



Singapore
Environment
Council



SUSTAINABLE

20 | ANNUAL
20 | REPORT

LIVING



DID YOU KNOW?

Singapore Environment Council has the honour of having an orchid hybrid named after it. Called the ***Dendrobium Singapore Environment Council***, it is a pleasing yellow chartreuse, a fitting colour that represents new life and growth. Like its namesake, the Singapore Environment Council, the orchid represents new life and growth after the storm.



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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.

PASSION

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

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.

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



To be a trusted leader in environmental sustainability

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

OUR MISSION





CHAIRMAN'S MESSAGE

CHAIRMAN'S MESSAGE

DEAR DONORS, SPONSORS, PARTNERS, INDUSTRY CHAMPIONS AND FRIENDS.

On behalf of the Board and the SEC secretariat, I would like to express my sincere gratitude for your continued support throughout a challenging 2020. SEC is celebrating its 25th anniversary this year and we could only have come this far in partnership with you. We will have our planned celebrations with all of you when the COVID situation improves.

Despite the trying times, we have further galvanised community action by **reaching 1.6 million people, 1,193 organisations and 260 schools in 2020** to start them on their journey to becoming champions of environmental care and collective action.

I would also like to thank the secretariat team for the grit they have shown and the immense amount of hard work that they have put into this organisation. They have learned not only to cope but to excel in the varied digital outreach platforms in this pandemic year.

EMBARKING ON A SUSTAINABLE JOURNEY

Looking back at 2020, we were excited to launch SEC's *GreenDNA* - an internationally recognised certification programme that encodes green practices into the "DNA" of organisations and individuals - in June. The *GreenDNA* accreditation which is aligned to international standards such as ISO 17065 and ISO 14000 is given to organisations, businesses and government agencies who successfully fulfil all the criteria of *GreenDNA*, as illustrated below in the QR code below.



This programme encourages organisations to mitigate the global climate crisis through the adoption of a Low Carbon Lifestyle, the incorporation of green resource management and business processes as well as advocating a circular economy.

While creating awareness for this *GreenDNA* programme, we managed to hit 1.6 million combined views via our social media channels of Facebook, LinkedIn and Instagram.



At the end of 2020, we are delighted that 12 MNCs, governmental bodies & SMEs have received this certification for implementing environmentally friendly practices in their businesses. Companies such as DBS Bank Ltd, Grand Hyatt Singapore, and SBS Transit Ltd are committed to a 5-10% carbon reduction in the coming years. As of mid-2021, there are 33 more organisations that are on their *GreenDNA* journey for accreditation with many more on the way.



ENABLING INDUSTRY ASSURANCE AND ACTION

Despite the frequent disruptions for the year 2020, we successfully eco-certified 1,193 companies. This adds up to a cumulative figure of 5.4 million square metres over the past 3 years. With more than 840 companies onboard the Singapore Green Labelling Scheme (SGLS) and an increase to 13 companies and 90 products under the Enhanced Singapore Green Labelling Scheme for Pulp and Paper Products (Enhanced SGLS), we have labelled more than 4000 products across the various industries with hundreds more in the pipeline. I am thankful to see more businesses and corporations coming onboard to reduce their carbon footprint and drive environmental sustainability.

On the education and training front, more than 20 companies attended our Eco Ambassador Training Programme (EATP), where their staff were empowered with the necessary knowledge and expertise to reduce waste, lower the impact of their corporate carbon footprint, as well as champion sustainability within and beyond their organisations.

EMPOWERING THE PUBLIC SECTOR TO TAKE FURTHER ACTION

SEC has helped in the national movement of an Eco-Town; a number of town councils have either been certified under our Eco Office programme or are well on track to be. One such example is Tampines Town Council which has achieved the highest tier available - the Elite status.

In addition, we are delighted that SBS Transit and SBS Transit Rail Division have decided to eco-certify their operations. In 2020, SBS Transit became the first transport provider to be recognised for their environmental and sustainability efforts, achieving the Elite status for a total of 8 bus depots.

Finally, SEC has had the honour of being part of the development of GreenGov.Sg – an island-wide initiative that aims to solidify the ideals of environmental sustainability within the Public Service.



ENGAGING PEOPLE FOR TRANSFORMATION CHANGE

SEC's initiatives with educational institutions have always been a key pillar in our efforts to inculcate greener habits amongst the future generations. Having launched the School Green Awards in June 2020, we gathered more than 260 submissions, reaching approximately 570,000 students and community across the various categories of educational institutes. However, due to Covid-19, these submissions will be judged along with the new submissions in SGA 2021 instead.

The SEC-Starhub E-waste challenge continued to mobilise our youth, increase awareness and encourage them to take concrete action in reducing e-waste. In total, 6.3 tonnes worth of e-waste was collected under the programme.

Speaking of the future, I had the honour of being on the panel of the Samsung Solve for Tomorrow 2020 competition. The Samsung Solve for Tomorrow competition was a chance for the future generation to showcase some ideas that are not only incredibly creative but have a real chance of driving environmental change in the future.

I'm encouraged by the passion and the drive that the younger generation have in making this world that we live in a better place for everyone and I hope that it continues into the future.

ADVANCING SUSTAINABLE DEVELOPMENT THROUGH OUR VISION

Speaking of the future, perhaps the most important initiative to happen in recent years is the Singapore Green Plan 2030. We welcomed the announcements by the Government of further plans to build a green and sustainable Singapore and were elated to realise that SEC's core competencies and experience closely compliment the major components of the Green Plan 2030.

