)</u>	<u>-</u>
	<u>9,969</u>	<u>77,619</u>

During the year, management recorded a charge of \$69,764 to profit or loss relating to other assets in view of their net recoverable value.

9 DEPOSITS

	<u>2012</u>	<u>2011</u>
	\$	\$
Refundable deposits	<u>35,826</u>	<u>20,860</u>

The carrying amounts of deposits approximate their fair values and are denominated in Singapore dollar.

10 PLANT AND EQUIPMENT

	<u>Office equipment</u>	<u>Furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Computer equipment</u>	<u>Computer software</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
Cost:						
At July 1, 2010	1,049	16,338	20,896	102,117	36,897	177,297
Additions	<u>1,637</u>	<u>2,667</u>	<u>-</u>	<u>11,459</u>	<u>3,852</u>	<u>19,615</u>
At June 30, 2011	2,686	19,005	20,896	113,576	40,749	196,912
Additions	<u>17,941</u>	<u>43,544</u>	<u>86,107</u>	<u>24,250</u>	<u>2,409</u>	<u>174,251</u>
At June 30, 2012	<u>20,627</u>	<u>62,549</u>	<u>107,003</u>	<u>137,826</u>	<u>43,158</u>	<u>371,163</u>
Accumulated depreciation:						
At July 1, 2010	210	6,372	9,399	53,348	32,199	101,528
Depreciation charge	<u>346</u>	<u>3,757</u>	<u>4,180</u>	<u>30,411</u>	<u>3,783</u>	<u>42,477</u>
At June 30, 2011	556	10,129	13,579	83,759	35,982	144,005
Depreciation charge	<u>3,387</u>	<u>11,104</u>	<u>18,933</u>	<u>26,649</u>	<u>3,432</u>	<u>63,505</u>
At June 30, 2012	<u>3,943</u>	<u>21,233</u>	<u>32,512</u>	<u>110,408</u>	<u>39,414</u>	<u>207,510</u>
Carrying amount:						
At June 30, 2012	<u>16,684</u>	<u>41,316</u>	<u>74,491</u>	<u>27,418</u>	<u>3,744</u>	<u>163,653</u>
At June 30, 2011	<u>2,130</u>	<u>8,876</u>	<u>7,317</u>	<u>29,817</u>	<u>4,767</u>	<u>52,907</u>

The following amount pertains to the WWFS Conservation Fund:

	<u>2012</u>	<u>2011</u>
	\$	\$
Plant and equipment	<u>-</u>	<u>466</u>

11 TRADE AND OTHER PAYABLES

	<u>2012</u>	<u>2011</u>
	\$	\$
Income from related companies received in advance	83,053	117,412
Accrued expenses	365,135	288,581
Donations received in advance	279,449	-
Provision for annual leave	<u>32,626</u>	<u>73,837</u>
	<u>760,263</u>	<u>479,830</u>

The following amount pertains to the WWFS Conservation Fund:

	<u>2012</u>	<u>2011</u>
	\$	\$
Accrued expenses	<u>-</u>	<u>200</u>

Liabilities for amounts payable are normally settled on 30 to 60 days (2011 : 30 to 60 days) credit terms.

There are no significant payables of the Company that are not denominated in its functional currency.

In the stand-alone statement of financial position of the WWFS Conservation Fund, there is a balance due to WWF Singapore of \$11,871 (2011 : \$56,817).

12 RESTRICTED OPERATING FUNDS

Restricted operating funds refer to the carry-forward of excess of income over expenditure for specific projects. The usage of these funds is restricted to the purpose of each specific project.

13 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:

	<u>2012</u> \$	<u>2011</u> \$
Expenses for charitable activities		
- Outreach and awareness projects expenses	82,246	84,831
- Expense related to the donation in kind received	32,960	-
Other administrative expenses	8,024	10,109
Management fee billed by WWF Singapore*	4,989	17,408
Total expenditure incurred for WWFS Conservation Fund's activities	<u>128,219</u>	<u>112,348</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:

	<u>2012</u> \$	<u>2011</u> \$
Balance at the beginning of the financial year	196,972	291,604
Add:		
Donations from individuals and corporations	31,107	15,912
Donations from corporations, "Earth Hour"	20,330	500
Donation in kind #	32,960	-
Income from merchandise sales	8,912	1,304
Total income	<u>93,309</u>	<u>17,716</u>
Less: Expenditure	(128,219)	(112,348)
Net movement for the financial year	<u>(34,910)</u>	<u>(94,632)</u>
Balance at the end of the financial year	<u>162,062</u>	<u>196,972</u>

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

Of the total donations received (excluding the donation in kind) during the financial year, \$51,437 (2011 : \$15,562) were tax deductible donations received.

14 INCOME

	<u>2012</u>	<u>2011</u>
	\$	\$
<u>Revenue</u>		
Donations and collections	357,672	607,136
Direct donors debit program	2,501,655	192,178
Special events	90,574	247,998
Government grant	150,188	300,696
Donation in kind (Note 15)	465,519	331,125
Revenue for WWFS Conservation Fund (Note 13)	93,309	17,716
Total revenue	<u>3,658,917</u>	<u>1,696,849</u>
<u>Other income</u>		
Income from other WWF entities (Note 5)	2,237,797	2,329,646
Other income	24,124	10,751
Total income	<u>5,920,838</u>	<u>4,037,246</u>

15 SURPLUS BEFORE INCOME TAX

	<u>2012</u>	<u>2011</u>
	\$	\$
Surplus before income tax include:		
Bank charges*	58,825	4,117
Fixed assets expensed off*	34,986	37,354
Currency exchange (gain) loss	(7,409)	455
Provision for obsolescence*	69,764	-
Staff costs (other than directors)		
- salaries and related costs	2,122,832	1,998,413
- defined contribution plans	178,960	120,991
Other benefits	29,150	30,279
	<u>2,330,942</u>	<u>2,149,683</u>

* Included in "Others" in the statement of comprehensive income

Donation in kind

No cash was received for the donation in kind. Out of the total amount, \$495,880 (2011 : \$257,689) has an equivalent expense amount shown under the "expenditure" section. Donation of \$Nil (2011 : \$73,436) refers to donation of assets that were capitalised as other assets, whilst \$2,599 (2011 : \$Nil) refers to donation of assets that were capitalised as plant and equipment and depreciated over their estimated useful lives during the financial year. During the financial year, certain donations in kind (services) for campaigning events were not recorded as their values cannot be reliably estimated.

Compensation of key management personnel (related party transactions)

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

	<u>2012</u>	<u>2011</u>
	\$	\$
Salaries and other short-terms employee benefits	149,090	143,520
Post-employment benefits - contribution to CPF	14,236	8,148
	<u>163,326</u>	<u>151,668</u>

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

16 INCOME TAX

The Company is exempt from tax.

17 OPERATING LEASE COMMITMENTS

	<u>2012</u>	<u>2011</u>
	\$	\$
Minimum lease payments under operating lease:		
Recognised as an expense during the year	<u>120,645</u>	<u>117,180</u>

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

	<u>2012</u>	<u>2011</u>
	\$	\$
Within 1 year	111,775	111,775
Between 2 to 5 years	<u>119,471</u>	<u>339,822</u>
	<u>231,246</u>	<u>451,597</u>

Operating lease payments represent payable for office space, photocopier and water dispenser.

18 SUBSEQUENT EVENT

Subsequent to the financial year, the Company became a member of Earth Hour Global Limited, a newly incorporated company domiciled in Singapore limited by guarantee.