Innovation & Focus

BUILDING A SHARED FUTURE IN ASIA

TEMASEK FOUNDATION FINANCIAL STATEMENTS 2014/2015

FINANCIAL STATEMENTS

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FY 2014/2015 MANAGEMENT ANALYSIS

AT A GLANCE

Temasek Foundation was established in May 2007 by Temasek with an endowment for the programme grants and operating expenses of the foundation. The endowment is placed under the stewardship of Temasek Trust which decides on the aggregate annual amounts to be made available for use by the foundation.

Financial Year (FY) 2014/2015 was another meaningful year for Temasek Foundation. Although the sum committed has decreased slightly, the number of programmes has remained around the same and this shows the foundation's steady outreach to communities and commitment to programmes. The high level of co-funding from host community partners that manifests their leadership and ownership of the programmes has helped the foundation sustain these levels of work.

Since inception, the foundation has committed funding to programmes as follows:

	FY 2007/2008	FY 2008/2009	FY 2009/2010	FY 2010/2011 (updated)
S$ Amount committed to Programmes	S$14.3 m	S$15.4 m	S$16 m	S$18.6 m
Number of Programmes	14	32	32	26

	FY 2011/2012 (updated)	FY 2012/2013 (updated)	FY 2013/2014 (updated)	FY 2014/2015 (provisional)
S$ Amount committed to Programmes	S$19.8 m	S$20.7 m	S$22.7 m	S$19.5 m
Number of Programmes	32	40	44	42

PRIORITY PROGRAMMES

In FY 2014/2015, in tandem with the needs and requests from the host communities Temasek Foundation continued to accord high priority to capability-building programmes in the area of Technical and Vocational Education and Training (TVET). A total of S$4.21 million was committed to 9 programmes in this area for the financial year. Another high-priority area is urban management, again in response to the growing challenges and increasing number of requests for programmes in this area. The high pace of growth of cities all across Asia have led to challenges in urban planning and management, for instance, in public housing, urban transport, water and waste management, and, more broadly, the urban environment. For FY 2014/2015, the foundation committed a total of S$1.79 million to 4 programmes in this area. A third area of priority is health care, in particular, programmes that build capabilities in nursing. For FY 2014/2015, the foundation committed a total of S$2.72 million to 5 programmes in this area.

An emerging area of priority is public policy and public administration. Host communities recognise that they need well-trained public officials leading and managing strong public institutions to devise and implement their development plans and programmes to their fruition. At the same time, communities need to have in place the proper regulatory frameworks, policies and processes to foster and facilitate development. Temasek Foundation appreciates the inputs on this area that have come from host communities and have in the past few years started to do more work in this area, committing a total of S$4.31 million to 9 programmes in FY 2014/2015.

Temasek Foundation has been supporting leadership exchange programmes for university students since inception. Over the past eight years, the foundation has committed S$12.3 million to a total of 1,867 students from universities across Asia. Each student from a university in Asia (aside from Singapore) spends a semester of learning exchange and community service at a Singapore university. Likewise students from Singapore universities spend a semester at a university in an Asian city. This programme called the Leadership Exchange and Regional Networking (LEaRN) programme has been successful in fostering close friendships and mutual learning among the student leaders.

Following from a successful pilot of the Temasek Foundation Specialists' Community Action and Leadership Exchange (TF SCALE) programme, the foundation has decided to support the TF SCALE programme in Financial Year 2014/2015 and possibly beyond as well. This programme brings together polytechnic students from Singapore and equivalent institutions in Asian cities for 4 to 6 weeks to participate in joint learning and community projects, and to foster ties and friendships.

FINANCIAL MANAGEMENT

To minimise the financial risks associated with programme funding, the foundation disburses committed funds only in tranches to partner organisations in accordance to an agreed-to schedule and progress of implementation of the programmes. For FY 2014/2015, the foundation disbursed a sum of S$19.04 million to programmes that were approved since inception. The amount of disbursements is about the same as in the last few years with programme activities being implemented progressively and a consistent pace.