The Green Plan consists of 5 pillars, Sustainable living, Energy reset, Green economy, City in nature and Resilient future. SEC has long been working towards the goals provided for by the five pillars and is happy to further align itself as illustrated in the QR code below.



Over the past 25 years and beyond, we continue to strive for excellence in our field - currently we are in the process of getting the ISO 14064 and the ISO 14065 certification, which is used for the validation and verification of carbon calculators for environmental statements by organisations - along with aligning ourselves to the other various international standards. We hope that this will allow us to achieve our new vision for the future which is to be a trusted leader in environmental sustainability.

Though Covid-19 has disrupted our 25th anniversary plans for 2020, we are extremely thankful for the progress achieved over the past two and a half decades. Those years have given us the solid foundation to weather the uncertainty in the last 12 months.

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

We stay optimistic and committed to this sustainable journey despite the pandemic and global financial uncertainties.

We wish you all of the very best for 2021.

A handwritten signature in black ink that reads "Isabella" followed by a stylized flourish.

Ms Isabella Huang-Loh
FSEng, FCMI, PBM
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 PBM

Justice of the Peace;
Immediate Past 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

Senior Adviser,
Managed Services,
Surbana- Jurong Pte. Ltd.



MR DALSON CHUNG

Director
Industry Development and
Promotion Division
National Environment Agency



BOARD DIRECTORS

DR AHMAD MAGAD

Executive Director
Management Development
Institute of Singapore



MR KONG CHI-NANG

Co-Head of Principal
Investments,
Asia – Greater China &
SE Asia Pepper Global



DR LEONG CHEE CHIEW

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





MR RALPH FOONG

Deputy Chief Executive
Energy Market Authority
(from 23 June 2021)



**PROF 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 & M.D.,
Contemporara Holdings
Pte. Ltd



**MR MICHAEL
TOH**

Director
Industry & Technology
Collaboration Department
PUB, Singapore's National
Water Agency



**MR GERALD
YONG**

Chief Executive Officer,
International
Capitaland Investment Ltd

MEMBERS OF THE COUNCIL



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 of Science Office



PROF SU GUANING

President Emeritus
Nanyang Technological
University

BOARD OBSERVER



MS SELINA LIM

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

**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 to promote 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.



KEY ACCOMPLISHMENTS

TOTAL OUTREACH IN

2019
1.3 million

TOTAL OUTREACH IN

2020
1.6 million

DONATIONS AND SPONSORSHIPS



DONATIONS

(Tax exemption & Non-Tax exemption)



SPONSORSHIPS



TOTAL

(Donations & Sponsorships)



ECO - ESTABLISHMENTS

TOTAL CERTIFICATIONS SINCE 2004



TOTAL SPACE THAT HAS BEEN ECO CERTIFIED (SQM) SINCE 2004



OUTREACH - NUMBER OF PEOPLE

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



SINGAPORE GREEN LABELLING SCHEME (SGLS)



↑ NO. OF PRODUCTS CERTIFIED



↑ NO. OF COMPANIES



ENHANCED SGLS FOR PULP & PAPER



↑ NO. OF PRODUCTS CERTIFIED



↑ NO. OF COMPANIES



TRAINING AND EDUCATION



NO. OF ACTIVITIES HELD



NO. OF CORPORATES REACHED



SEC-STARHUB SCHOOL GREEN AWARDS (SGA)



NO. OF SUBMISSIONS



EARTH HELPERS



REGISTERED EARTH HELPERS

2020 **1009**

COMMUNITY REACH

2019 **959,000**
2020 **570,000**

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 2020:



We acknowledge and thank the following organisations which have generously supported the Singapore Environment Council's efforts and projects in 2020. Their contributions have supported efforts in conservation, research, outreach and education to further the environmental cause.

ABC Cooking Studios
Alphatron Marine Systems Pte Ltd
BlackRock Advisors Singapore Pte Ltd
Clifford Capital Pte Ltd
Credit Suisse AG
Eastern Pacific Shipping Pte Ltd
Frog'ys Pte Ltd
Jarsin Shipbrokers Pte Ltd

Landmark Books Pte Ltd
Nippon Paint Marine (Singapore) Pte Ltd
Oopix LLP
Pictet Asset Management (Singapore) Pte Ltd
Team Salon (Parkway) Pte Ltd
The Great American Insurance Company
The Upera Co.



OUR STRATEGIC / SUPPORTING PARTNERS



Ministry of Sustainability
and the Environment
— SINGAPORE —



People's Association



OUR TESTIMONIALS



It has been a laser-focused goal operating the most sustainable and environmentally friendly-driven hotel in Singapore and the region.

With the support and leadership of the Singapore Environment Council (SEC), that mission got another step closer. It has been an absolute pleasure working alongside the SEC to further enrich our knowledge horizon and put best practices towards a better future for all in place.

Thank you for your great support, vision and insight pushing the status quo when it comes to Sustainability and Environmental Stewardship. We shall continue to collaborate, push boundaries and continue to adopt a holistic approach towards sustainability and pioneering environmental initiatives cross multiple touchpoints in the hospitality industry.

SEBASTIAN KERN

Director of Food and Beverage
Grand Hyatt Singapore



The SEC's Enhanced SGLS has played an important role in Asia Pulp & Paper's sustainability journey.

