



YEARS OF

Growing Together



**BUILDING A SHARED FUTURE
TEMASEK FOUNDATION INTERNATIONAL
FINANCIAL STATEMENTS 2016/2017**

FINANCIAL STATEMENTS

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FY 2016/2017 MANAGEMENT ANALYSIS

AT A GLANCE

Established in May 2007 by Temasek and originally called Temasek Foundation, Temasek Foundation International received an endowment for the programme grants at the outset and subsequently another endowment for operating expenses of the foundation. Temasek Trust acts as the steward of the endowments and approves the aggregate annual amounts to be made available for use by the foundation.

Temasek Foundation International continued its work into Financial Year (FY) 2016/2017 with the sums committed to programme grants held steady at S\$19.9 million and the number of programmes at 47. In its tenth year of work, the foundation continues to reach out to communities across Asia and commit to a steady level of programmes. The high level of co-funding from host community partners that manifests their leadership and ownership of the programmes was also sustained.

The following table shows the ten years of funding commitments to programmes with the updated information as and when this is recorded:

	FY 2007/2008	FY 2008/2009	FY 2009/2010	FY 2010/2011 (UPDATED)	FY 2011/2012 (UPDATED)
S\$ Amount committed to Programmes	S\$14.3 m	S\$15.4 m	S\$16 m	S\$17.9 m	S\$18.6 m
Number of Programmes	14	32	33	26	32

	FY 2012/2013 (UPDATED)	FY 2013/2014 (UPDATED)	FY 2014/2015 (UPDATED)	FY 2015/2016 (UPDATED)	FY 2016/2017 (PROVISIONAL)
S\$ Amount committed to Programmes	S\$19.1 m	\$21.1 m	S\$17.2 m	S\$18.9 m	S\$19.9 m
Number of Programmes	40	44	41	39	47

FY 2016/2017 MANAGEMENT ANALYSIS

PRIORITY PROGRAMMES

In FY 2016/2017, Temasek Foundation International continued its strong focus on capability-building programmes in the area of Technical and Vocational Education and Training (TVET). A total of S\$3.1 million was committed to 8 programmes in this area. However, as communities continue to enhance their capabilities over time, they are increasingly placing more focus on technical and technological education in addition to the on-going focus on vocational education. In response, Temasek Foundation International in FY 2016/2017 supported the first programme in education in Science, Technology, Engineering and Mathematics (STEM). This initiative is in line with the constant feature of all programmes of the foundation – the need for customisation and differentiation.

Temasek Foundation International furthered its support for capability-building programmes in urban management. Cities continue to face many challenges in urban planning and management, in housing, urban transport, water and waste management, and sustainability. For FY 2016/2017, the foundation committed a total of S\$2.1 million to 5 programmes in this area, with two new programmes in township planning and public housing.

The foundation's support for the public policy and public administration capabilities has been gaining momentum over the last few financial years. Host communities continue to request for capability-building and knowledge-exchange programmes in public policy and administration particularly for their officials working in sectors that have a direct impact on economic development and growth. The foundation's Leaders in Economic Development Programme and Governance and Public Administration Programme continue to attract senior officials from across Asia. For Financial Year 2016/2017, Temasek Foundation International committed a sum of S\$6.2 million to 13 programmes in this area of public policy and public administration capabilities.

In the fourth priority area of health care, the foundation committed a total of S\$3.5 million to 7 programmes in this area, with a focus on nursing and public health. Such capability-building programmes in health care enhanced the overall well-being of communities. To mark its 10th anniversary, the foundation supported an inaugural forum in Singapore for over 200 regional nurse leaders and specialists to share best practices.

REVIEW OF STRATEGY, CHANGE OF NAME

Financial Year 2016/2017 also saw the foundation changing its name. Now an integral part of a family of foundations supported by Temasek, the foundation is known as Temasek Foundation International. This change in name is also timely as it follows a three-month work effort to review the strategy of the foundation. With the name change, the foundation will consider extending its work to communities beyond Asia. Even as it does this, it is important for the foundation to retain its focus on Asia, for it is in Asia that the foundation's programmes will have greater relevance and resonance, and this will mean greater impact in the communities where the foundation does its work.

FY 2016/2017 MANAGEMENT ANALYSIS

FINANCIAL MANAGEMENT

To minimise the financial risks associated with programme funding, the foundation disburses committed funds only in tranches to partner organisations according a-to specified schedule and subject to the progress of implementation of the programmes and milestones and targets achieved. For FY 2016/2017, the foundation disbursed a sum of S\$17,263,880 to programmes that were approved in FY 2016/2017 or earlier, with programme activities being implemented progressively and at a consistent pace.

As at 31 March 2017 some 40 programmes were concluded, bringing the total number of concluded programmes to 251 out of a total of 348 programmes that the foundation has committed to since inception. Naturally, some programmes had to be modified during the course of implementation and funding revised. Also, a very small number of programmes had to be discontinued, mainly at the request of 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 International for FY 2016/2017 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	FY 2011/2012
S\$ Total Operating Expenses	S\$1.88 m	S\$2.29 m	S\$2.43 m	S\$2.69 m	S\$3.08 m
Headcount	7	8	8	9	10

	FY 2012/2013	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017
S\$ Total Operating Expenses	S\$3.46 m	S\$3.47 m	S\$3.14 m	S\$3.01 m	S\$2.85 m
Headcount	11	11	10	10	9.25*

* Some Temasek Foundation International staff have concurrent appointments at Temasek Foundation Management Services.

