



Singapore  
Environment  
Council

20

ANNUAL REPORT

19

HEART RESET,  
GREEN PIVOT



## DID YOU KNOW?

**The Oriental Pied Hornbill has become a familiar sight especially around Pulau Ubin and Changi. Successful eco-conservation increased the numbers of the once threatened species to over 100.**







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# OUR CORE VALUES



## **EXCELLENCE**

We go the extra mile to succeed, exceed our stakeholders' expectations and stretch our capabilities to achieve the best possible outcome every time.



## **INNOVATION**

We promote an innovative culture and attitude. We think differently and strive to apply innovative thinking and creativity to everything we do.



## **INTEGRITY**

We meet the highest ethical and professional standards in all of our organisational endeavours and in doing so, hold ourselves accountable to our mission and to the public.



## **PASSION**

We show pride, sincerity and dedication in our programmes, people and the environment.



## **TEAMWORK**

We are supportive of each other's efforts, and work together to meet our common goals as a diverse, yet unified team. We respect all individuals and value their contributions.



# OUR VISION AND MISSION

## VISION

Our vision is to be a recognised and trusted leader in Singapore and internationally that enables environmental sustainability with passion.

## MISSION

To foster lasting environmental and societal values that encourage and achieve environmental sustainability by:

- Collaborating with people, industries and governments
- Setting sustainability standards for green consumerism
- Educating and empowering communities to lead green lifestyles
- Promoting biodiversity in the urban environment
- Recognising environmental excellence by individuals and organisations





# CHAIRMAN'S

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# MESSAGE



# CHAIRMAN'S MESSAGE

**DONORS, SPONSORS, PARTNERS AND VOLUNTEERS,**

**ON BEHALF OF THE BOARD AND THE SINGAPORE ENVIRONMENT COUNCIL (SEC) SECRETARIAT, I WOULD LIKE TO EXPRESS MY SINCERE GRATITUDE FOR YOUR CONTINUED SUPPORT.**

The prolonged pandemic and global financial meltdown have made it very challenging for 2021. This year, we had to postpone mass events and concentrate on using digital platforms to engage and more



GREENDNA MICROSITE

importantly, introduce new exciting programmes including the launch of GreenDNA Accreditation. In the same way, School Green Awards (SGA) has also gone digital to enable all schools and teachers to take part in spite of the constraints posed by the pandemic. We are never shy to explore all other relevant channels to continue our outreach programmes.

SEC celebrates its 25th anniversary in 2020 and we have much to be thankful for. This includes your support and contribution which enabled SEC to be a key voice in championing climate action. With your support, we were able to reach over 1.2 million people, 830 corporations and 445 schools influencing and driving climate actions during the 2019 Year Towards Zero Waste. Our achievements have placed us in a strong position to forge new pathways and explore new grounds.





## Breaking New Grounds for Change and Transformation

Earlier this year, HSBC tapped on SEC's internationally recognised certifications (Singapore Green Labelling Scheme - SGLS and Eco-Certifications) to be incorporated as criteria for HSBC SME green loans. SMEs can now look forward to access green loans to expand their businesses and at the same time go green. Through this, we hope that more companies will be encouraged to innovate and transform their businesses and generate new employment opportunities. SEC will continue to drive the green finance agenda with other financial institutions so that more businesses can benefit from it.

As how Ms Li Lian Ng, Head of Business Banking, HSBC Singapore, puts it:

***We hear a lot of interest from SME clients over green solutions. They recognise the need and also want to take up sustainability-related initiatives, but are faced with difficulties accessing funding for green projects. Certifications offered by the Singapore Environment Council are internationally aligned to guide businesses to eligible green projects, and we are pleased to work alongside to equip businesses with the necessary solutions to achieve their sustainability goals.***



PRESS RELEASE  
ON GREEN FINANCING





Last year, we were also awarded the ISO/IEC 17065 accreditation for our Enhanced SGLS certification for Pulp & Paper products. SEC is the first NGO certifying body to receive this accreditation. It further validates the robustness of the enhanced SGLS processes which provide thorough surveillance of the entire supply chain from the concessions to the mills and to the distribution of products.

We also made breakthroughs in setting water efficiency standards together with PUB for commercial water appliances. These standards apply to dishwashers, washer extractors, high pressure water jets, and other commercial water appliances. The goal is to help businesses achieve efficient and effective water management operations.

In the area of Eco-Events, SEC pioneered the approach in assessing carbon emissions to validate DBS Bank's first carbon neutral booth at the 2019 Singapore FinTech Festival. We applied the same assessment at the 2020 DBS Spring Festival. The aim is to encourage event organisers to minimise plastic and food waste, and to adopt sustainable practices in material utilisation and energy consumption – so as to drive carbon footprint neutrality. In all, 246 trees were planted to offset the carbon footprint incurred by the DBS events.



Tree-planting initiative by SEC and DBS along Mount Imbiah @ Sentosa



TREE PLANTING  
@ SENTOSA

## Studying Singapore's Food Loss and Food Waste

**342,000**  
tonnes of food is lost each  
year; equivalent to

**\$S\$2.54 billion**



Another highlight in 2019 was SEC's study on Singapore's Food Loss and Food Waste targeted specifically at the upstream and midstream food supply chain. This resulted in our position paper, *"Advancing a Circular Economy for Food: Key Drivers and Recommendations to Reduce Food Loss and Waste in Singapore"*. It revealed a massive loss of an estimated \$2.54 billion from farm to market and about \$342 million worth of food thrown away from Singaporean households each year. There is a clear case calling out to plug leakages and gaps in the food supply chain, and channelling the money saved to generate new business opportunities.

The study led up to ideas, viewpoints and opinions exchanged during the panel discussions at the SEC Conference Day 2019. Key takeaways point to upstream innovations as well as transforming the local food production landscape. From the discussions, there were consensus on the need to harness a variety of levers such as standards-setting, policy support, technological innovation, human capital development and financing support.

Value of food wasted  
amounts to  
**\$S\$342 million**  
each year



Panel discussions at the SEC Conference Day 2019



FOOD LOSS & FOOD WASTE  
RESEARCH PAPER

## Addressing Singapore's 30 by 30 Vision on Building Food Resilience

In part, SEC's Food Loss and Food Waste Study dovetailed into Singapore's "30 by 30" vision on building food resilience. Naturally, it was not surprising that the Singapore Food Agency (SFA) identified SEC as a partner to develop new farming standards in accelerating the "30 by 30" vision. The intention is for farms certified under these standards to have implemented farming practices that attained energy and water efficiency, and effective waste management. SEC and SFA are now in active discussions and we expect developments to roll out soon.

## Driving Singapore's Climate Goals through Industry and Public Engagements

The annual Singapore Environmental Achievement Awards (SEAA) and SEC-StarHub School Green Awards (SGA) organised by SEC aims to recognise, celebrate and champion environmental stewardship amongst corporations as well as amongst the younger generations in schools.



*Photo taken at the Singapore Environmental Achievement Awards 2019*

Eleven organisations were recognised as stewards of environmental excellence at the 22nd annual SEAA last year. The winners came from banking, shipping, logistics and transportation, engineering and technology, community living, real estate, and venue management. Winners of this prestigious environmental award earned their place by looking beyond their business to make an impact on the communities that they operate in.



SEC SEAA





*Photo taken at the School Green Awards 2019*



*Photo taken at the School Green Awards 2019*

The SGA also continued to be a platform for the young to put their green ideas into action. From a humble beginning of 28 submissions received in 2001, the SGA witnessed an impressive growth by reaching out to more than 445 schools in 2019 in its 19th year. Cumulatively, the SGA reached out to over 1 million people through community initiatives based on a range of environmental topics – from 3Rs (Reduce, Reuse, Recycle), bio-diversity, to green consumerism. Seven schools received the SGA's top honours in 2019.







**Zhenghua Secondary School emerged as the overall winner for the PET Bottles Collection contest**

Other community outreach efforts include SEC's collaboration with stakeholders such as Sembcorp and Coca-Cola in the One Less Plastic campaign launched in 2019. The campaign aimed to engage the young in fostering a recycling culture and to encourage ownership of decisive action against environmental damage. A total of 601.5kg of PET bottles were recycled. It also increased the level of recycling consciousness and mind-set among the young.



**Sembawang Secondary**



**Fuchun Secondary**

*Submissions of the Recycling Bin Design contest*

## Onward and Beyond

We stand on the threshold of a post COVID-19 era and it is timely for businesses to take stock, rethink and to reset how they want to transform themselves to be relevant and ready for the future. Climate change and sustainable industry growth are just two of the pathways. To achieve success, it requires decisive actions and a resolve to put the interest of the environment at the core of what we do. This will enable a stream of green opportunities, green jobs, and green growth to emerge and help pave the way for a sound recovery. More than ever it is time for **Heart Reset, Green Pivot.**



## Our Continued Commitment & Heartiest Gratitude To You

We stay optimistic and committed to continue this journey despite the pandemic and global financial uncertainties. We are thankful for the continued support and contribution you have given us.

On behalf of the Board and the SEC Secretariat, I wish to express my warmest thanks to all our donors, sponsors, partners, volunteers and friends for your dedicated support of SEC.

