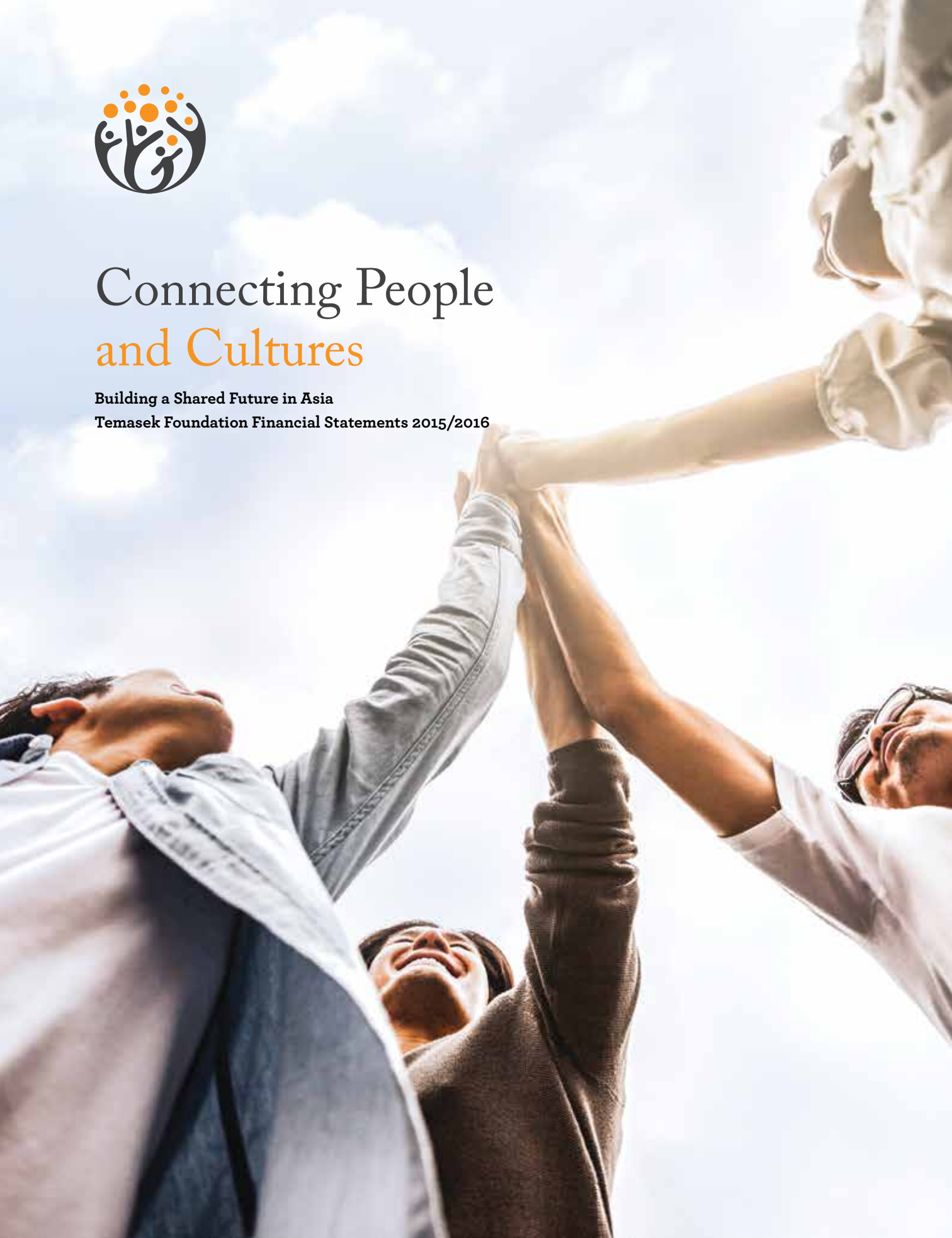




Connecting People and Cultures

Building a Shared Future in Asia

Temasek Foundation Financial Statements 2015/2016



Financial Highlights

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FY 2015/2016 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.

Temasek Foundation continued its work into Financial Year (FY) 2015/2016 with the sums committed to programme grants held steady at S\$19.9 million and the number of programmes also steady at 40. This manifests the foundation's firm 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 was also sustained.