As part of the label's certification process, companies like us are able to demonstrate that theoretical sustainable practices have, in fact, come to life on the ground in areas we operate.

And because the Enhanced SGLS' criteria go further than what other labels require. These strict criteria also apply to upstream and conversion companies in APP's supply chain, and we are grateful for the opportunity to prove that our sustainability policies are also adhered too across APP operations.

We thank SEC for providing us a platform to reaffirm our sustainability promise to Singapore and the world.

BERNARD TAN

Country President (Singapore)
Sinar Mas





Since the beginning of Year 2019, Integrated Facility Management (IFM) diploma of Temasek Polytechnic (TP) has developed a great partnership with Singapore Environment Council (SEC).

Under the close guidance of your dedicated staff, our IFM graduating students have been actively involved in various SEC sustainability projects. Through the execution of these projects, not only have our IFM students contributed in improvising numerous SEC sustainability processes but have been able to promote sustainability awareness to other individuals indirectly.

These project experiences open our students' eyes to seeing the needs to learn & connect relevant knowledge from various diploma subjects, while delivering the targeted project objectives.

We deeply appreciate the opportunities given by SEC & we look forward to SEC for continuing your effort in engaging our IFM students

DIPLOMA IN INTEGRATED FACILITY MANAGEMENT

School of Engineering
Temasek Polytechnic



As the world's digital infrastructure company, growing sustainably has always been part of Equinix's DNA. We're proud to partner with SEC on our RVM Tertiary Education project, contributing to the national recycling programme, whilst educating students, and helping those in need along the way.

As we strive to be good stewards of the environment and mindful of resources we consume, we hope this meaningful project encourages everyone – especially the youth who are our leaders of tomorrow – to do more together to create a better future.

YEE MAY LEONG
Managing Director
Equinix, South Asia



Climate change is one of the biggest challenges of our times and we are glad to be able to partner the SEC in our journey towards environmental sustainability.

SEC has been very helpful in directing our focus and providing guideposts along the way. Fundamentally, it has resulted in a paradigm shift where we are now more conscious in minimising wastage and sustainable living.

This has enabled us to be successfully certified with the Eco-Office Plus (Elite) across all our bus and rail depots and subsequently conferred the GreenDNA award. Our journey continues and we are ever committed to doing our part to mitigate and adapt to climate change.

SBS TRANSIT LTD





PROGRAMME
HIGHLIGHTS

PROGRAMME HIGHLIGHTS

Eco certifications

SEC administers a number of eco certifications (e.g. Eco Event; Eco Office; Eco Shop; Eco F&B) to reduce the carbon footprint and to drive environmental sustainability amongst businesses and corporations. **Eco Certifications** are a critical integral component of *GreenDNA* – an internationally recognised accreditation system that encourages organisations to adopt a *Low Carbon Lifestyle*, a green mindset of using *One Less*, and the practice of *Responsible Consumption*, rewarding them with *internationally recognised carbon emissions reduction (CER)* reports and the *GreenDNA* certificate of accreditation.



In an effort to encourage Singaporeans to take ownership of environmental stewardship, the Singapore Environment Council (SEC) has launched the GreenDNA approach to encourage local residents in embarking on their very own personal green journeys.

GreenDNA is the new accreditation system for SEC to recognise individual actions taken and guides each individual's sustainability journey through the adoption of three simple attributes: **One Less; Low Carbon Lifestyle; and Responsible Consumption and Production.**

GreenDNA helps businesses and organisations optimise their resources, lower carbon emissions and attain climate action achievements by encoding green practices into the DNA of the organisation and its employees.

It is built on the back of SEC's Eco Certification and Green Label programmes that lay down clear goals and measurable targets using metrics that track energy/ carbon reduction, water efficiency and waste management amongst other things.



In addition, other requirements including fulfillment of designated training programmes, showing improvements in resource consumption that lead to positive outcomes and meeting clearly set indicators are necessary to be accredited under this scheme.



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 that Singapore faces. StarHub Ltd has supported SGA as its title sponsor for the seventh year running.

Together with the contribution from other sponsors and partners, we have seen stronger commitment to the environment which has enabled SGA to further its outreach and education efforts to the students and the community.

Having launched the SGA in June 2020, we garnered more than 260 submissions across the various categories of schools, including the inaugural Industry challenge. Due to COVID-19, these submissions will be rolled over to be judged with the new submissions in SGA 2021.