*Humblest Regards and Respectfully*



**Ms Isabella Huang-Loh**  
**PBM FSEng, FCMI**

*Chairman*  
*Singapore Environment Council*

# BOARD OF DIRECTORS

## CHAIRMAN



**MS ISABELLA  
HUANG-LOH PBM**

Board Director  
AIG Asia Pacific Pte Ltd;  
Chairman, Practising Management  
Consultant Certification Board



**MR ZECHARIAH  
CHAN JIN HAN**

Partner – Intellectual Property  
Lee & Lee

## VICE CHAIRMAN



**MR SEAH  
SENG CHOON**

President  
Foreign Domestic Worker Association  
for Social Support and Training;  
Former Advisor to Consumers  
Association of Singapore



**MR CHEW  
CHEE BIN**

Director  
Singapore Agro-Food  
Enterprises Federation



**DR TEO HO PIN**

Mayor  
North West District  
(24 Nov 2001 - 26 Jul 2020)



**MR DALSON  
CHUNG**

Director  
Industry Development and  
Promotion Division  
National Environment Agency

## BOARD DIRECTORS



**DR AHMAD  
MAGAD**

Secretary-General  
Singapore Manufacturing  
Federation



**MR KONG  
CHI-NANG**

Executive Director  
Restructuring Services  
Deloitte & Touche Financial  
Advisory Services Pte Ltd



**MR SIMON  
PATRICK BENNETT**

General Manager  
Sustainable Development  
Swire Pacific Offshore  
Operations Pte Ltd  
(Up till 26 Jun 2020)



**DR LEONG  
CHEE CHIEW**

Commissioner of Parks  
and Recreation;  
Executive Director/National Parks  
and Nature Reserves  
National Parks Board





### PROFESSOR LIM SUN SUN

Professor of Communication  
and Technology;  
Head of Humanities,  
Arts and Social Sciences  
Singapore University of  
Technology and Design



### MS JOAN PEREIRA

Member of Parliament  
Tanjong Pagar GRC



### MR TAN PUAY HIANG

Chairman/CEO  
Highvest Pte Ltd



### MR CHEW CHEE KEONG

Director  
Water Supply (Plants) Department  
PUB, Singapore's National Water  
Agency  
(Up till 26 Jun 2020)



### MR MICHAEL TOH

Director  
Industry & Technology  
Collaboration Department  
PUB, Singapore's National  
Water Agency  
(From 26 Jun 2020)



### MR GERALD YONG

Chief Executive Officer  
CapitaLand International  
(Effective 26 Jun 2020)

## BOARD OBSERVER



### MS SELINA LIM

Director  
Communications & 3P  
Partnership Division  
Ministry of Sustainability and  
the Environment

## MEMBERS OF THE COUNCIL



### MR JOHN LIM

Mr John Lim  
Chairman  
Boustead Projects Ltd;  
Former Chairman of Singapore  
Institute of Directors



### PROF LEO TAN WEE HIN

Director (Special Projects)  
National University of Singapore  
c/o Dean's Office



### PROF SU GUANLING

President Emeritus  
Nanyang Technological  
University

## EXECUTIVE DIRECTOR OF SEC SECRETARIAT



### MS JEN TEO

Executive Director  
Singapore Environment Council



# ABOUT THE SINGAPORE ENVIRONMENT COUNCIL

Established in 1995, the Singapore Environment Council ("SEC" or "the Council") is an independently managed, non-profit, non-governmental organisation (NGO) that is principally engaged in nurturing, facilitating and coordinating environmental causes and groups in and outside Singapore. Working hand-in-hand with both government and private sectors, the Council's objective is the promotion of greater public awareness of and concern for the natural environment, and to encourage members of the public to be more environmentally conscious.

SEC is incorporated in Singapore as a company limited by guarantee whereby each member of the Council undertakes to meet the debts and liabilities of the Council in the event of its liquidation, to an amount not exceeding \$1 per member. SEC has been registered as a charity under the Charities Act, (Cap. 37) since 5 March 1996 and is accorded the status of Institution of a Public Character (IPC) from 1 May 2020 to 31 August 2021.



The Council is recognised as a member of the Global Ecolabelling Network (GEN), an association of third-party, environmental performance recognition, certification and labelling organisations to improve, promote, and develop the "ecolabelling" of products and services.

As of 2018, SEC has been awarded accreditation to the United Nations Environment Programme (UNEP), the first environmental NGO in Singapore to be UNEP accredited. SEC will use its expertise and knowledge to inform the world of Singapore's needs and opinions on environmental matters, in addition to playing a role in UN Environment's policy decisions.





TOTAL OUTREACH IN  
2019  
**1.3 million**

# KEY ACCOMPLISHMENTS



## DONATIONS AND SPONSORSHIPS

### DONATION

(Tax exemption & Non-Tax exemption)

2018 **\$62,806**  2019 **\$35,157**

### SPONSORSHIP

2018 **\$1,021,088**  2019 **\$577,636**

### TOTAL

(Donations & Sponsorships)

2018 **\$1,083,894**  2019 **\$612,793**



## ECO-ESTABLISHMENTS

### TOTAL CERTIFICATIONS

2018 **174**  2019 **183**

### TOTAL SPACE THAT HAS BEEN ECO-CERTIFIED

2018 **1,535,543**  2019 **2,193,000**  
sqm sqm

### OUTREACH

(Total no. of employees and people reached out to)

2018 **39,478**  2019 **42,000**  
people people

## SINGAPORE GREEN LABELLING SCHEME (SGLS)

### NO. OF PRODUCTS CERTIFIED

2018 **3,700**  
2019 **3,800**



### NO. OF COMPANIES

2018 **790**  
2019 **830**



### NO. OF COUNTRIES RECOGNISED

More than  
**50** countries

(Including Malaysia, Indonesia, China, Eastern Europe, Russia, the Nordic countries, the UK and the US)



### ENHANCED SGLS FOR PULP & PAPER



### NO. OF PRODUCTS CERTIFIED

2019 **60**



### NO. OF COMPANIES

2019 **10**



## SEC-STARHUB SCHOOL GREEN AWARDS (SGA)



### NO. OF SUBMISSIONS

2018 **437** 2019 **445**

### ESTIMATED PEOPLE REACHED

**1 million**



## SINGAPORE ENVIRONMENTAL ACHIEVEMENT AWARDS (SEAA)



As of 2019:

**123**  
winners



since  
1997

## TRAINING & EDUCATION



### NO. OF ACTIVITIES HELD IN 2019

**79**

### NO. OF PARTICIPANTS IN 2019

**10,279**



## EARTH HELPERS



### REGISTERED EARTH HELPERS IN 2019

**163**

### HOURS OF VOLUNTEER WORK CLOCKED IN 2019

**188**



# DONORS AND SPONSORS

As a registered charity and Institution of Public Character, the Singapore Environment Council relies on the generosity of many sponsors and donors towards our environmental causes. We want to extend our deepest appreciation to these companies listed here and all those who wish to remain anonymous, for supporting our programmes and projects.

**Our deepest appreciation to the following major donors and sponsors in 2019:**



We acknowledge and thank the following organisations which have generously supported the Singapore Environment Council's efforts and projects in the last three years. Their contributions have supported efforts in conservation, research, outreach and education to further the environmental cause.

ACE Advanced Materials Pte. Ltd.  
 Arup Singapore Pte Ltd  
 Asean CSR Network Ltd  
 Asia Pacific Breweries (Singapore) Pte Ltd  
 Asia Pulp & Paper Company Ltd  
 Bird & Bird ATMD LLP  
 Bollore Logistics Singapore Pte Ltd  
 Carlisle Construction Materials  
 Casio Singapore Pte Ltd  
 Charles & Keith (Singapore) Pte Ltd  
 City Planner Pte Ltd  
 Control Union Singapore Ptd Ltd  
 Credit Suisse AG  
 Deloitte & Touche Enterprise Risk Services Pte Ltd  
 Digital Dreamer LLP  
 DNV GL  
 Dyna-Mac Engineering Services Pte Ltd  
 ECOLAB Pte Ltd  
 ExxonMobil Asia Pacific Pte Ltd  
 Frasers Property Corporate Services Pte Ltd  
 Give2Asia  
 Golden Agri-Resources  
 Hendricks Corp  
 ibis Singapore on Bencoolen  
 IG Asia Ptd Ltd  
 JTB Pte Ltd  
 Keppel Corporation Limited  
 Kimberly-Clark Singapore Pte Ltd  
 Lion Corporation (S) Pte Ltd  
 Mandarin Orchard Singapore

Marina Bay Sands Pte Ltd  
 Maritime and Port Authority of Singapore  
 National Environment Agency  
 North West Community Development Council  
 NTUC Fairprice Co-operative Ltd  
 OOCL (Singapore) Pte Ltd  
 PACC Offshore Services Holdings Ltd  
 Prime Supermarket Ltd  
 Prudential Assurance Company Singapore  
 Republic Polytechnic  
 Resorts World Sentosa  
 Ricoh Asia Pacific Pte Ltd  
 Samsung C&T Corporation  
 Scanpap (Asia Pacific) Pte Ltd  
 Sembcorp Marine Ltd  
 Sembcorp Marine Repairs & Upgrades Pte Ltd  
 Setsco Services Pte Ltd  
 Sheng Siong Group Ltd  
 Singapore Management University  
 Singapore Telecommunications Limited  
 SingEx Venues Pte Ltd  
 Sumitomo Pharmaceuticals Asia Pacific Pte Ltd  
 Sunseap Group Pte Ltd  
 STATS Asia Pacific Pte Ltd  
 Swissotel Merchant Court, Singapore  
 TRIA Pte Ltd  
 Uniseal Creative Solutions Pte Ltd  
 USG Boral Pte Ltd  
 Westcom Solutions



# OUR STRATEGIC / SUPPORTING PARTNERS



# OUR TESTIMONIALS

## Eco Ambassador Training Programme's Client

“We came on-board the Eco Ambassador Training Programme with SEC in 2019, and received our certifications in Feb 2020. The programme has helped our Eco Ambassadors embark on the sustainability journey, and to champion the environmental cause within the organisation. For one, we are now armed with the knowledge on implementing cost-effective measures to reduce our carbon footprint!”

Kimly Construction Pte Ltd

## Green Financing

“We hear a lot of interest from SME clients over green solutions. They recognise the need and also want to take up sustainability-related initiatives, but are faced with difficulties accessing funding for green projects. Certifications offered by the Singapore Environment Council are internationally aligned to guide businesses to eligible green projects, and we are pleased to work alongside to equip businesses with the necessary solutions to achieve their sustainability goals.”

**Ms Li Lian Ng**  
Head of Business Banking  
HSBC Singapore

## Sponsor for School Green Awards

“StarHub champions a Sustainable Singapore. The School Green Awards is a fun way to engage our students and to sow seeds of awareness that will hopefully grow into lifetime positive environmental habits. As a key partner of the e-Waste Challenge, we are also pleased to be an advocate for e-waste recycling and to promote responsible consumption and production.”