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\$17.9 m
Number of Programmes	14	32	33	26

	FY 2011/2012 (updated)	FY 2012/2013 (updated)	FY 2013/2014 (updated)	FY 2014/2015 (updated)	FY 2015/2016 (committed)
S\$ Amount committed to Programmes	S\$19 m	S\$19.4 m	S\$21.5 m	S\$19.2 m	\$19.9 m
Number of Programmes	32	40	44	42	40

FY 2015/2016 Management Analysis

Priority Programmes

In FY 2015/2016, Temasek Foundation continued to focus on capability-building programmes in the area of Technical and Vocational Education and Training (TVET). A total of S\$4.4 million was committed to 8 programmes in this area. Specifically under TVET, the foundation supported 3 programmes to share the knowledge and skills of the Conceive-Design-Implement-Operate Framework among institutions in South-East Asia. This is a powerful framework that raises standards in Engineering Education, improves pedagogy and curriculum in a whole range of disciplines and helps research efforts to produce more user-centred solutions.

Another high-priority area is urban management. Cities continue to face many challenges in urban planning and management, in housing, urban transport, water and waste management, and, more broadly, the urban environment. For FY 2015/2016, the foundation committed a total of S\$2.4 million to 4 programmes in this area in India, Myanmar, and a multi-country programme for leaders in water management in Asia.

In the priority area of health care, the foundation committed a total of S\$2.7 million to 7 programmes in this area, with a focus on nursing and public health, such as a nursing management programmes in West Bengal, India and an emergency care nursing programme Karnataka, India.

The fourth priority area of public policy and public administration capabilities has gained great traction in the last financial year. Host communities continue to request for capability-building and knowledge-exchange programmes for their public officials so that they can sharpen their public policy-making, improve their regulatory frameworks, policies and processes, and strengthen their public institutions. All these will in turn support the development efforts and programmes of the communities. For FY 2015/2016, Temasek Foundation committed a sum of S\$5 million to 10 programmes in this area.

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 actual progress of implementation of the programmes. For FY 2015/2016, the foundation disbursed a sum of S\$17.7 million to programmes that were approved earlier (including S\$0.2 million given for equipment from donations separate from the endowment), with programme activities being implemented progressively and a consistent pace.

As at 31 March 2016, some 52 programmes were concluded, bringing the total number of concluded programmes to 211 out of a total of 303 programmes that the foundation has committed to since inception. Some programmes are modified during the course of implementation and funding revised and 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 2015/2016 and the updated expenses for the previous financial years are listed as follows (to be updated):

	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	FY 2015/2016
S\$ Total					
Operating Expenses	\$3.08 m	\$3.46 m	\$3.47 m	\$3.14 m	\$3.01 m
Headcount	10	11	11	10	10

FY 2015/2016 Management Analysis

The foundation has kept staff strength, and consequently, annual operating expenses at a steady level with increases in some operating expenditure items mainly attributable to general increases in costs in Singapore. Expenses on travel and transport have also increased as the staff team of the foundation continued their engagements with leaders, specialists and practitioners from host communities in their respective cities. For FY 2015/2016, the “expense-to-grants” ratio of Temasek Foundation’s annual operating expenses (including depreciation) to annual committed programme grants was 15.2%. Given the level of engagement with the host communities, intensive programme development and management efforts in the host cities and the level of host community co-funding for the programmes, this “expense-to-grants” ratio compares favourably with international norms.

Strategic Review

Temasek Foundation will commemorate its 10th anniversary in 2017. Towards the end of FY 2015/2016, Temasek Foundation initiated a strategic review to map out an updated vision and strategy for the next lap of work of the foundation. The work of the review will continue in FY 2016/2017 and the outcome of this review will be shared at the appropriate time.

Directors' Statement

The Directors of Temasek Foundation CLG Limited (the "Foundation") are pleased to present the audited financial statements of the Foundation for the reporting year ended 31 March 2016.

1 Opinion of the Directors

In the opinion of the Directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Foundation for the reporting year covered by the financial statements; 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.