Enhanced Singapore Green Labelling Scheme ISO 17065 accreditation



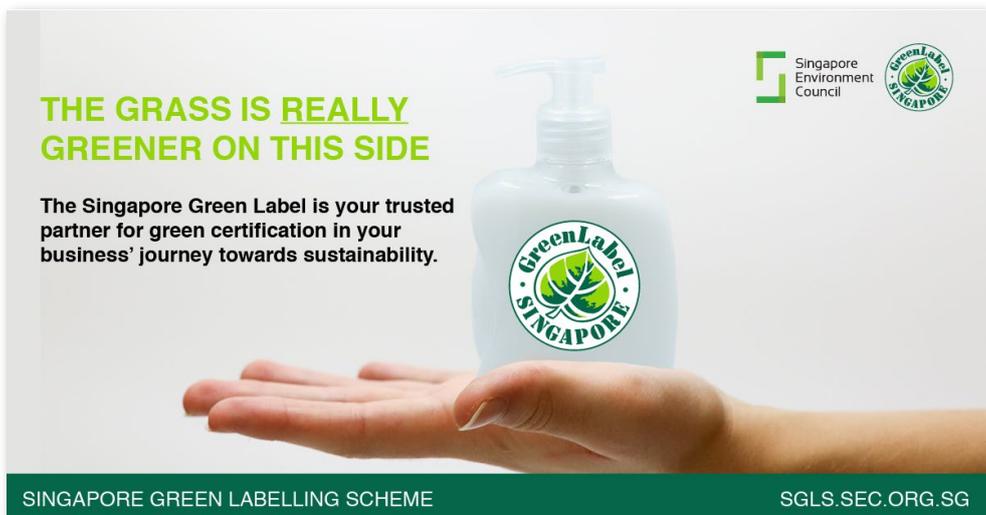
SEC was awarded the ISO/IEC 17065 accreditation by the Singapore Accreditation Council (SAC) for our enhanced Singapore Green Labelling Scheme (SGLS) certification for pulp & paper category. SEC is the first NGO certifying body in the world to receive the accreditation. The accreditation process has seen SEC’s certification procedures and operating processes audited against the standards of the International Accreditation Forum (IAF), 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 and peatland management.



Singapore Green Labelling Scheme (SGLS)



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 specifications 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.



Eco Office

The Eco Office Certification has guided offices in implementing effective environmentally-friendly practices by increasing eco-consciousness among staff, which in turn, helps organisations manage waste by reducing the usage of paper, water and electricity. The Eco Office programme provides applicants with new tools and approaches to begin their certification journey. This includes a greater focus on change management and driving behavioural changes amongst employees.

A tier system was also introduced to help companies improve over time, and to recognise their efforts and achievements. The tier categories are Eco Office *Premium*, *Professional*, *Champion* and *Elite*. Offices are encouraged to move up the tiers as they progress. The top category – “Elite” is awarded to offices that have achieved excellent environmental performance, and done well to spread the green message amongst employees. In 2020, SBS Transit bus depot and SBS Transit Rail Division were the first transport providers to receive the highest tier under this certification - The “Elite” status.





The Eco Shop certification programme is aimed at encouraging retail business owners to fit out their shops in an environmentally sustainable manner and adopt green practices in their daily operations. Other than receiving recognition for their commitment to being green, 300 certified retailers have also reduced their energy consumption and utility bills in the long run.

Eco Shop Label is based on a scoring system to evaluate the environmental performance of retail shops in the areas of Environmental Management & Awareness, Purchasing & Operations, Air Quality, Energy Conservation, Waste Management, and Water Conservation.



Eco F&B is a certification programme that assesses the environmental management system of a food establishment. It facilitates the adoption of environmentally sustainable practices by addressing the establishment's environmental policies, air quality, as well as its water, energy and waste management.

Operators learn how to further reduce their carbon footprint by incorporating environmentally-friendly measures into their business practices.

Eco F&B certified businesses enjoy benefits such as saving on utilities/ paper consumption, using the eco certification credentials (namecards, paper bags, shop fronts, marketing collaterals), reducing food wastage, cultivating a green culture organisation that customers can identify and relate to and gaining consumers' recognition for being civic-minded.



Training and Education

TRAINING & EDUCATION

The Training & Education aspect of our company 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 a change of mind-set with a focus on 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.



DBS Tree Planting
Mt Imbiah, Sentosa



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.

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 help offset the island's carbon footprint, but also help to restore our carbon sinks. They will also greatly benefit the local wildlife and biodiversity on the island, as well as contribute to the global effort to fight climate change.



Eco Events



Singapore is a regional hub for Meetings, Incentive Travel, Conferences and Exhibitions (MICE) events. There are hundreds of sporting events organised in Singapore annually. 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.



**OUR SUSTAINABILITY
COMMITMENTS**

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
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 the employment process 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 2020.

Attendees	63 th MEETING 20-March-20	64 th MEETING 29-May-20	65 th MEETING 25-Sept-20	66 th MEETING 18-Dec-20
Ms Isabella Loh	✓	✓	✓	✓
Dr Teo Ho Pin	✓	✓	✓	✓
Mr Tan Puay Hiang	✓	✗	✗	✓
Mr Simon Patrick Bennett	✓	✓	—	—
Mr Kong Chi-Nang	✓	✓	✓	✓
Mr Seah Seng Choon	✓	✓	✓	✓
Mr Zechariah Chan	✗	✓	✓	✗
Mr Dalson Chung	✓	✓	✓	✓
Mr Leong Chee Chiew	✗	✓	✗	✗
Dr Ahmad Magad	✓	✗	✓	✓
Ms Joan Pereira	✗	✓	✓	✓
Prof Lim Sun Sun	✓	✓	✓	✗
Mr Chew Chee Bin	✓	✓	✓	✓
Mr Chew Chee Keong	✓	✓	—	—
Mr Gerald Yong	—	—	✓	✓
Mr Michael Toh	—	—	✓	✓

Legend

Present	✓
Absent with apologies	✗

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 2020.