As at 31 March 2015, some 61 programmes were concluded, bringing the total number of concluded programmes to 158 out of a total of 262 programmes that the foundation has committed to. As circumstances may change, some programmes are modified during the course of implementation and funding revised so that they remain relevant to the needs. A very small number of programmes have had to be discontinued, mainly due to the restructuring of institutions or re-prioritisation of needs by the host communities. Consequently, the committed amounts for each financial year published in the annual reports will be updated to reflect these adjustments.

The total annual operating expenses of Temasek Foundation for FY 2014/2015 and the updated expenses for the previous financial years are listed as follows:

	FY 2007/2008	FY 2008/2009	FY 2009/2010	FY 2010/2011
S$ Total Operating Expenses	$1.88 m	$2.29 m	$2.43 m	$2.69 m
Headcount	7	8	8	9

	FY 2011/2012	FY 2012/2013	FY 2013/2014	FY 2014/2015
S$ Total Operating Expenses	$3.08 m	$3.46m	$3.46m	$3.14m
Headcount	10	11	11	10

The decrease in operating expenses is attributable mainly to a decrease of one in the foundation's staff strength. The foundation has kept staff strength at a steady level. However, as the number of programmes being implemented and monitored and the foundation's engagement with host community partners continue to grow, expenses on travel and transport have also increased. For FY 2014/2015, the "expense-to-grants" ratio of Temasek Foundation's annual operating expenses (including depreciation) to annual committed programme grants was 16.14%. The foundation continues to work with host communities and expertise content partner institutions to derive a level of co-funding from partners. Such co-funding helps to stretch the resources of the foundation so that more programmes can be committed to. However, this also means that staff-associated and travel expenses are incurred in the process. The intensive programme co-development and co-monitoring work and the regular engagement of partners done by the foundation differentiates it from pure grant-making foundations. Given this, the "expense-to-grants" ratio compares favourably with international norms.

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying statement of financial activities, statement of financial position, statement of changes in funds, statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 31 March 2015 and of the results, changes in funds and cash flows of the Foundation for the reporting year then ended; and

(b) at the date of this statement there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Board of Directors approved and authorised these financial statements for issue.

On Behalf of the Directors

Mr Goh Geok Khim	Mr Benedict Cheong Thiam Beng
Chairman	Director and Chief Executive Officer

10 June 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Temasek Foundation CLG limited

Report on the financial statements

We have audited the accompanying financial statements of Temasek Foundation CLG Limited ("Foundation"), which comprise the statement of financial position as at 31 March 2015, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

Foundation's responsibility for the financial statements

The Foundation is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 statements of financial activities and statements of financial position and to maintain accountability of assets.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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 Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Act and the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Foundation as at 31 March 2015 and the result, changes in funds and cash flows of the Foundation for the reporting year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Foundation have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountantws
Singapore

10 June 2015

Partner in charge of audit: Lock Chee Wee
Effective from year ended: 31 March 2015

STATEMENT OF FINANCIAL ACTIVITIES

Year Ended 31 March 2015

	2015	2014
	$	$
Incoming resources		
Programme grants	19,042,099	21,187,499
Operating grants	2,986,067	3,338,915
Capital grants	125,359	105,158
Other income	28,131	30,568
Total incoming resources	22,181,656	24,662,140
Resources expended		
Programme expenses	19,042,099	21,187,499
Depreciation of plant and equipment	125,359	105,158
Employee benefits expenses	2,444,371	2,626,261
General and administrative expenses	118,784	143,965
Professional and IT support charges	155,185	230,571
Rental, utilities and office maintenance	30,807	44,664
Travelling and transport	265,051	324,022
Total resources expended	22,181,656	24,662,140
Net incoming resources	–	–

STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	2015	2014
	$	$
ASSETS		
Non-current assets		
Plant and equipment	97,879	186,459
Total non-current assets	97,879	186,459
Current assets		
Account receivables, current	337,674	416,804
Other assets, current	16,639	25,269
Cash and cash equivalents	3,755,457	3,240,379
Total current assets	4,109,770	3,682,452
Total assets	4,207,649	3,868,911
LIABILITIES		
Current liabilities		
Account payables, current	1,797,864	1,952,538
Total current liabilities	1,797,864	1,952,538
Total liabilities	1,797,864	1,952,538
Net assets	2,409,785	1,916,373
FUNDS	2,409,785	1,916,373