**Ms Veronica Lai**  
Chief Corporate Officer  
StarHub





## Training & Education's Client

“At Credit Suisse, we strongly believe in the importance of sustainable living and in reducing waste. Education and community outreach efforts are the best ways to spread these meaningful sustainability messages, as evidenced by the past events we participated in with SEC, for example Eco-Fying and Take 5 Go Local.”

**Ms Guen Lamog**  
Sustainability Champion  
Credit Suisse

## Sponsor for One Less Plastic Campaign

“We believe that every package should have more than one life, including PET bottles which are fully recyclable and have value beyond its initial use. This is why we are heartened to see such great participation from the schools and we would like to thank every school who joined the competition. The One Less Plastic Campaign has been a great way to raise awareness about the importance of recycling and the value of PET plastic among the young. We look forward to continue working with the Singapore Environment Council to drive environmental awareness and to spread the message of Recycling Right.”



**Ms Sharon Tan**  
Director, Public Affairs,  
Communications and  
Sustainability  
Coca-Cola Singapore  
and Malaysia



# PROGRAMME

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# HIGHLIGHTS



# EVENTS

JANUARY

FEBRUARY[illegible]

MARCH

MARCH

S	M	T	W	T	F	S





# PROGRAMME HIGHLIGHTS



## Training & Education

### TRAINING & EDUCATION

The Training & Education function aims to foster lasting environmental and societal values through programmes and activities that educate, engage and empower individuals and organisations to achieve environmental sustainability.

A range of environmental programmes, such as seminars, talks, workshops, experiential trails, tours, site visits, and the SEC Eco Ambassador Training Programme (EATP) are actively curated for organisations and communities. Thematically-focused, the intent behind these programmes is to deepen our understanding of environmental challenges and impacts in order to bring about the mind-set change for a sustainable lifestyle.

Our flagship programme, *Seminar Series Talk*, focuses mainly on three themes: 1) Climate Change and Going Low Carbon; 2) Waste Minimisation and 5Rs; 3) Ecolabels and Green Consumerism. This programme aims to build awareness, shift attitudes and to eventually drive positive climate actions for the green cause.



*Credit Suisse employees at our Training & Education activities*



SEC's *Tree Planting* initiative strives to drive direct environmental impact to Singapore's ecosystem. We planted a total of 32 trees at various locations around Singapore last year. Some of the trees planted helped companies offset the carbon footprint incurred during their events. Moving into 2020, SEC collaborated with DBS in driving a Tree Planting initiative with 226 trees planted along Mount Imbiah at Sentosa. These trees will not only offset carbon footprint, but also help to restore our carbon sinks. They greatly benefit the local wildlife and biodiversity on the island, as well as contribute to the global effort to fight climate change.



SEC HEARTBEAT  
NEWSLETTER



## Eco-certifications

SEC administers a number of eco-certifications (e.g. Eco-Event; Eco-Office Plus; Eco-Shop; Eco-F&B) to reduce carbon footprint and to drive environmental sustainability amongst businesses and corporations.

### Eco-Events



The Eco-Event certification aims to bring event organisers on board the sustainability journey, by providing a report on the impact of environmental initiatives and certifying events which meet our sustainability criteria. Four event owners and organisers have proactively taken steps to contribute to the environment by getting their events assessed by SEC. The events are assessed based on initiatives that contribute to climate change prevention, resource conservation and waste minimisation. SEC audited the NTUC Income Eco Run 2019, and assessed three other mega events, namely OCBC Cycle 2019, DBS Marina Regatta 2019 and UOB Heartbeat Run/Walk 2019. We would like to encourage organisations to embrace the environmental sustainability journey and to do their part to minimise waste generated (e.g. particularly plastic and food waste).



*Photo taken at the DBS Regatta 2019*



*Runners refilling their cups at the NTUC Income Eco Run 2019*

### Eco-Office Plus



*Kimly Construction Pte Ltd employees at the Eco Ambassador Training Programme*



ECO-CERTIFICATIONS

The Eco-Office Plus is a green certification of the office premises, taking into account energy, water, resource and waste management, as well as employees' behavior. It is anchored in greening an office through enhancing not just the hardware, but also re-shaping the organisational heart-ware. As of 1 Jan 2020, we have 44 companies under the Eco-Office Plus Certification, with the first client coming on board in March 2019. DTC World Corporation was the first organisation to receive the highest tier, Elite status, under this certification. Its management has committed to sustainability by being part of the Green Committee, which consists of staff from each department. With the management's involvement, staff were encouraged to partake in the sustainability journey. DTC World Corporation has up to 80% of its staff taking public transport, cycling or walking to work!

Eco-Shop



The Eco-Shop certification aims to encourage shop owners to set their shops in an environmentally sustainable manner and to adopt green practices in their daily operations. Retailers not only receive recognition for their commitment to being green, they can also reduce their energy consumption in the long run. Charles & Keith was the latest shop to come on board the sustainability journey with SEC by having all their shops island-wide (30 of them!) to be Eco-Shop certified.

## Singapore Green Labelling Scheme (SGLS)



### *Enabling Green Procurement*

The Singapore Green Labelling Scheme (SGLS) is a type 1 eco-label and adopts a life-cycle approach that addresses the environmental footprint of a product. The Singapore Green Label helps the public identify environmentally-friendly products that meet certain eco-standards. It encourages eco-consumerism, and responds to the growing demand for greener products in the market. The scheme also hopes to influence manufacturers to design and produce with the environment in mind.

This certification serves as a third-party verified and trusted seal of endorsement to guide industry specification for environmentally-friendly products. It enables green procurement practices and supply chains; facilitates green consumerism by fostering a marketplace for green products; and serves as a green passport for offering products with wider access to regional markets.



## Commercial Water Appliances

The Singapore Green Labelling Scheme (SGLS) endorses industrial and consumer products that are produced in an environmentally-friendly manner. In 2019, we partnered with PUB, Singapore's National Water Agency, to develop and introduce a set of water efficiency criteria for commercial water appliances – commercial dishwashers and washer extractors. These appliances are also assessed based on their product performance, health & environmental guidelines, waste management and recyclability, life cycle considerations and labelling and packaging requirements, etc. Businesses such as hospitals and restaurants will be able to purchase Singapore Green Label certified commercial dishwashers and washer extractors and enjoy water savings of up to 44%. In 2020, PUB and SEC launched the water efficiency criteria for commercial high pressure water jets. Such appliances are typically used by professional cleaning companies and Town Councils for general washing.



*Singapore World Water Day 2019 where Minister Masagos Zulkifli spoke about the extension of the green label scheme to commercial equipment*



## Enhanced Singapore Green Labelling Scheme ISO 17065 accreditation



SEC was awarded the ISO/IEC 17065 accreditation by the Singapore Accreditation Council (SAC) for our enhanced Singapore Green Labelling Scheme (SGLS) certification for pulp & paper category. SEC is the first NGO certifying body in the world to receive the accreditation. The accreditation process has seen SEC's certification procedures and operating processes audited against one of the highest international standards that product certification bodies can be exposed to. Enhanced SGLS uses a comprehensive risk management profiling to complement its more extensive qualification criteria, especially in the areas of fire management and peatland management.



*SAC certificate recognising SEC for the accreditation of ISO 17065*



## International Green Purchasing Network (IGPN)

In October 2019, SEC participated in the International Green Purchasing Network annual meeting in Suzhou, China. There were participants from Japan, Thailand, Malaysia, China, Hong Kong, and Taipei. In this meeting, SEC officially joined the IGPN Network and became a member. With this, SEC will be able to leverage on IGPN's practices, tools and methods in global green procurement. The Network drives the dissemination of green purchasing, accelerates the solution of global environmental issues, and promotes the realisation of sustainable consumption and production goals.



*Photo taken at the International Green Purchasing Network annual meeting in Suzhou, China*

## Singapore Environmental Achievement Awards (SEAA)



The Singapore Environmental Achievement Awards (SEAA) is a prestigious environmental award in Singapore and the region to recognise environmental stewardship by organisations, and to bring industry best practices and innovations to the forefront. SEAA aims to inspire corporations and businesses to strive towards environmental sustainability, and be part of the green journey in championing for the environmental sustainability cause. The awards criteria focus on assessing organisational leadership, real environmental improvements, and the organisation's ability to establish procedures, train staff and innovate to achieve breakthroughs in environmental performance. Since its inception, 123 awards have been given out to organisations across various industries. 11 organisations were recognised as stewards of environmental excellence at the 22nd annual SEAA presentation ceremony, held during the SEC Conference Day in August 2019.



*Photos taken at the Singapore Environmental Achievement Awards 2019*



SEAA VIDEO



## Position Paper and Conference on Circular Economy for Food

Themed “*Eatnovate: The Circular Truth Dealing with Food Loss and Food Waste*”, another highlight of the SEC Conference Day 2019 was the release of SEC’s research findings, “*Advancing a Circular Economy for Food: Key Drivers and Recommendations to Reduce Food Loss and Waste in Singapore*”. The study and the Conference aimed to encourage business and consumer action for a more circular economy for food. Renowned industry players were gathered to address topics and solutions that may generate new best practices, technological innovations, encourage cross-sector 3P collaboration, and even shape policies.

Guest-of-Honour for the Conference, Mr Masagos Zulkifli, former Minister for Sustainability and the Environment, acknowledged the importance of SEAA in recognising the efforts of companies which have demonstrated commitment to environmental excellence and protection of the natural environment. He also added that the insights from study would complement efforts to strengthen Singapore’s food resilience.



*Chairman's Address at the SEC Conference Day 2019*

## SEC-StarHub School Green Awards (SGA)



As a platform for youths to put their green ideas into action, the SEC-StarHub School Green Awards (SGA) seeks to empower every young person to contribute to the nation’s vision of a sustainable and liveable Singapore. Students will better understand and appreciate the various environmental issues, and of Singapore’s environmental landscape. StarHub Ltd has supported SGA as its title sponsor for the sixth year running.

Together with the contribution from other sponsors and partners, we have seen stronger commitment to the environment which enabled SGA to further its outreach and education efforts to the students and our community. A total of 445 schools registered for submissions in 2019. SGA 2019 concluded with the School Green Day held at the NUS University Cultural Centre in November 2019. The event was graced by former Minister for Education, Mr Ong Ye Kung, and attended by close to 1,000 school principals, teachers, students and non-academic staff representing 269 schools to celebrate the youths' achievements in their green initiatives.