Chairman

Mr Kong Chi-Nang

Members

Mr Ralph Foong
Mr Chew Chee Bin

FINANCE & TENDER COMMITTEE

The Finance & Tender Committee reviews the financial information provided by SEC to the Board, and facilitates the external audit of the Council. The Committee is familiar with applicable accounting standards and keeps abreast of changes in accounting standards and issues which have a direct impact on SEC's financial and risk management. In addition, the 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 Finance & Tender Committee held four meetings in 2020.

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 Michael Toh

GREEN LABEL STEERING COMMITTEE

The Green Label Steering Committee provides professional advice on creating and maintaining the Green Label certification process. The Committee assists in guiding new category developments and monitoring 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 Christopher Tan
Ms Selina Lim
Mr Michael Toh

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 is subject to the individuals' contribution and performance.

The Nomination Committee held one meeting in 2020.

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 2020.

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 SEC's new programmes, 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 2020.

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

Mr Gerald Yong

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 can 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 can consider (but is not limited to) the following:

- 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
STATEMENT**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

SINGAPORE ENVIRONMENT COUNCIL

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

TEO HO PIN DR

CHAN JIN HAN

LEONG CHEE CHIEW

TAN PUAY HIANG

KONG CHI-NANG (KUANG ZINENG)

CHUNG DALSON

AHMAD BIN MOHAMED MAGAD

LIM SUN SUN (LIN SHANSHAN)

CHEW CHEE BIN

PEREIRA CHENG SIM JOAN

YONG CHOON MIAO, GERALD

(APPOINTED ON 27 AUGUST 2020)

MICHAEL TOH KIM HOCK

(APPOINTED ON 24 AUGUST 2020)

SIMON PATRICK BENNETT

(RETIRED ON 26 JUNE 2020)

CHEW CHEE KEONG (ZHOU ZHIQIANG)

(RESIGNED ON 26 JUNE 2020)

REGISTERED OFFICE

1 Kay Siang Road

#07-01

Singapore 248922

SECRETARY

SEAH GEK HUANG SANDRA

AUDITORS

REANDA ADEPT PAC

138 Cecil Street

#06-01 Cecil Court

Singapore 069538

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SINGAPORE ENVIRONMENT COUNCIL

Directors' Statement

The directors are pleased to present their statement to the members together with the audited financial statements of Singapore Environment Council (the "Council") for the financial year ended 31 December 2020.

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 2020 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
TEO HO PIN DR
CHAN JIN HAN
LEONG CHEE CHIEW
TAN PUAY HIANG
KONG CHI-NANG (KUANG ZINENG)
CHUNG DALSON
AHMAD BIN MOHAMED MAGAD
LIM SUN SUN (LIN SHANSHAN)
CHEW CHEE BIN
PEREIRA CHENG SIM JOAN
YONG CHOON MIAO, GERALD
MICHAEL TOH KIM HOCK

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.

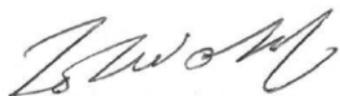
SINGAPORE ENVIRONMENT COUNCIL

Directors' Statement

AUDITOR

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

On behalf of the board of Directors,



Isabella Loh Wai Kiew@Isabella
Loh @Loh Wai Kiew
Director



Kong Chi-Nang (Kuang Zineng)
Director

Singapore,

12 May 2021

SINGAPORE ENVIRONMENT COUNCIL

Independent Auditor's Report FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 2020, 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 2020 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 Auditors' 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.

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 auditors' 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.

SINGAPORE ENVIRONMENT COUNCIL

Independent Auditor's Report (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors. 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.
- 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,

12 May 2021

SINGAPORE ENVIRONMENT COUNCIL

Statement of Financial Position AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
ASSETS			
Non-current assets			
Intangible assets	5	14,594	51,006
Property, plant and equipment	4	151,582	303,193
		<u>166,176</u>	<u>354,199</u>
Current assets			
Trade and other receivables	7	495,481	391,409
Prepayments		26,333	31,216
Cash and cash equivalents	6	3,187,667	2,648,280
		<u>3,709,481</u>	<u>3,070,905</u>
Total assets		<u>3,875,657</u>	<u>3,425,104</u>
EQUITY AND LIABILITIES			
Unrestricted fund			
Accumulated general fund		2,680,872	2,370,013
Non-current liabilities			
Lease liabilities	9	-	33,619
Current liabilities			
Trade and other receivables	8	868,745	802,407
Lease liabilities	9	33,619	133,186
Income received in advance		292,421	85,879
		<u>1,194,785</u>	<u>1,021,472</u>
Net current assets		<u>2,514,696</u>	<u>2,049,433</u>
Total liabilities		<u>1,194,785</u>	<u>1,055,091</u>
Net assets		<u>2,680,872</u>	<u>2,370,013</u>
Total equity and liabilities		<u>3,875,657</u>	<u>3,425,104</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SINGAPORE ENVIRONMENT COUNCIL

Statement of Comprehensive Income FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Income			
Voluntary income	10	303,744	805,798
Activities for generating funds			
- Program receipts	11	2,845,918	2,485,155
		<u>3,149,662</u>	<u>3,290,953</u>
Other income	12	409,214	63,546
Total income		<u>3,558,876</u>	<u>3,354,499</u>
Expenditures			
Cost of generating funds	13	(445,648)	(661,330)
Governance costs	14	(39,990)	(39,172)
Other expenses	15	(2,760,746)	(2,491,991)
Finance cost	16	(1,633)	(3,670)
Total expenditures		<u>(3,248,017)</u>	<u>(3,196,163)</u>
Net surplus for the financial year		<u>310,859</u>	<u>158,336</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SINGAPORE ENVIRONMENT COUNCIL