STATEMENT OF CHANGES IN FUNDS

Year Ended 31 March 2015

	Programme Funds					
	Funds to non – IPC entities	Funds to IPC entities	Funds for internal programmes	Operating funds	Capital funds	Total
	$	$	$	$	$	$
Current year:						
Opening balance at 1 April 2014	638,575	66,765	–	893,572	317,461	1,916,373
Grants/income received	15,512,000	3,832,000	–	3,331,068	–	22,675,068
Grants utilised as incoming resources	(15,111,399)	(3,848,335)	(82,365)	(3,014,198)	(125,359)	(22,181,656)
Transfer	(134,441)	220	134,441	(220)	–	–
Closing balance at 31 March 2015	904,735	50,650	52,076	1,210,222	192,102	2,409,785
Previous year:						
Opening balance at 1 April 2013	734,795	58,544	–	812,040	421,689	2,027,068
Grants/income received	16,193,970	4,905,530	–	3,451,945	–	24,551,445
Grants utilised as incoming resources	(16,290,190)	(4,897,309)	–	(3,369,483)	(105,158)	(24,662,140)
Transfer	–	–	–	(930)	930	–
Closing balance at 31 March 2014	638,575	66,765	–	893,572	317,461	1,916,373

STATEMENT OF CASH FLOWS

Year Ended 31 March 2015

	2015	2014
	$	$
Cash flows from operating activities		
Receipts from grants and others	22,668,932	24,546,415
Payments to programme partners, suppliers and employees	(22,128,567)	(24,425,985)
Net cash flows from operating activities	540,365	120,430
Cash flows from investing activities		
Purchases of plant and equipment	(36,779)	(124,770)
Cash restricted in use	533,578	(554,547)
Interest received	11,492	2,891
Net cash flows from (used in) investing activities	508,291	(676,426)
Net increase (decrease) in cash and cash equivalents	1,048,656	(555,996)
Cash and cash equivalents, statement of cash flows, beginning balance	1,681,536	2,237,532
Cash and cash equivalents, statement of cash flows, ending balance (Note 10)	2,730,192	1,681,536

Note: The full Directors' Report and Financial Statements is available at www.temasekfoundation.org.sg.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

1. General

The Foundation was incorporated on 15 February 2007 in Singapore as a company limited by guarantee and without share capital. The financial statements are presented in Singapore dollar.

The Board of Directors approved and authorised these financial statements for issue on the date of the Statement by Directors.

The Foundation is a non-profit philanthropic organisation established by Temasek, an Asia investment company headquartered in Singapore, to build a more prosperous, stable and connected Asia through building human and social capital. Working with expertise institutions from Singapore and the region, the Foundation supports training programmes to build capabilities in health care, education, public administration and disaster-response, and programmes that promote positive networks of cooperation in and across communities in Asia, in the following areas:

- Building People: Health Care
- Building People: Education
- Building Bridges Among Peoples
- Building Institutions Of Excellence
- Rebuilding Lives & Livelihoods

Each member of the Foundation has undertaken to contribute such amounts not exceeding $10 to the assets of the Foundation in the event the Foundation is wound up and the monies are required for payment of the liabilities of the Foundation. It has three members.

The registered office address is: 60B Orchard Road #06-18 Tower 2 The Atrium@ Orchard, Singapore 238891. The Foundation is situated in Singapore.

2. Summary of significant accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Singapore Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Grants

Programme grants received are recognised as income to match the related programme costs. Programme costs are recognised as expenses in the statement of financial activities when the funds are disbursed to the programme partners and grant recipients.

Operating grants received to meet the Foundation's operating expenses are recognised as income to match the related operating expenditure incurred.

Grants for plant and equipment are taken to the deferred capital grant account, and are credited to the statement of financial activities over the periods necessary to match the depreciation of the corresponding assets.

2. Summary of significant accounting policies (continued)

Interest income

Interest income is recognised using the effective interest method.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income tax

The Foundation was approved under the "Non-Profit Organisation Tax Incentive" scheme ("the Scheme). The commencement date applies retrospectively from 1 April 2007 and the incentive period is for ten years up to 1 April 2017 subject to certain conditions being met throughout the incentive period. As an approved non-profit organization, the Foundation is exempt from tax on income and gains falling within section 13U(1) of the Income Tax Act.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively.