*Photos taken at the School Green Day 2019*

## One Less Plastic Campaign – Recycle Right

In partnership with Sembcorp and sponsored by Coca-Cola, SEC launched the *One Less Plastic campaign* in 2019. The outreach campaign, consisting of two parts, aimed to engage the young to foster a recycling culture and to encourage ownership of decisive action against environmental damage – so as to contribute to the greening of Singapore.

The first component, *Recycling Bin Design Contest*, saw creative and unique submissions from 20 schools. Design submissions were evaluated based on creativity and originality along with the impact of the PET bottles recycling message. The top five winning schools were recognised at the SGA School Green Day in 2019. The second component, *PET Bottles Collection Contest*, recognises schools which collected the highest tonnage of PET bottles gauged against their total school population. A closed-door appreciation event was held at the Coca-Cola Singapore's office in February 2020, where awards were presented to the top 3 winning schools. Overall, more than 600kg of recyclable PET bottles were collected from 45 participating schools.



8WORLD NEWS FEATURE





# OUR SUSTAINABILITY COMMITMENTS

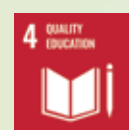
## Aligning our efforts with the Sustainable Development Goals

In September 2015, world leaders adopted a set of 17 Sustainable Development Goals (SDGs) – a shared blueprint for advancement of a sustainable, inclusive and just society by 2030.

As a leading environmental NGO in Singapore, SEC believes we have a part to play in contributing to progress of the goals through programmes which span standards-setting, consumer awareness & action, and training & education. In support of the movement, SEC has aligned our initiatives with the following SDGs.

### Driving Awareness of Sustainability Issues

Educating and empowering communities to lead green lifestyles through our Training & Education initiatives.



### Empowering Business and Consumer Action

Setting sustainability standards for green consumerism through the Singapore Green Label and Eco-Certifications.



### Fostering Strategic 3P Collaborations

Collaborating with people, industries and governments through our Campaigns and Outreach initiatives.



We recognise that sustainability challenges are multi-faceted and require an integrated system-wide response drawing on effective public-private-people (3P) collaboration. By exercising our authority as an eco-labelling and certification body, SEC contributes to climate action by nudging businesses and consumers towards greener consumption and production choices. This is underscored by our thought leadership on waste issues forged through the studies we have embarked on, as well as our outreach efforts to engage value chain actors to take action for a circular future.

# CORPORATE

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# GOVERNANCE







# CORPORATE GOVERNANCE

The Singapore Environment Council (SEC) has been registered as a charity under the Charities Act, (Cap. 37) since 5 March 1996. The SEC's Board comprises 14 Directors with corporate and public sector experience and is chaired by Ms Isabella Huang-Loh PBM. Board Directors are appointed and hold office for a term commencing from the date of appointment and expiring at the conclusion of the second Annual General Meeting after the appointment, guided by the principles of SEC's governing instrument, of which three board members have served more than 10 years for their strategic contribution and community outreach.

The Executive Director of SEC heads the board secretariat, reporting to the Chairman of the Board who holds a non-executive appointment. The SEC Executive Committee (EXCO) oversees the SEC secretariat's overall performance and operational delivery. It focuses on strategic leadership, management and direction, ensuring the most effective prioritisation of resources. It is a decision-making body on operational performance and delivery by the SEC secretariat, under the delegated authority from the Board. Leading the EXCO, the Executive Director holds executive-level responsibility for economic, environmental and social topics.





## RESPONSIBILITY OF THE BOARD

The Board ensures that the charity is run responsibly, according to its governing instrument. SEC's strategic growth plan, vision and mission statements are reviewed from time to time so that the charity stays relevant in an ever-changing environment. The Board ensures that SEC is meeting its goals and objectives as an environmental charity. It ensures that effective and efficient systems are in place for managing SEC's financial and human resources. Another important role is to maintain adequate reporting to all SEC's stakeholders regarding our strategic plan and status of our programmes.

## INTERNAL CONTROLS

### ● Fundraising practices

All fundraising practices are transparent and ethical, with proper accounting to donors on how funds are utilised.

### ● Programme Management

All programmes and activities conducted by SEC are carefully planned, tracked and reviewed to ensure that they are relevant to the mission and vision of SEC. Each programme is evaluated for its effectiveness and the progress is reported to both the Board and programme donor.

### ● Budget Planning and Monitoring

The Board approves an annual budget for SEC's programmes. There is close monitoring of the expenditure for each programme. A mid-year review of budget is conducted to compare and adjust the financial projections.

### ● Disclosure and Transparency

SEC seeks financial management advice from the Board and complies with all applicable laws and regulations. Annual external audits are conducted to ensure that its resources are used responsibly and are accountable. Updated information about its mission, structure, programmes, activities and finances are publicly displayed on SEC's website. The staff are employed based on individual merit, ability, skill and is non-discriminatory.

## SEC BOARD, ADVISORY COMMITTEE AND SUB-COMMITTEES

### SEC BOARD

The SEC's Board provides independent objective guidance to SEC and acts in the best interests of the Council. The Board periodically reviews and approves the objectives of SEC to ensure that its programmes and operations are managed and directed towards achieving SEC's objectives. It acts as advocates and enthusiastic communicators of SEC's mission and vision, and to play an integral role in SEC's fundraising activities. It supports and guides SEC's programmes and fundraising plans and hence assists the Council in achieving its long-term strategic plans.

### The Board held four meetings in 2019.

Attendees	59th MEETING 25-Feb-19	60th MEETING 16-May-19	61st MEETING 11-Oct-19	62nd MEETING 20-Dec-19
Ms Isabella Loh	✓	✓	✓	✓
Dr Teo Ho Pin	✓	✓	✓	✓
Mr Tan Puay Hiang	X	✓	X	✓
Mr Simon Patrick Bennett	✓	✓	X	✓
Mr Kong Chi-Nang	X	✓	✓	✓
Mr Seah Seng Choon	✓	X	✓	✓
Mr Zechariah Chan	✓	X	✓	✓
Mr Dalson Chung	✓	X	✓	X
Mr Leong Chee Chiew	X	X	X	✓
Mr Lam Joon Khoi	X	✓	-	-
Ms Rahayu Binte Mahzam	✓	✓	-	-
Ms Chen Yew Nah	✓	X	-	-
Mr Tan Nguan Sen	✓	✓	-	-
Dr Ahmad Magad (Appointed 11 February 2019)	X	✓	✓	X
Ms Joan Pereira (Appointed 3 September 2019)	*	*	✓	✓
Prof Lim Sun Sun (Appointed 10 June 2019)	*	*	✓	X
Mr Chew Chee Bin (Appointed 10 June 2019)	*	*	✓	✓
Mr Chew Chee Keong (Appointed 14 August 2019)	*	*	✓	X

### Legend

Present	✓
Absent with apologies	X
Retired with effect from 10 June 2019	-
Appointed on or after 10 June 2019	*



## SEC SUB-COMMITTEES

### AUDIT and RISKS COMMITTEE

The Audit and Risks Committee oversees the financial information provided by SEC to the Board, in particular, the critical accounting policies and practices, the effectiveness of the internal controls over financial reporting and budgeting to identify, assess, manage and disclose financial risks. It also makes recommendations to the Board on the selection and appointment of the external auditor(s), reviews the external auditor's audit independence, and evaluates the audit findings.

**The Audit Committee held four meetings in 2019.**

#### Chairman

Mr Kong Chi-Nang

#### Members

Mr Ralph Foong

Mr Chew Chee Bin

### FINANCE COMMITTEE

The Finance Committee reviews the financial information provided by SEC to the Board, and facilitates the external audit of the Council. The Finance Committee is familiar with applicable accounting standards and keep abreast of changes in accounting standards and issues which have a direct impact on SEC's financial and risk management.

**The Finance Committee held three meetings in 2019.**

#### Chairman

Dr Ahmad Bin Mohamed Magad

#### Members

Mr Chew Chee Bin

Mr Tan Puay Hiang

### COMPLIANCE COMMITTEE

The Compliance Committee monitors the level of compliance by SEC, with reference to its governing instrument and all relevant laws and regulations. It assists the Board in identifying and reviewing compliance matters which require action or improvement and makes recommendations to be taken.

**The Compliance Committee convenes as and when necessary.**

#### Chairman

Mr Seah Seng Choon

#### Members

Mr Tan Puay Hiang

Mr Philip Su Poon Ghee

Mr Chew Chee Keong

### GREEN LABEL STEERING COMMITTEE

The Green Label Steering Committee provides professional advice on creating and maintaining the Green Label certification process. The Committee assists to guide new category developments and monitors the impartiality of the certification process. It helps to guide the development of service delivery mechanisms related to lab testing, applications and assessment, initiates and guides programme evaluations, and recommends mechanisms for recertification.

**The Green Label Steering Committee convenes as and when necessary.**

#### Chairman

Mr Zechariah Chan

#### Members

Ms Isabella Huang-Loh PBM

Mr Dalson Chung

Mr Seah Seng Choon

Mr Simon Patrick Bennett

Ms Selina Lim

Mr Chew Chee Keong

## NOMINATION COMMITTEE

The Nomination Committee identifies, facilitates and recommends potential candidates to the Board to serve as Board Directors. It ensures that the Board consists of independent members from varied industry sectors, with the capacity to contribute their expertise, knowledge and skills. Potential candidates are identified and contacted for their interest and availability for serving on the Board. The Committee will then make recommendations for these candidates to be elected as Directors of the Board.

Re-nomination will be subject to the individuals' contribution and performance.

**The Nomination Committee held one meeting in 2019.**

### Chairman

Ms Isabella Huang-Loh PBM

### Members

Dr Teo Ho Pin

Mr Kong Chi-Nang

Ms Joan Pereira

## REMUNERATION COMMITTEE

The Remuneration Committee assists the Board in establishing equitable remuneration and human resource policies and practices. It enables SEC to attract, retain and develop talent by ensuring its employees are fairly and responsibly rewarded according to performance and the external remuneration environment. The Committee also reviews and makes recommendations to the Board on SEC's compliance with legislative requirements such as the Employment Act.