Statement of Changes in Accumulated Fund FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Accumulated general fund \$	Total \$
Balance 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
Balance at 31 December 2019	2,370,013	2,370,013
Net surplus for the financial year	310,859	310,859
Balance at 31 December 2020	2,680,872	2,680,872

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SINGAPORE ENVIRONMENT COUNCIL

Statement of Cash Flow FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Net surplus for the financial year		310,859	158,336
Adjustments for:			
Amortisation of intangible assets		36,412	32,800
Depreciation of property, plant and equipment		178,616	180,873
Interest expense		1,633	3,670
Allowance for impairment of doubtful debts		19,915	-
Gain on disposal of property, plant and equipment		-	(200)
Operating cash flow before working capital changes		<u>547,435</u>	<u>375,479</u>
Changes in working capital:			
Increase in trade and other receivables		(123,987)	(22,645)
Decrease/(Increase) in prepayments		4,883	(5,065)
Increase in trade and other payables		66,339	177,913
Increase in Income received in advance		206,542	58,274
Net cash inflows from operating activities		<u>701,212</u>	<u>583,956</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(27,005)	(6,662)
Proceeds from disposal of property, plant and equipment		-	200
Net cash used in investing activities		<u>(27,005)</u>	<u>(6,462)</u>
Cash flows from financing activities			
Interest paid		(1,633)	(3,670)
Payment of principal portion of lease liabilities		(133,187)	(131,150)
Net cash used in financing activities		<u>(134,820)</u>	<u>(134,820)</u>
Net increase in cash and cash equivalents		539,387	442,674
Cash and cash equivalents			
- at beginning of the financial year		<u>2,648,280</u>	<u>2,205,606</u>
- at end of the financial year	6	<u>3,187,667</u>	<u>2,648,280</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

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 financial statements of the Council for the financial year ended 31 December 2020 were authorized for issue in accordance with a resolution by the directors on the date of the Director's Statement.

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 2020 to 31 August 2021. It is an independently managed, non-profit, non-government 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.

The financial statements have been prepared on a historical cost basis 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 2020. 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) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 109 Financial Instruments, FRS39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments, FRS 104 Insurance Contracts, FRS 116 Lease: Interest Rate Benchmark Reform - Phrase 2	1 January 2021
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling Contract	1 January 2022
Annual Improvements to FRSs 2018 - 2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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.

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment. 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.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Council recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of comprehensive income as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Property, plant and equipment (cont'd)

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Office equipment	3 years
Furniture & fittings	3 years
Renovation	5 years
Leasehold unit (Right-of-us)	3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised up disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in statement of comprehensive income in the year the asset is de-recognised.

2.5 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.

Website Development	3 years
Mobile Application	3 years

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Impairment of non-financial assets

The Council assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or where applicable, when an annual impairment testing for an asset is required), the Council makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in statement of comprehensive income.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statement of comprehensive income.

2.7 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 fair value through profit or loss (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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments 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 debt instruments 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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 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 recognises 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.

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.

2.9 Cash and cash equivalents

Cash and cash equivalents comprised of cash on hand and deposits with financial institutions which are subject to insignificant change in value.

2.10 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- (i) Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST 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 GST recoverable from, or payable to, to the taxation authority is included as part of receivables or payables in the statement of financial position.

2.12 Leases

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 2.6.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 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 short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 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.

2.14 Accumulated general fund

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

2.15 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 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.

2.17 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.

- (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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Revenue recognition (cont'd)

(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.

2.18 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.

2.19 Employee benefits

Defined contribution plans

The Council makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 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.

2.21 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.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the grant is deducted in calculating the carrying amount of the asset. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Council's accounting policies management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (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. 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 Council uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Council's historical observed default rates. The Council will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

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 (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold unit (Right-of-use) \$	Office equipment \$	Furniture and fittings \$	Renovation \$	Total \$
Cost					
As at 1 January 2019	-	182,203	24,805	190,000	397,008
Effect of adopting FRS 116	375,043	-	-	-	375,043
Additions	-	3,162	-	3,500	6,662
Disposals	-	(1,124)	-	-	(1,124)
As at 31 December 2019 and 1 January 2020	375,043	184,241	24,805	193,500	777,589
Additions		27,005			27,005
Disposals		(58,915)	(1,506)		(60,421)
As at 31 December 2020	375,043	152,331	23,299	193,500	744,173
Accumulated depreciation					
As at 1 January 2019	-	157,268	24,618	19,000	200,886
Effect of adopting FRS 116	93,761	-	-	-	93,761
Charge for the financial year	125,014	17,093	66	38,700	180,873
Disposals	-	(1,124)	-	-	(1,124)
As at 31 December 2019 and 1 January 2020	218,775	173,237	24,684	57,700	474,396
Charge for the financial year	125,014	14,836	66	38,700	178,616
Disposals	-	(58,915)	(1,506)	-	(60,421)
As at 31 December 2020	343,789	129,158	23,244	96,400	592,591
Carrying amount					
As at 31 December 2019	156,268	11,004	121	135,800	303,193
As at 31 December 2020	31,254	23,173	55	97,100	151,582