All realised and unrealised exchange adjustment gains and losses are dealt with in the statement of financial activities except when deferred in equity as qualifying cash flow hedges. The presentation is in the functional currency.

2. Summary of significant accounting policies (continued)

Plant and equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Computer equipment	–	50%
Software application	–	Over the licence period which is approximately 50%
Furniture and fittings	–	33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Leases

Whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value

2. Summary of significant accounting policies (continued)

Leases (continued)

of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through income statement are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. Summary of significant accounting policies (continued)

Financial assets (continued)

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through income statement: As at end of the reporting year date, there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the statement of financial activities. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically grants and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the reporting year date, there were no financial assets classified in this category.

4. Available-for-sale financial assets: As at end of the reporting year date, there were no financial assets classified in this category.

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the “fair value option” and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Summary of significant accounting policies (continued)

2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Accounts payables are classified in this category. Items classified within current accounts payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. Related party relationships and transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (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 reporting entity or an entity related to the reporting entity. (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). (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.

The Foundation is a discretionary beneficiary of the Temasek Trust, a Singapore-domiciled trust. All incoming resources are provided by the Temasek Trust.

3. Related party relationships and transactions (continued)

3.1 Key Management Compensation:

	2015 $	2014 $
Fees, salaries and other short-term employee benefits	1,884,099	1,805,191

The above amounts are included under employee benefits expense. Key management personnel include the Board of Directors, the chief executive officer and those persons having authority and responsibility for planning, directing and controlling the activities of the Foundation, directly or indirectly. The above amount for key management compensation includes the Board of Directors, the Chief Executive Officer and four direct reporting senior officers.

4. Programme expenses

Against the commitment for each approved programme, Temasek Foundation disburses actual monies for the programme only in quarterly tranches and only as needed for the programme activities in the quarter ahead. The disbursement amounts depend on the roll-out schedule and actual progress of programme. While programme review efforts seek to ensure that programmes follow the roll-out schedules, there are inevitably unforeseen circumstances and necessary changes that may affect the progress. Hence the annual amounts actually disbursed may vary from one financial year to the next.

5. Employee benefits expenses

	2015 $	2014 $
Short term employee benefits expenses	2,304,116	2,530,845
Contribution to defined contribution plan	140,255	95,416
Total employee benefits expenses	2,444,371	2,626,261

6. Income tax

The Foundation is exempted from Singapore income tax under section 13U of the Income Tax Act.

7. Plant and equipment

	Plant and equipment $
Cost :	
At 1 April 2013	342,538
Additions	124,770
At 31 March 2014	467,308
Additions	36,779
At 31 March 2015	504,087
Accumulated depreciation :	
At 1 April 2013	175,691
Depreciation for the year	105,158
At 31 March 2014	280,849
Depreciation for the year	125,359
At 31 March 2015	406,208
Net book value:	
At 1 April 2013	166,847
At 31 March 2014	186,459
At 31 March 2015	97,879

8. Account receivables, current

	2015 $	2014 $
Interest receivable	4,107	4,570
Deposits to secure services	40,275	29,419
Other receivables (*)	293,292	382,815
Total other receivables, current	337,674	416,804

(*) This represents the expenses and payments made on behalf of Temasek Cares CLG Limited and S Rajaratnam Endowment CLG Limited.

9. Other assets, current

	2015 $	2014 $
Prepayments	16,639	25,269

10. Cash and cash equivalents

	2015 $	2014 $
Not restricted in use	2,730,192	1,681,536
Restricted in use (*)	1,025,265	1,558,843
	3,755,457	3,240,379
Interest-earning balances	1,025,265	1,558,843

The rate of interest for the cash on interest-earning balances is between 0.23% and 1.28% (2014: 0.52% and 0.91% per annum).

(*): This represents deposits placed with financial institutions with a maturity of more than three months.