**The Remuneration Committee held one meeting in 2019.**

### Chairman

Ms Isabella Huang-Loh PBM

### Members

Dr Teo Ho Pin

Ms Joan Pereira

## STRATEGIC MARKETING AND FUNDRAISING COMMITTEE

The Strategic Marketing and Fundraising Committee provides advice on managing stakeholder relationships and marketing strategies to maximise the branding and revenue opportunities for SEC. The Committee provides a forum for an initial review of new SEC's programmes and corresponding communications and outreach proposals that are brought forward. It helps to identify potential partnership and sponsorship opportunities for SEC's programmes through a combination of professional connections and networks. It also acts as a resource in formulating, promoting and delivering communications and outreach strategies and makes recommendations to the Board on these matters.

**The Strategic Marketing and Fundraising Committee held one meeting in 2019.**

### Chairman

Dr Leong Chee Chiew

### Members

Ms Isabella Huang-Loh PBM

Ms Rahayu Binte Mahzam

Mr Simon Patrick Bennett

Ms Joan Pereira

Prof Lim Sun Sun

Mr Chew Chee Bin

## TENDER COMMITTEE

The Tender Committee advises SEC on procurement matters to ensure that the process is transparent and competitive. It reviews conflict of interest, if any, during the procurement process. The Committee decides on the approval or waiving of the tender requirements for procurement of services or goods, according to SEC's Financial Policies and Procedures. It also guides and periodically reviews the procurement strategies, guidelines and policies.

**The Tender Committee convenes as and when necessary.**

### Chairman

Mr Philip Su Poon Ghee

### Members

Ms Isabella Huang-Loh PBM

Mr Tan Puay Hiang

Mr Chew Chee Keong





## CONFLICT OF INTEREST POLICY AND RELATED PARTY TRANSACTIONS

The conflict of interest policy and related party transactions shall apply to all staff, volunteers and the Executive Director of SEC. They include, but are not limited to, the following situations:

- Personal interest in business transactions or contracts in which SEC may enter
- Vested interest in organisations that have dealings with SEC
- Recruitment of individuals who have personal relationships with staff, volunteers and the Executive Director of SEC

When a potential conflict of interest situation arises, the affected staff and volunteers shall immediately make a declaration of interest to the Executive Director and abstain from discussion and decision-making on the matter. When a potential conflict of interest situation relates to the Executive Director, she shall declare her interest to the Chairman for escalation to the Board and if deemed necessary, she shall abstain from discussion and decision making on the matter.

The conflict of interest policy and reporting requirements for board members are dealt with in the Memorandum of Articles and Association.

### Reserve Policy

The Council is mindful that charities or Institutions of a Public Character (IPCs) should avoid raising excessive funds and keeping them as reserves for public accountability reasons. The Council aims to maintain a reasonable level of reserves to ensure that the operational activities could continue during a period of unforeseen difficulty.

The Council aims to maintain a reserve ratio of at least two times the annual operating expenditure.

The Board shall review or re-assess the reserve ratio periodically or as and when the need arises.

In the review and determination of the reserve ratio, the Board will consider the following (but is not limited to):

- Past trends
- Forecast levels of income and expenditure of planned activities
- Analysis of future needs, opportunities and contingencies

### Definitions

Reserve refers to unrestricted funds that can be expended at the Council's discretion in furtherance of its objectives (commonly referred to as "Accumulated Funds" in the balance sheet).

Annual operating expenditure refers to fixed or recurrent expenditure and major recurrent programme expenses.

# FINANCIAL

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# STATEMENTS







**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**SINGAPORE ENVIRONMENT COUNCIL**

**(Incorporated in Singapore)  
Company Registration Number: 199507762R**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**



# SINGAPORE ENVIRONMENT COUNCIL

(Incorporated in Singapore)

## AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

### DIRECTORS

ISABELLA LOH WAI KIEW @ISABELLA LOH @LOH WAI KIEW  
 SEAH SENG CHOON  
 DR TEO HO PIN  
 CHAN JIN HAN  
 DR LEONG CHEE CHIEW  
 TAN PUAY HIANG  
 SIMON PATRICK BENNETT  
 KONG CHI-NANG (KUANG ZINENG)  
 CHUNG DALSON  
 DR AHMAD BIN MOHAMED MAGAD  
 LIM SUN SUN (LIN SHANSHAN)  
 CHEW CHEE BIN  
 CHEW CHEE KEONG (ZHOU ZHIQIANG)  
 PEREIRA CHENG SIM JOAN

### REGISTERED OFFICE

1 Kay Siang Road  
 #07-01  
 Singapore 248922

### SECRETARY

SEAH GEK HUANG SANDRA

### AUDITORS

REANDA ADEPT PAC

### INDEX PAGE

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# SINGAPORE ENVIRONMENT COUNCIL

## DIRECTORS' STATEMENT

The directors submit their statement to the members together with the audited financial statements of SINGAPORE ENVIRONMENT COUNCIL (the "Council") for the financial year ended 31 December 2019.

### OPINION OF THE DIRECTORS

In the opinion of the Board of Directors:

- (i) the accompanying financial statements of the Council are drawn up so as to give a true and fair view of the financial position of the Council as at 31 December 2019 and of the financial performance, changes in accumulated fund and cash flows of the Council for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due.

### DIRECTORS

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

ISABELLA LOH WAI KIEW @ISABELLA LOH @LOH WAI KIEW  
 SEAH SENG CHOON  
 DR TEO HO PIN  
 CHAN JIN HAN  
 DR LEONG CHEE CHIEW  
 TAN PUAY HIANG  
 SIMON PATRICK BENNETT  
 KONG CHI-NANG (KUANG ZINENG)  
 CHUNG DALSON  
 DR AHMAD BIN MOHAMED MAGAD (APPOINTED ON 11 FEBRUARY 2019)  
 LIM SUN SUN (LIN SHANSHAN) (APPOINTED ON 10 JUNE 2019)  
 CHEW CHEE BIN (APPOINTED ON 10 JUNE 2019)  
 CHEW CHEE KEONG (ZHOU ZHIQIANG) (APPOINTED ON 14 AUGUST 2019)  
 PEREIRA CHENG SIM JOAN (APPOINTED ON 3 SEPTEMBER 2019)

### ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

The Council is a public company limited by guarantee and has no share capital.

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Council is a public company limited by guarantee and has no share capital.



# SINGAPORE ENVIRONMENT COUNCIL

## DIRECTORS' STATEMENT (CONT'D)

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### AUDITOR

REANDA ADEPT PAC has expressed their willingness to accept re-appointment as auditor.

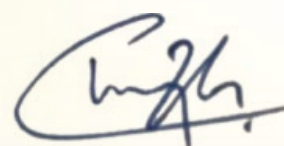
On behalf of the Board of Directors,



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**Isabella Loh Wai Kiew @Isabella  
Loh @Loh Wai Kiew**

Director



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**Kong Chi Nang (Kuang Zineng)**

Director

Singapore,  
29 May 2020

# SINGAPORE ENVIRONMENT COUNCIL

## INDEPENDENT AUDITORS' REPORT

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### TO THE MEMBERS OF SINGAPORE ENVIRONMENT COUNCIL

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Singapore Environment Council (the "Council"), which comprise the statement of financial position as at 31 December 2019, the statements of comprehensive income, changes in accumulated fund and cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of the Council 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 Council as at 31 December 2019 and of the financial performance, changes in accumulated fund and cash flows of the Council 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 Council 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.

#### Other information

Management is responsible for the other information. The other information comprises 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.



# SINGAPORE ENVIRONMENT COUNCIL

## INDEPENDENT AUDITORS' REPORT (CONT'D)

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### **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 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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors and the governing board. Their responsibilities include overseeing the Council's financial reporting process.

### **Auditor's Responsibility 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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council'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 Council to cease to continue as a going concern.

# SINGAPORE ENVIRONMENT COUNCIL

## INDEPENDENT AUDITORS' REPORT (CONT'D)

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### TO THE MEMBERS OF SINGAPORE ENVIRONMENT COUNCIL

#### Report on the Audit of the Financial Statements

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

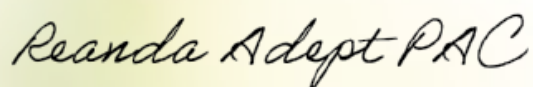
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

##### Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Council 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 that causes us to believe that during the year:

- a. The use of donation monies was not in accordance with the objectives of the Council as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b. The Council has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



##### REANDA ADEPT PAC

Public Accountants and  
Chartered Accountants

Singapore,

29 May 2020



# SINGAPORE ENVIRONMENT COUNCIL

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		2019	2018
ASSETS	Note	\$	\$
<b>Non-current assets</b>			
Intangible assets	5	51,006	83,806
Property, plant and equipment	4	303,193	196,122
		354,199	279,928
<b>Current assets</b>			
Trade and other receivables	7	391,409	368,764
Prepayments		31,216	26,151
Cash and cash equivalents	6	2,648,280	2,205,606
		3,070,905	2,600,521
<b>Total assets</b>		<b>3,425,104</b>	<b>2,880,449</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Unrestricted fund</b>			
Accumulated general fund		2,370,013	2,228,349
<b>Non-current liabilities</b>			
Lease liabilities	9	33,619	-
<b>Current liabilities</b>			
Trade and other payables	8	802,407	624,495
Lease liabilities	9	133,186	-
Income received in advance		85,879	27,605
		1,021,472	652,100
<b>Total fund and liabilities</b>		<b>3,425,104</b>	<b>2,880,449</b>

# SINGAPORE ENVIRONMENT COUNCIL

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
<b>Income</b>			
<b>Income from generated funds</b>			
Voluntary income	10	805,798	1,271,234
Activities for generating funds			
- Program receipts	11	2,485,155	2,299,411
		<u>3,290,953</u>	<u>3,570,645</u>
Other income		63,546	83,364
<b>Total income</b>	12	<u><b>3,354,499</b></u>	<u><b>3,654,009</b></u>
<b>Expenditures</b>			
Cost of generating funds	13	(661,330)	(870,595)
Governance costs	14	(39,172)	(42,451)
Other expenditures	15	(2,491,991)	(2,289,583)
Finance cost		<u>(3,670)</u>	<u>-</u>
<b>Total expenditures</b>		<u><b>(3,196,163)</b></u>	<u><b>(3,202,629)</b></u>
<b>Net surplus for the financial year</b>		<u><b>158,336</b></u>	<u><b>451,380</b></u>