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

	Mobile application \$	Website development \$	Total \$
Cost			
As at 1 January 2019, 31 December 2019 and 31 December 2020	55,400	43,000	98,400
Accumulated amortisation			
As at 1 January 2019	6,566	8,028	14,594
Charge for the financial year	18,467	14,333	32,800
As at 31 December 2019	25,033	22,361	47,394
Charge for the financial year	23,801	12,611	36,412
As at 31 December 2020	48,834	34,972	83,806
Carrying amount			
As at 31 December 2019	30,367	20,639	51,006
As at 31 December 2020	6,566	8,028	14,594

6. CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Cash at bank		
Fixed deposits	1,672,164	1,148,029
	1,515,503	1,500,251
Cash and cash equivalents per statement of cash flows	3,187,667	2,648,280

7. TRADE AND OTHER RECEIVABLES

	2020 \$	2019 \$
Trade receivables		
Less: Allowance for impairment	446,532	361,636
	(23,125)	(3,210)
Refundable deposits	423,407	358,426
Other receivables	32,983	32,983
	39,091	-
	495,481	391,409

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7. TRADE AND OTHER RECEIVABLES (CONT'D)

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.

Expected credit losses

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

	2020	2019
	\$	\$
Movements in allowance accounts:		
At beginning of the financial year	3,210	3,210
Transferred to bad debts	(3,210)	-
Allowance made during the year	23,125	-
At the end of the financial year	23,125	3,210

8. TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade payables	235,849	206,583
GST payables	59,670	55,479
Other payables	2,664	2,665
Accrued operating expenses	511,679	537,680
Deferred grant income	58,883	-
	868,745	802,407

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

9. LEASE LIABILITIES

	2020	2019
	\$	\$
Non-current:		
Lease liabilities (Note 16)	-	33,619
Current:		
- Lease liabilities (Note 16)	33,619	133,186
	33,169	166,805

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

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9. LEASE LIABILITIES (CONT'D)

	1 January 2020	Cash flows	Non-cash Changes		31 December 2020
			Accretion of interests	Other	
	\$	\$	\$	\$	\$
Lease liabilities					
- Current	133,186	(134,820)	1,634	-	-
- Non-current	33,619	-	-	-	33,619
	<u>166,805</u>	<u>(134,820)</u>	<u>1,634</u>	<u>-</u>	<u>33,619</u>

	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
	<u>297,955</u>	<u>(134,820)</u>	<u>3,670</u>	<u>-</u>	<u>166,805</u>

10. VOLUNTARY INCOME

	2020 \$	2019 \$
Donations	107,450	35,157
Sponsorships	-	577,636
Grant income	-	4,070
Program recovery	196,294	188,935
	<u>303,744</u>	<u>805,798</u>

11. PROGRAM RECEIPTS

Disaggregation of revenue	2020 \$	2019 \$
<u>Type of service</u>		
Certification programs and labelling schemes	2,784,791	2,365,382
Training and education	61,127	119,773
	<u>2,845,918</u>	<u>2,485,155</u>
<u>Timing of transfer of service</u>		
At a point in time	2,784,791	2,365,382
Over time	61,127	119,773
	<u>2,845,918</u>	<u>2,485,155</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.

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12. OTHER INCOME

	2020	2019
	\$	\$
Government grants	393,930	37,032
Interest income	15,252	17,940
Sundry income	32	8,374
Gain on disposal of property, plant and equipment	-	200
	<u>409,214</u>	<u>63,546</u>

13. COST OF GENERATING FUNDS

	2020	2019
	\$	\$
Advertisement and promotion expenses	10,309	39,230
Consultancy and professional fee	343,061	331,859
Event setup and management	33,231	95,418
Food and catering	7,806	65,022
Gifts and awards	14,785	28,254
Postage, print and stationery	8,325	18,130
Subscriptions	12,891	11,502
Transport and travelling	3,008	40,579
Temporary staffs and volunteers		21,324
Website maintenance	12,096	9,683
Telephone	136	329
	<u>445,648</u>	<u>661,330</u>

14. GOVERNANCE COSTS

These include the following significant item:

	2020	2019
	\$	\$
Secretarial fee	<u>34,826</u>	<u>27,828</u>

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. OTHER EXPENSES

These include the following significant items

	2020	2019
	\$	\$
Corporate communications	99,770	75,661
Depreciation of property, plant and equipment	178,616	180,873
Amortisation of intangible assets	36,412	32,800
Staff salaries, bonuses and incentives	2,070,228	1,819,718
CPF contributions	207,632	229,324
Other short-term employee benefits	21,340	20,842

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 2020		
Depreciation	156,268	156,268
At 31 December 2020	(125,014)	(125,014)
	<u>31,254</u>	<u>31,254</u>
	Leasehold Unit (Right- of-use)	Total
	\$	\$
At 1 January 2019		
Depreciation	281,282	281,282
At 31 December 2019	(125,014)	(125,014)
	<u>56,268</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.

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16. LEASES (CONT'D)

(c) Amounts recognised in statement of comprehensive income

	2020 \$	2019 \$
Depreciation of right-of-use assets	125,014	125,014
Interest expense on lease liabilities	1,633	3,670
Lease expense not capitalised in lease liabilities: - Expense relating to leases of low-value assets (included in other expenses)	10,097	4,997
	<hr/>	<hr/>
Total amount recognised in statement of comprehensive income	136,744	133,681
	<hr/>	<hr/>

(d) Total cash outflow

The Council had total cash outflows for leases of \$136,744 in 2020.