11. Account payables, current

	2015 $	2014 $
Sundry creditors	180,698	245,950
Accrued operating expenses	1,617,166	1,706,588
Total	1,797,864	1,952,538

12 Programme commitments

Programme commitments approved but not disbursed nor recognised in the financial statements as at end of the reporting year date amounted to $26,606,074 (2014: $32,644,888).

The above programme commitments are based on proposals submitted and approved by the Foundation's board and are shown net of disbursements made during the reporting year. Programme commitments are subject to adjustments as the respective programmes progress in subsequent reporting years.

13. Financial instruments: information on financial risks

13A. Classification of financial assets and liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the year by FRS 39 categories:

	2015 $	2014 $
Financial assets:		
Cash and cash equivalents	3,755,457	3,240,379
Account receivables	337,674	416,804
At end of the year	4,093,131	3,657,183
Financial liabilities:		
Trade and other payables measured at amortised cost	1,797,864	1,952,538
At end of the year	1,797,864	1,952,538

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

13. Financial instruments: information on financial risks (continued)

13B. Financial risk management

Risk management is carried out under policies approved by the Board of Directors.

The Foundation actively engages with community and expertise partners in the development of identified programmes and in the regular reviews of the programmes to achieve the intended impact for the community. Programme grants committed are disbursed to the programme partners / grant recipients quarterly.

13C. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks and cash equivalents. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and other financial assets is limited because the counter-parties are entities with acceptable credit ratings.

Note 10 discloses the maturity of cash and cash equivalents balances.

13D. Liquidity risk – financial liabilities maturity analysis

There are no non-current financial liabilities at the end of the reporting year. It is expected that all the liabilities will be settled at their contractual maturity. The accounts payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The Foundation is funded by Temasek Trust to meet all its cash requirements.

13E. Interest rate risk

The interest rate risk exposure on financial assets is not expected to be significant.

14. Operating lease payment commitments – as lessee

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	2015 $	2014 $
Not later than one year	53,522	53,522
Later than one year and not later than five years	214,086	214,086
Later than five years	129,343	182,865
Rental expenses for the year	28,467	40,742

Operating lease payments represent rentals payable by the Foundation for its office. The lease from CapitaMall Trust is for 10 years from 1 September 2012.

Changes and adoption of financial reporting standards

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 27	Consolidated and Separate Financial Statements (Amendments to) (*)
FRS 27	Separate Financial Statements (Revised) (*)
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (*)
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (*)
FRS 110	Consolidated Financial Statements (*)
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112 (*)
FRS 111	Joint Arrangements (*)
FRS 112	Disclosure of Interests in Other Entities (*)
INT FRS 121	Levies (*)

(*) Not relevant to the entity.

14. Operating lease payment commitments – as lessee (continued)

Future changes in financial reporting standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 19	Amendments To FRS 19: Defined Benefit Plans: Employee Contributions (*)	1 Jul 2014
Various	Improvements to FRSs (Issued in January 2014). Relating to FRS 102 Share-based Payment (*) FRS 103 Business Combinations (*) FRS 108 Operating Segments (*) FRS 113 Fair Value Measurement FRS 16 Property, Plant and Equipment FRS 24 Related Party Disclosures FRS 38 Intangible Assets (*)	1 Jul 2014
Various	Improvements to FRSs (Issued in February 2014). Relating to FRS 103 Business Combinations (*) FRS 113 Fair Value Measurement FRS 40 Investment Property (*)	1 Jul 2014
FRS 114	Regulatory Deferral Accounts (*)	1 Jan 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements (*)	1 Jan 2016
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*)	1 Jan 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (*)	1 Jan 2016
FRS 115	Revenue from Contracts with Customers Illustrative Examples (*)	1 Jan 2017

14. Operating lease payment commitments – as lessee (continued)

FRS No.	Title	Effective date for periods beginning on or after
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (*)	1 Jan 2016
Various	Improvements to FRSs (November 2014)	1 Jan 2016

(*) Not relevant to the entity.

15. Reclassification and Comparative Figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements. The reclassifications included the following:

	After reclassification	Before reclassfication	Difference
	$	$	$
Statement of Financial Activities			
Auditor's remuneration	–	17,980	(17,980)
Legal and secretariat fees	–	11,770	(11,770)
Professional and IT support charges	230,571	200,821	29,750

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