# SINGAPORE ENVIRONMENT COUNCIL

## STATEMENT OF CHANGES IN ACCUMULATED FUND

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Accumulated general fund	Total
	\$	\$
Balance as at 1 January 2018	1,776,969	1,776,969
Net surplus for the financial year	451,380	451,380
<b>Balance as at 31 December 2018</b>	<b>2,228,349</b>	<b>2,228,349</b>
Balance as at 1 January 2019	2,228,349	2,228,349
Effect of adopting FRS 116 Leases	(16,672)	(16,672)
Balance as at 1 January 2019 (restated)	2,211,677	2,211,677
Net surplus for the financial year	158,336	158,336
<b>Balance as at 31 December 2019</b>	<b>2,370,013</b>	<b>2,370,013</b>

# SINGAPORE ENVIRONMENT COUNCIL

## STATEMENT OF CASH FLOWS

31 DECEMBER 2019

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Surplus for the financial year		158,336	451,380
Adjustments for:			
Amortisation of intangible assets		32,800	14,594
Depreciation of property, plant and equipment		180,873	43,931
Interest expense		3,670	-
Gain on disposal of property, plant and equipment		(200)	(70)
Operating cash flow before working capital changes		<u>375,479</u>	<u>509,835</u>
Changes in working capital:			
Trade and other receivables		(22,645)	95,303
Prepayments		(5,065)	843
Trade and other payables		177,913	142,750
Income received in advance		58,274	(562,139)
<b>Net cash inflow from operating activities</b>		<u><b>583,956</b></u>	<u><b>186,592</b></u>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		-	(98,400)
Purchase of property, plant and equipment		(6,662)	(196,198)
Proceeds from disposal of property, plant and equipment		200	70
<b>Net cash outflow from investing activities</b>		<u><b>(6,462)</b></u>	<u><b>(294,528)</b></u>
<b>Cash flows from financing activities</b>			
Interest paid		(3,670)	-
Payment of principal portion of lease liabilities		(131,150)	-
<b>Net cash outflow from financing activities</b>		<u><b>(134,820)</b></u>	<u><b>-</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		442,674	(107,936)
<b>Cash and cash equivalents</b>			
- at the beginning of the financial year		2,205,606	2,313,542
- at the end of the financial year	6	<u><u><b>2,648,280</b></u></u>	<u><u><b>2,205,606</b></u></u>



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

These notes form an integral part of and should be read in conjunction with the

### 1. Corporate information

Singapore Environment Council (the "Council") is incorporated in Singapore as a company limited by guarantee whereby each member of the Council undertakes to meet the debts and liabilities of the Council in the event of its liquidation, to an amount not exceeding \$1 per member.

The Council's registered office and principal place of operation is at:

1 Kay Siang Road  
#07-01  
Singapore 248922

The Council has been registered as a charity under the Charities Act, (Cap.37) since 5 March 1996 and is accorded the status of Institution of a Public Character (IPC) from 1 May 2019 to 30 April 2020. It is an independently managed, non-profit, nongovernment organisation that is principally engaged in the nurturing, facilitating and coordinating of environment causes and groups in and outside Singapore, working hand-in-hand with both government and private sectors.

The Council's objective is the promotion of greater public awareness of and concern for the living and natural environment, and to encourage members of the public to be more environmentally conscious.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

The financial statements are prepared in accordance with the Singapore Financial Reporting Standards (FRSs), the applicable requirements of the Singapore Companies Act and the Charities Act, under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$"), which is also the functional currency of the Council.

#### 2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Council has adopted all the new and amended standards which are relevant to the Council and are effective for annual financial periods beginning on or after 1 January 2019. Except for the adoption of FRS 116 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Council.

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

These notes form an integral part of and should be read in conjunction with the

### 2. Summary of significant accounting policies (cont'd)

#### 2.2 Adoption of new and amended standards and interpretations (cont'd)

##### FRS 116 Leases

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position. The Council adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of accumulated fund. The Council elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Council applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The effect of adopting FRS 116 as at 1 January 2019 was as follows:

	<b>Increase/(decrease)</b>
	<b>\$</b>
Property, plant and equipment	281,282
Lease liabilities	297,954
Accumulated fund	(16,672)

The Council has lease contract for office unit and office equipment. Before the adoption of FRS 116, the Council classified each of its leases (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 January 2019 is disclosed in Note 2.10

Upon adoption of FRS 116, the Council applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2.10. The standard provides specific transition requirements and practical expedients, which have been applied by the Council.

#### **Leases previously accounted for as operating leases**

The Council recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

### 22. Adoption of new and amended standards and interpretations (cont'd)

#### FRS 116 Leases (cont'd)

Leases previously accounted for as operating leases (cont'd)

The Council also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 January 2019:

- right-of-use asset of \$281,282 were recognised and presented within property, plant and equipment;
- additional lease liability of \$297,954 were recognised;
- the net effect of these adjustments of \$16,672 had been adjusted to accumulated fund. Comparative information is not restated.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	\$
Operating lease commitments as at 31 December 2018	315,761
Less:	
Commitments relating to leases of low-value assets	(12,416)
	<u>303,345</u>
Weighted average incremental borrowing rate as at 1 January 2019	1.542%
Lease liabilities as at 1 January 2019	<u>297,954</u>

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.3 Financial instruments

##### (a) Financial assets

###### Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Council measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in statement of comprehensive income.

Trade receivables are measured at the amount of consideration to which the Council expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

###### Subsequent measurement

###### *Investments in financial assets*

Subsequent measurement of financial assets depends on the Council's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of financial assets are amortised cost, FVOCI and FVPL. The Council only has financial assets at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of comprehensive income when the assets are derecognised or impaired, and through the amortisation process.

###### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for financial assets is recognised in statement of comprehensive income.



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.3 Financial instruments (cont'd)

##### (b) Financial liabilities

###### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Council becomes a party to the contractual provisions of the financial instrument. The Council determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

###### Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

###### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in statement of comprehensive income.

##### (c) Impairment of financial assets

The Council recognises an allowance for expected credit losses (ECLs) for all financial assets not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Council expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Council applies a simplified approach in calculating ECLs. Therefore, the Council does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Council has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.3 Financial instruments (cont'd)

##### (c) Impairment of financial assets (cont'd)

The Council considers a financial asset in default when contractual payments are in accordance with the respective credit terms granted to the debtor. However, in certain cases, the Council may also consider a financial asset to be in default when internal or external information indicates that the Council is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Council. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 2.4 Impairment of non-financial assets

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

#### 2.5 Property, plant and equipment

##### (a) Owned assets

The cost of an item of property, plant and equipment is recognised as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.

All items of property, plant and equipment are initially recorded at cost, which includes expenditure that is directly attributable to the acquisition of the assets, less accumulated depreciation and impairment losses. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use. The carrying amount of property, plant and equipment is reviewed annually to determine whether it is in excess of its recoverable amount at the date of the statement of financial position.



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.5 Property, plant and equipment (cont'd)

##### (a) Owned assets (cont'd)

An impairment loss is recognised immediately in the statement of comprehensive income. Any revaluation surplus if recognised is credited directly to revaluation reserve in equity, except to the extent that it reverses the impairment loss of the same asset previously recognised in the statement of comprehensive income, in which case the surplus is recognised in the statement of comprehensive income. An impairment loss is recognised in the statement of comprehensive income, except to the extent that it offsets an existing surplus on the same assets carried in the revaluation reserve.

The accumulated depreciation of an asset is eliminated on the date of revaluation of impairment.

##### (b) Component of costs

The cost of an item of property, plant and equipment initially recognised includes the purchase price and any cost that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Costs also include borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets.

##### (c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the property, plant and equipment when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Council. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

##### (d) Disposals

Gain or loss arising from the retirement or disposal of property, plant and equipment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset are recognised in the statement of comprehensive income on the date of retirement or disposal.

##### (e) Depreciation

Depreciation is computed on a straight-line basis so as to write off the cost or the carrying amount over their estimated useful lives.

The carrying amount, residual value and useful lives are reviewed and adjusted as appropriate at the end of each reporting period with changes in estimates accounted for on a prospective basis.

# SINGAPORE ENVIRONMENT COUNCIL

## STATEMENT OF CASH FLOWS

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.6 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditures are reflected in statement of comprehensive income in the year in which the expenditures are incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of intangible assets with indefinite useful lives are reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in statement of comprehensive income when the assets are derecognised.

#### 2.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents are comprised of cash on hand and deposits with financial institutions which are subject to insignificant change in value.

#### 2.8 Income taxes

As the Council is registered as a charity under the Charities Act, it is exempted from income tax in accordance with the provisions of the Income Tax Act.



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.9 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax except: -

- (i) Where the goods and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, to the taxation authority is included as part of receivables or payables in the statement of financial position.

#### 2.10 Leases

These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019:

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### As lessee

The Council applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Council recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

##### Right-of-use assets

The Council recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Council at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.5.

The Council's right-of-use assets are presented within property, plant and equipment (Note 4).

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.10 Leases (cont'd)

##### Lease liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Council and payments of penalties for terminating the lease, if the lease term reflects the Council exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Council uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Council's lease liabilities are disclosed in Note 9.

##### Short-term leases and leases of low-value assets

The Council applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on shortterm leases and leases of low value assets are recognised as expense on a straightline basis over the lease term.

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

The Council leases office unit and office equipment under operating lease from a non-related party.

##### Lessee – Operating Lease

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

Contingent rentals are recognised as an expense in the statement of comprehensive income when incurred.



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.11 Related party

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Council if that person:
  - (i) Has control or joint control over the Council;
  - (ii) Has significant influence over the Council; or
  - (iii) Is a member of the key management personnel of the Council or of a parent of the Council.
- (b) An entity is related to the Council if any of the following conditions applies:
  - (i) The entity and the Council are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Council or an entity related to the Council. If the Council is itself such a plan, the sponsoring employers are also related to the Council;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

#### 2.12 Accumulated general fund

The Council is prohibited by its Memorandum and Articles of Association from distributing any of its income and property by way of dividend, bonus or otherwise to members of the Council.