2 Directors in office at date of statement

The Directors of the Foundation in office at the date of this statement are:

Mr Goh Geok Khim (Chairman)
Ms Jennie Chua Kheng Yeng (Deputy Chairman)
Mr Christopher Cheng Wai Chee
Mr Tony Tan Caktiong
Mr Khoo Boon Hui
Tan Sri Faizah Binti Mohd Tahir
Mr Goh Yong Siang
Mr Benedict Cheong Thiam Beng (Chief Executive Officer)

3 Directors' interests in shares and debentures

The Foundation is a company limited by guarantee. There were no shares or debentures issued.

4 Arrangements to enable Directors to acquire benefits by means of the acquisition of shares and debentures

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

Directors' Statement

5 Options

The Foundation is a company limited by guarantee. As such, there are no share options or unissued shares under option.

6 Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

On Behalf of the Directors



Mr Goh Geok Khim
Chairman



Mr Benedict Cheong Thiam Beng
Director and Chief Executive Officer

31 May 2016

Statement of Financial Activities

Year Ended 31 March 2016

	2016	2015
	\$	\$
Incoming resources		
Programme grants	17,691,408	19,042,099
Operating grants	2,896,957	2,986,067
Capital grants	78,362	125,359
Other income	34,362	28,131
Total incoming resources	20,701,089	22,181,656
Resources expended		
Programme expenses	17,691,408	19,042,099
Depreciation of plant and equipment	78,362	125,359
Employee benefits expenses	2,364,585	2,444,371
General and administrative expenses	117,863	118,784
Professional and IT support charges	154,179	155,185
Rental, utilities and office maintenance	27,634	30,807
Travelling and transport	267,058	265,051
Total resources expended	20,701,089	22,181,656
Net incoming resources	–	–

Statement of Financial Position

Year Ended 31 March 2016

	2016	2015
	\$	\$
ASSETS		
<u>Non-current assets</u>		
Plant and equipment	19,517	97,879
Total non-current assets	19,517	97,879
<u>Current assets</u>		
Account receivables, current	498,225	337,674
Other assets, current	5,973	16,639
Cash and cash equivalents	4,049,999	3,755,457
Total current assets	4,554,197	4,109,770
Total assets	4,573,714	4,207,649
LIABILITIES		
<u>Current liabilities</u>		
Account payables, current	2,244,480	1,797,864
Total current liabilities	2,244,480	1,797,864
Total liabilities	2,244,480	1,797,864
Net assets	2,329,234	2,409,785
FUNDS	2,329,234	2,409,785

Statement of Changes in Funds

Year Ended 31 March 2016

	Programme Funds						Total
	Funds to non - IPC entities	Funds to IPC entities	Sabah earthquake Fund	Funds for internal programmes	Operating funds	Capital funds	
	\$	\$	\$	\$	\$	\$	\$
Current year:							
Opening balance at 1 April 2015	904,735	50,650	-	52,076	1,210,222	192,102	2,409,785
Grants/income received	11,917,000	5,495,000	859,722	-	3,174,381	-	21,446,103
Grants utilised as incoming resources	(11,971,854)	(5,495,465)	(859,927)	(224,089)	(2,896,957)	(78,362)	(21,526,654)
Transfer	(209,798)	-	-	209,798	-	-	-
Closing balance at 31 March 2016	640,083	50,185	(205)	37,785	1,487,646	113,740	2,329,234
Previous 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

Statement of Cash Flows

Year Ended 31 March 2016

	2016	2015
	\$	\$
<u>Cash flows from operating activities</u>		
Receipts from grants and others	21,434,768	22,668,932
Payments to programme partners, suppliers and employees	(21,153,028)	(22,128,567)
Net cash flows from operating activities	<u>281,740</u>	<u>540,365</u>
<u>Cash flows from investing activities</u>		
Purchases of plant and equipment	–	(36,779)
Cash restricted in use	(544,510)	533,578
Interest received	12,802	11,492
Net cash flows (used in) from investing activities	<u>(531,708)</u>	<u>508,291</u>
Net (decrease) increase in cash and cash equivalents	(249,968)	1,048,656
Cash and cash equivalents, statement of cash flows, beginning balance	<u>2,730,192</u>	<u>1,681,536</u>
Cash and cash equivalents, statement of cash flows, ending balance		
(Note 10)	<u>2,480,224</u>	<u>2,730,192</u>



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