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:

	2020 \$	2019 \$
Income from related entities	-	56,971
Expenses charged by related entities	196,294	248,023
	<hr/>	<hr/>

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

Key management personnel compensation

	2020 \$	2019 \$
Salaries, bonuses and other short-term benefits	196,932	221,984
CPF contributions	18,720	14,041
Total short-term employee benefits	215,652	236,025
	<hr/>	<hr/>

Number of employees in bands

	2020 \$	2019 \$
\$50,001 to \$100,000	2	2
More than \$100,000	1	2
	<hr/>	<hr/>
	3	4
	<hr/>	<hr/>

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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:

	2020 \$
Within 1 year	2,504
After 1 year but within 5 years	7,929
	<u>10,433</u>
Lease expense for the year	<u>10,097</u>

19. DONATIONS AND SPONSORSHIPS

	2020 \$	2019 \$
Tax exempt donations	102,084	23,644
Non-tax exempt donations and sponsorships	5,366	589,149
	<u>107,450</u>	<u>612,793</u>

20. FINANCIAL RISK MANAGEMENT

The Council's activities exposed it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk. The directors review and agree policies and procedures for the management of these risks, which are executed by the management team.

The following sections provide details regarding the Council's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Council's exposure to these financial risks or the manner in which it manages and measures the risks.

20. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) 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 Council minimises credit risk by dealing exclusively with high credit rating counterparties.

The Council has adopted a policy of only dealing with creditworthy counterparties. The Council performs ongoing credit evaluation of its counterparties. Financial condition and generally do not require a collateral.

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.

The Council has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Council has developed and maintained the Council's credit risk gradings to categories exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Council's own trading records to rate its major customers and other debtors. The Council considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expect performance and behavior of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

20. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

The Council determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Council's categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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 - not 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:

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

	Note	Category	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
31 December 2020						
Trade receivables	7	(a)	Lifetime ECL (simplified)	446,532	(23,125)	423,407
Other receivables	7	I	12-month ECL	39,091		39,091
Refundable deposits	7	I	12-month ECL	32,983		32,983
				518,606	(23,125)	495,481
31 December 2019						
Trade receivables	7	(a)	Lifetime ECL (simplified)	361,636	(3,210)	358,426
Refundable deposits	7	I	12-month ECL	32,983		32,983
				394,619	(3,210)	391,409

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 credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

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.

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Council's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Council's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Council finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The directors are satisfied that funds are available to finance the operations of the Council.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Council's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligation.

	2020			
	Carrying amount \$	Contractual cash flows \$	Within one year \$	One to five years \$
Financial assets:				
Trade and other receivables	495,481	495,481	495,481	-
Cash and cash equivalents	3,187,667	3,187,667	3,187,667	-
Total undiscounted financial assets	3,683,148	3,683,148	3,683,148	-
Financial liabilities:				
Trade and other payables	809,075	809,075	809,075	-
Lease liabilities (Note 9)	33,619	33,619	33,619	-
	842,694	842,694	842,694	-

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Liquidity risk (cont'd)

	2019			
	Carrying amount \$	Contractual cash flows \$	Within one year \$	One to five years \$
Financial assets:				
Trade and other receivables	391,409	391,409	391,409	-
Cash and cash equivalents	2,648,280	2,648,280	2,648,280	-
Total undiscounted financial assets	3,039,689	3,039,689	3,039,689	-
Financial liabilities:				
Trade and other payables	746,928	746,928	746,928	-
Lease liabilities (Note 9)	166,805	166,805	133,186	33,619
	913,733	913,733	880,114	33,619

(c) Market price risk

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

(d) Foreign currency risk

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

(e) Interest rate risk

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

f) 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.

SINGAPORE ENVIRONMENT COUNCIL

Notes to The Financial Statements (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

20. FINANCIAL RISK MANAGEMENT (CONT'D)

(g) 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. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts presented in the statement of financial position related to the following categories of assets and liabilities:

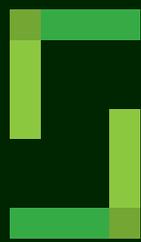
	2020	2019
	\$	\$
Financial assets:		
Trade and other receivables	495,481	391,409
Cash and cash equivalents	3,187,667	2,648,280
	<hr/>	<hr/>
Total financial assets measured at amortised cost	3,683,148	3,039,689
	<hr/>	<hr/>
Financial liabilities:		
Trade and other payables	809,075	746,928
Lease liabilities	33,619	166,805
	<hr/>	<hr/>
Total financial liabilities measured at amortised cost	842,694	913,733
	<hr/>	<hr/>

22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Coronavirus (COVID-19) pandemic has developed rapidly in 2020. With a significant number of cases, measures taken by various governments to contain the virus have affected economic activities. The Council has taken several measures to monitor and mitigate the effects of COVID-19 such as safety and health measures for our people (such as social distancing and working from home).

At this stage, the impact on the business and results has not been significant. The Council will continue to follow the various government policies and advice and, in parallel, the Council will do its utmost to continue the operations in best and safest way possible without jeopardizing the health of the people.

The exact impact on the Council's activities in the remainder of 2021 and thereafter cannot be predicted. The management is continuing to monitor the impact of the virus outbreak as part of its risk management activities.



Singapore
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Council



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