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.13 Fund structure

(i) Unrestricted funds

Unrestricted funds are funds that are expendable at the discretion of the Council for achieving their overall objective.

(ii) Restricted funds

Restricted funds are funds that are set up for specific purposes which may be imposed by the donor or have specific restriction on the management's discretion regarding the utilization of the funds.

The Council does not have any restricted funds.

#### 2.14 Income recognition

Income is recognised in the statement of comprehensive income when:

- The Council becomes entitled to the income;
- The management is virtually certain that the Council will receive the income; and
- The value of income can be measured with sufficient reliability.

##### Voluntary income

(i) Cash donations and sponsorships

These are recognised when they have been received and when the Council has unconditional entitlement to receive them.

(ii) Grants

Government grants, subsidies and other institutional funding are recognised at their fair value when there is reasonable assurance that the grant/subsidy/funding will be received and all attached conditions will be complied with. When the grant or subsidy or funding relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs which it is intended to compensate.

#### 2.15 Revenue recognition

Revenue is measured based on the consideration to which the Council expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Council satisfies a performance obligation by transferring a promised goods or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.15 Revenue recognition (cont'd)

##### (a) Certification programs and labelling schemes

Fees from certification programs and labelling schemes are recognised as revenue when the customer obtains control of the respective certification and the Council satisfies the performance obligation stipulated under the programs or schemes. Generally, the performance obligation is satisfied at a point in time, when the Council has completed its assessment of an application for a particular accreditation program or labelling scheme. However, for the Eco-Shop and Eco-F&B certification programs, the performance obligation is considered to be satisfied upon the payment of the service by the customer (at a point in time).

##### (b) Training and education

The Council also provides various talks, workshops, seminars, experiential trails and corporate social responsibility activities in relation to environmental causes. Such services are recognised as a performance obligation satisfied over time, and fees charged are recognised as revenue over the duration of the training and education programs and in the period during which service is provided, having regards to the stage of completion of the service.

#### 2.16 Expenditures

##### Costs of generating funds

These are costs associated with generating income from all sources other than from undertaking charitable activities. The costs in this category comprise costs on generating voluntary income and costs arising from program receipts.

##### Governance costs

Governance costs comprise all costs attributable to the general running of the Council in providing governance infrastructure and ensuring public accountability.

##### Other expenditures

Other expenditures include staff costs, administrative expenses, and payment of any expenditure that the Council has not been able to analyse within the main expenditure categories.

#### 2.17 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies it to be capitalised as an asset.

##### **Defined contribution plans**

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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31 DECEMBER 2019

### 2. Summary of significant accounting policies (cont'd)

#### 2.17 Employee benefits (cont'd)

##### Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Accrual is made for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Council has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Employees' entitlements to annual leave are recognised when they accrue to employees. Such accrual is made for the estimated liability for leave as a result of services rendered by employees up to the date of the statement of financial position.

#### 2.18 Income received in advance

Income received in advance represent sponsorships made by certain sponsors to the Council that have not been recognised as voluntary income for the current reporting period.

#### 2.19 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all the attaching conditions will be complied with. Where the grants relate to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

### 3. Critical accounting estimates, assumptions and judgements

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### 3.1 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk in causing material adjustments to the carrying amounts of assets and liabilities within the next financial period are discussed below:



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 3. Critical accounting estimates, assumptions and judgements (cont'd)

#### 3.1 Critical accounting estimates and assumptions (cont'd)

##### (a) Depreciation of property, plant and equipment / Amortisation of intangible assets

These assets are depreciated or amortised on a straight-line basis over their estimated useful lives estimated by management. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

	<u>Number of years</u>
<u>Property, plant and equipment (Note 4)</u>	
Leasehold unit	3
Office equipment	3
Furniture and fittings	3
Renovation	5
<u>Intangible assets (Note 5)</u>	
Mobile application	3
Website development	3

The carrying amounts of property, plant and equipment and intangible assets at the end of the reporting period are disclosed in Note 4 and Note 5 respectively, to the financial statements.

##### (b) Provision for expected credit losses of trade and other receivables

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Council's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of the trade and other receivables at the end of the reporting period is disclosed in Note 7 to the financial statements.

#### 3.2 Critical judgements in applying the entity's accounting policies

There is no significant judgement made in applying accounting policies in the preparation of financial statements.

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

### 4. Property, plant and equipment

	Leasehold unit (Right-of-use)	Office equipment	Furniture and fittings	Renovations	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
As at 1 January 2018	-	176,203	24,607	125,065	325,875
Additions	-	6,000	198	190,000	196,198
Disposals	-	-	-	(125,065)	(125,065)
As at 31 December 2018	-	182,203	24,805	190,000	397,008
Effect of adopting FRS 116	375,043	-	-	-	375,043
As at 1 January 2019 (restated)	375,043	182,203	24,805	190,000	772,051
Additions	-	3,162	-	3,500	6,662
Disposals	-	(1,124)	-	-	(1,124)
As at 31 December 2019	375,043	184,241	24,805	193,500	777,589
<b>Accumulated depreciation</b>					
As at 1 January 2018	-	136,843	24,607	120,570	282,020
Charge for the financial year	-	20,425	11	23,495	43,931
Disposals	-	-	-	(125,065)	(125,065)
As at 31 December 2018	-	157,268	24,618	19,000	200,886
Effect of adopting FRS 116	93,761	-	-	-	93,761
As at 1 January 2019 (restated)	93,761	157,268	24,618	19,000	294,647
Charge for the financial year	125,014	17,093	66	38,700	180,873
Disposals	-	(1,124)	-	-	(1,124)
As at 31 December 2019	218,775	173,237	24,684	57,700	474,396
<b>Carrying amount</b>					
As at 31 December 2018	-	24,935	187	171,000	196,122
At 31 December 2019	156,268	11,004	121	135,800	303,193



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 4. Property, plant and equipment (cont'd)

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16(a).

### 5. Intangible assets

	Leasehold unit (Right-of-use)	Website development	Total
	\$	\$	\$
<b>Cost</b>			
As at 1 January and 31 December 2018 and 2019	<u>55,400</u>	<u>43,000</u>	<u>98,400</u>
<b>Accumulated amortisation</b>			
As at 1 January 2018	-	-	-
Charge for the financial year	<u>6,566</u>	<u>8,028</u>	<u>14,594</u>
As at 31 December 2018	<u>6,566</u>	<u>8,028</u>	<u>14,594</u>
Charge for the financial year	<u>18,467</u>	<u>14,333</u>	<u>32,800</u>
As at 31 December 2019	<u>25,033</u>	<u>22,361</u>	<u>47,394</u>
<b>Carrying amount</b>			
As at 31 December 2018	<u>48,834</u>	<u>34,972</u>	<u>83,806</u>
As at 31 December 2019	<u>30,367</u>	<u>20,639</u>	<u>51,006</u>

### 6. Cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank	1,148,029	1,170,934
Fixed deposits	<u>1,500,251</u>	<u>1,034,672</u>
Cash and cash equivalents per statement of cash flows	<u>2,648,280</u>	<u>2,205,606</u>

### 7. Trade and other receivables

	2019	2018
	\$	\$
Trade receivables	361,636	334,321
Less: Allowance for impairment	<u>(3,210)</u>	<u>(3,210)</u>
	<u>358,426</u>	<u>331,111</u>
Refundable deposits	<u>32,983</u>	<u>37,653</u>
	<u>391,409</u>	<u>368,764</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 7. Trade and other receivables (cont'd)

#### Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	2019	2018
	\$	\$
Movement in allowance accounts:		
At beginning of financial year	3,210	-
Allowance made during the year	-	3,210
At end of financial year	3,210	3,210

### 8. Trade and other payables

	2019	2018
	\$	\$
Trade payables	206,583	117,837
GST payable	55,479	26,704
Other payables	2,665	8,705
Accrued operating expenses	537,680	471,249
	802,407	624,495

Trade and other payables are unsecured and non-interest bearing. Trade payables are normally settled on 30 to 60 days' terms.

### 9. Lease liabilities

	2019	2018
	\$	\$
Non-current:		
- Lease liabilities (Note 16)	33,619	-
Current:		
- Lease liabilities (Note 16)	133,186	-
	166,805	-

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2019	Cash flows	Non-cash changes		31 December 2019
			Accretion of interests	Other	
	\$	\$	\$	\$	\$
Lease liabilities					
- current	131,150	(134,820)	3,670	133,186	133,186
- non-current	166,805	-	-	(133,186)	33,619
	297,955	(134,820)	3,670	-	166,805



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 10. Voluntary income

	2019	2018
	\$	\$
Donations	35,157	62,806
Sponsorships	577,636	1,021,088
Grant income	4,070	4,065
Program recovery	188,935	183,275
	<u>805,798</u>	<u>1,271,234</u>

### 11. Program receipts

Disaggregation of revenue	2019	2018
	\$	\$
<u>Type of service</u>		
Certification programs and labelling schemes	2,365,382	2,119,100
Training and education	119,773	180,311
	<u>2,485,155</u>	<u>2,299,411</u>

#### Timing of transfer of service

At a point in time	2,365,382	2,119,100
Over time	119,773	180,311
	<u>2,485,155</u>	<u>2,299,411</u>

As at the end of the financial year, there was no unsatisfied (or partially unsatisfied) performance obligation that was considered to be material or significant.

### 12. Other income

	2019	2018
	\$	\$
Government grants	37,032	35,250
Interest income	17,940	11,734
Sundry income	8,374	36,310
Gain on disposal of property, plant and equipment	200	70
	<u>63,546</u>	<u>83,364</u>

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

**13. Cost of generating funds**

	2019	2018
	\$	\$
Advertisement and promotion expenses	39,230	166,617
Consultancy and professional fee	331,859	476,559
Event setup and management	95,418	74,334
Food and catering	65,022	60,470
Gifts and awards	28,254	34,181
Postage, printing and stationery	18,130	(3,461)
Subscriptions	11,502	11,914
Transport and travelling	40,579	26,757
Temporary staffs and volunteers	21,324	16,734
Website maintenance	9,683	5,958
Telephone	329	532
	<u>661,330</u>	<u>870,595</u>

**14. Governance costs**

These include the following significant items

	2019	2018
	\$	\$
Audit fee	11,000	11,295
Secretarial fee	<u>27,828</u>	<u>28,849</u>

**15. Other expenditures**

These include the following significant items

	2019	2018
	\$	\$
Corporate communication	75,661	128,366
Depreciation	180,873	58,526
Amortisation	32,800	14,594
Staff salaries, bonuses and incentives	1,819,718	1,602,524
CPF contribution	229,324	193,566
Other short-term employee benefits	<u>20,842</u>	<u>28,909</u>

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 16. LEASES

#### Council as a lessee

The Council has lease contracts for office unit and office equipment. The Council is restricted from assigning and subleasing the leased assets.

The Council also has leases of office equipment with low value. The Council applies the 'lease of low-value assets' recognition exemptions for these leases.

#### (a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold Unit (Right-of-use)	Total
	\$	\$
At 1 January 2019	281,282	281,282
Depreciation	(125,014)	(125,014)
At 31 December 2019	<u>156,268</u>	<u>156,268</u>

#### (b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 9 and the maturity analysis of lease liabilities is disclosed in Note 20.

#### (c) Amounts recognised in profit or loss

	2019 \$
Depreciation of right-of-use assets	125,014
Interest expense on lease liabilities	3,670
Lease expense not capitalised in lease liabilities:	
- Expense relating to leases of low-value assets (included in other expenditures)	<u>4,997</u>
Total amount recognised in profit or loss	<u>133,681</u>

#### (d) Total cash outflow

The Council had total cash outflows for leases of \$139,817 in 2019.



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 17. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related parties at terms agreed between the parties are as follows:

	2019	2018
	\$	\$
Income from related entities	<u>56,971</u>	<u>87,500</u>
Expenses charged by related entities	<u>248,023</u>	<u>263,127</u>

Certain directors of the Council have significant influence over the related entities.

#### Key management personnel compensation

	2019	2018
	\$	\$
Salaries, bonuses and other short-term benefits	221,984	210,978
CPF contributions	<u>14,041</u>	<u>12,926</u>
Total short-term employee benefits	<u>236,025</u>	<u>223,904</u>

The details of remuneration and benefits of employees (including key management personnel) are as follows:

#### Number of employees in bands

	2019	2018
\$50,001 to \$100,000	2	3
More than \$100,000	<u>2</u>	<u>1</u>
	<u>4</u>	<u>4</u>

### 18. Commitments

#### **Operating lease commitments – as lessee**

The Council leases an office unit and office equipment under operating lease arrangement.

Future minimum lease payable under non-cancellable operating leases contracted for as at the date of the statement of financial position but not recognised as liabilities, are as follows:

	2018
	\$
Within 1 year	140,474
After 1 year but within 5 years	<u>186,522</u>
	<u>326,996</u>
Lease expense for the year	<u>156,123</u>

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 18. Commitments (cont'd)

As disclosed in Note 2.2, the Council has adopted FRS 116 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 December 2019, except for low-value leases.

### 19. Donations and sponsorships

	2019	2018
	\$	\$
Tax exempt donations	23,644	54,045
Non-tax exempt donations and sponsorships	<u>589,149</u>	<u>1,029,849</u>
	<u>612,793</u>	<u>1,083,894</u>

### 20. Financial risk management

The Council is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

#### *Financial risk management objectives and policies*

Risk management is integral to the whole business of the Council. The Council has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Council's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Council's activities.

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

**20. Financial risk management (cont'd)****(a) Summary of financial instruments**

	Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total
As at 31 December 2019	\$	\$	\$	\$
Intangible assets	-	-	51,006	51,006
Property, plant and equipment	-	-	303,193	303,193
Trade and other receivables	391,409	-	-	391,409
Prepayments	-	-	31,216	31,216
Cash and cash equivalents	2,648,280	-	-	2,648,280
<b>Total assets</b>	<b>3,039,689</b>	<b>-</b>	<b>385,415</b>	<b>3,425,104</b>
Trade and other payables	-	802,407	-	802,407
Lease liabilities	-	166,805	-	166,805
Income received in advance	-	-	85,879	85,879
<b>Total liabilities</b>	<b>-</b>	<b>969,212</b>	<b>85,879</b>	<b>1,055,091</b>
<b>As at 31 December 2018</b>				
Intangible assets	-	-	83,806	83,806
Property, plant and equipment	-	-	196,122	196,122
Trade and other receivables	368,764	-	-	368,764
Prepayments	-	-	26,151	26,151
Cash and cash equivalent	2,205,606	-	-	2,205,606
<b>Total assets</b>	<b>2,574,370</b>	<b>-</b>	<b>306,079</b>	<b>2,880,449</b>
Trade and other payables	-	624,495	-	624,495
Income received in advance	-	-	27,605	27,605
<b>Total liabilities</b>	<b>-</b>	<b>624,495</b>	<b>27,605</b>	<b>652,100</b>

**(b) Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Council. The Council's exposure to credit risk arises primarily from trade and other receivables. The risks in respect of cash and cash equivalents are minimal since they are placed with reputable financial institutions.

The Council considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 20. Financial risk management (cont'd)

#### (b) Credit risk (cont'd)

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

Category	Definition of category	Basis for recognising Expected Credit Loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Council's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
<b>31 December 2019</b>						
Trade receivables	7	(a)	Lifetime ECL (simplified)	358,426	-	358,426
Refundable deposits	7	I	12-month ECL	32,983	-	32,983
				<b>391,409</b>	<b>-</b>	<b>391,409</b>
<b>31 December 2018</b>						
Trade receivables	7	(a)	Lifetime ECL (simplified)	334,321	(3,210)	331,111
Refundable deposits	7	I	12-month ECL	37,653	-	37,653
				<b>371,974</b>	<b>(3,210)</b>	<b>368,764</b>

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 20. Financial risk management (cont'd)

#### (b) Credit risk (cont'd)

##### Exposure to credit risk

The Council's exposure to credit risk is primarily related to its trade and other receivables arising from its performance obligations under contractual agreements (trade in nature) with its customers. The Council has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. The Council does not require collateral in respect of its trade receivables.

- (a) For trade receivables, the Council has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Council determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the Council measured the impairment loss allowance using lifetime ECL and determined that the ECL is insignificant.

#### (c) Liquidity risk

Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due. The Council's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

The Council monitors its liquidity risk and maintains a level of cash and cash equivalents and trading facilities deemed adequate by management to finance the Council's operations and to mitigate the effects of fluctuations in cash flows.

The following table analyses the Council's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the date of statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year \$	Between 1 and 5 years \$	Total \$
<b>At 31 December 2019</b>			
Trade and other payables	802,407	-	802,407
Lease liabilities (Note 9)	133,186	33,619	166,805
	<u>937,593</u>	<u>33,619</u>	<u>971,212</u>
<b>At 31 December 2018</b>			
Trade and other payables	<u>624,495</u>	<u>-</u>	<u>624,495</u>

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 20. Financial risk management (cont'd)

#### (d) Market price risk

The Council is not exposed to any significant market price risk on its financial instruments.

#### (e) Foreign currency risk

The Council is not exposed to any significant foreign currency risk on its financial instruments.

#### (f) Interest rate risk

The Council is not exposed to any significant interest rate risk on its financial instruments.

#### (g) Capital management

The Council's capital is represented by its Accumulated Fund (unrestricted funds). The Council's objectives when managing its fund is to safeguard the Council's ability to continue as a going concern.

The Council is a charity and thus, it is dependent on donations, sponsorships and grants to fund its activities for charitable purposes. The accumulated fund is primarily in the form of cash and cash equivalents to ensure adequate liquidity to meet the expenditure needs of the Council.

The Council is not subject to any externally imposed capital requirements.

#### (h) Fair values of financial instruments

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year (including cash and cash equivalents, trade and other receivables and trade and other payables) are assumed to approximate their fair values because of their short-term nature.

### 21. Events occurring after the reporting period

The Coronavirus (COVID-19) outbreak subsequent to the reporting period is expected to impact certain operations and activities of the Council. As the situation relating to the spread remains uncertain, it is currently difficult to predict the magnitude of the impact and consumer sentiment as the tenure and severity of the virus outbreak is still unknown. It is expected that it would not impact the going concern status of the Council. The Council continues to monitor the impact of the virus outbreak as part of its risk management activities.



# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

### 22. New or revised accounting standards and interpretations

The Council has not adopted the following standards and interpretations that have been issued but not yet effective:

Effective date (annual periods beginning on or after)	New or revised accounting standards and interpretations
1 Jan 2020	Amendments to References to the Conceptual Framework in FRS Standards
1 Jan 2020	Amendments to FRS 1 and FRS 8 Definition of Material
Date to be determined	Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

### 23. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 29 May 2020.

# SINGAPORE ENVIRONMENT COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2019

	2019	2018
	\$	\$
Amortisation of intangible assets	32,800	14,594
Bank charges	3,256	4,613
Car park fees	3,982	3,304
Corporate communications	75,661	128,366
CPF contributions	229,324	193,566
Depreciation of property, plant and equipment	180,873	43,931
Doubtful debt expense	560	3,000
Entertainment and refreshment	1,843	2,100
Exchange difference	38	-
Food and drinks	3,886	3,396
General expenses	1,775	9,204
Gifts & representations	4,386	199
Insurance	20,481	17,073
IT support and maintenance	15,987	18,267
Newspaper and periodicals	801	638
Other short-term benefits	20,842	28,909
Postage, printing and stationery	13,004	16,871
Recruitment expenses	2,743	691
Rental of office equipment	4,997	7,806
Rental of office unit	-	140,427
Rental of storage	7,816	7,891
Repair & maintenance	15,304	311
Sales commission	42,984	-
Staff salaries and bonuses	1,776,734	1,602,524
Subscriptions	2,942	3,010
Telephone & internet	17,812	19,603
Transportation and travel	3,970	12,337
Utilities	7,190	6,952
	<b>2,491,991</b>	<b>2,289,583</b>



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