The foundation has kept staff strength, and consequently, annual operating expenses at a steady level. Also, in the course of the year, some of the staff of the foundation were assigned concurrent appointments in the newly set up Temasek Foundation Management Services. Expenses on travel have nevertheless increased as the staff team continued their engagements in the host communities. For FY 2016/2017, the "expense-to-grants" ratio of the foundation's annual operating expenses (including depreciation) to annual committed programme grants was 14.28%. Given the high level of engagement with the host communities, intensive programme development, management and review efforts, and the significant level of host community co-funding in the programmes, this "expense-to-grants" ratio compares favourably with international norms.

DIRECTORS' STATEMENT

for the financial year ended 31 March 2017

The directors of Temasek Foundation International CLG Limited (the "Foundation") present their statement to the members together with the audited financial statements of the Foundation for the financial year ended 31 March 2017.

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 of the Foundation as at 31 March 2017 and the financial performance, changes in funds and cash flows of the Foundation for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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 has, on the date of this statement, authorised these financial statements for issue.

NAMES OF DIRECTORS

The directors of the Foundation in office at the date of this report are:

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

Mr Christopher Cheng Wai Chee, who served as a director of the Foundation during the financial year, retired following the conclusion of the Annual General Meeting on 7 September 2016.

DIRECTORS' STATEMENT

for the financial year ended 31 March 2017

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

As the Foundation is a company limited by guarantee and has no share capital, no director who held office at the end of the financial year had interests in the capital of the Foundation either at the beginning or at the end of the financial year.

SHARE OPTIONS

As the Foundation is a company limited by guarantee and has no share capital, there are no share options or unissued shares under option.

INDEPENDENT AUDITOR

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



GOH GEOK KHIM

Chairman



BENEDICT CHEONG THIAM BENG

Director and Chief Executive

Dated: 16 May 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEMASEK FOUNDATION INTERNATIONAL CLG LIMITED

(formerly known as Temasek Foundation CLG Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Temasek Foundation International CLG Limited (formerly known as Temasek Foundation CLG Limited) ("the Foundation"), which comprise the statement of financial position of the Foundation as at 31 March 2017, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Foundation for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Foundation as at 31 March 2017 and of the financial performance, changes in funds and cash flows of the Foundation for the financial year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TEMASEK FOUNDATION INTERNATIONAL CLG LIMITED**

(formerly known as Temasek Foundation CLG Limited)

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report and Chairman's message, but does not include the financial statements and our auditor's report thereon.

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 on the other information that we obtained prior to the date of this auditor's report, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Foundation's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TEMASEK FOUNDATION INTERNATIONAL CLG LIMITED**

(formerly known as Temasek Foundation CLG Limited) (Cont'd)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TEMASEK FOUNDATION INTERNATIONAL CLG LIMITED**

(formerly known as Temasek Foundation CLG Limited) (Cont'd)

AUDITOR'S RESPONSIBILITIES 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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation 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 by the Act to be kept by the Foundation have been properly kept in accordance with the provisions of the Act.

OTHER MATTER

The financial statements for the financial year ended 31 March 2016 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements in its report dated 31 May 2016.



FOO KON TAN LLP
Public Accountants and
Chartered Accountants

YEO BOON CHYE
Partner in charge of the audit

Singapore, 16 May 2017

STATEMENT OF FINANCIAL POSITION*as at 31 March 2017*

	31 March 2017	31 March 2016
	\$	\$
Assets		
Non-current		
Intangible asset	78,848	1,019
Plant and equipment	5,147	18,498
	83,995	19,517
Current		
Account receivables	1,345,540	498,225
Prepayments	15,744	5,973
Cash and cash equivalents	4,408,534	4,049,999
	5,769,818	4,554,197
Total assets	5,853,813	4,573,714
Accumulated funds		
Funds	2,754,202	2,329,234
Liabilities		
Current		
Account payables	3,099,611	2,244,480
Total funds and liabilities	5,853,813	4,573,714

STATEMENT OF FINANCIAL ACTIVITIES*for the financial year ended 31 March 2017*

	Year ended 31 March 2017	Year ended 31 March 2016
	\$	\$
Incoming resources		
Programme grants	17,263,880	17,691,408
Operating grants	2,760,009	2,896,957
Capital grants	58,029	78,362
Other income	320,023	324,684
Total incoming resources	20,401,941	20,991,411
Resources expended		
Programme expenses	17,263,880	17,691,408
Amortisation of intangible asset	38,724	43,086
Depreciation of plant and equipment	19,305	35,276
Employee benefit costs	2,163,919	2,364,585
General and administrative expenses	168,523	117,863
Professional and IT support charges	187,528	154,179
Rental, utilities and office maintenance	319,014	317,956
Travelling and transport	241,048	267,058
Total resources expended	20,401,941	20,991,411
Net incoming resources	-	-

STATEMENT OF CHANGES IN FUNDS

for the financial year ended 31 March 2017

Programme Funds								
	Funds to non-IPC entities	Funds to IPC entities	Funds for internal programmes	Operating funds	Capital funds	Sub-total	Sabah earthquake fund*	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 April 2015	904,735	50,650	52,076	1,210,222	192,102	2,409,785	-	2,409,785
Grants received	11,917,000	5,495,000	-	3,174,381	-	20,586,381	859,722	21,446,103
Grants recognised as incoming resources	(11,971,854)	(5,495,465)	(224,089)	(2,896,957)	(78,362)	(20,666,727)	(859,927)	(21,526,654)
Transfer	(209,798)	-	209,798	-	-	-	-	-
Balance at 31 March 2016	640,083	50,185	37,785	1,487,646	113,740	2,329,439	(205)	2,329,234
Grants received	14,495,000	2,573,000	-	3,438,681	-	20,506,681	205	20,506,886
Grants recognised as incoming resources	(14,333,958)	(2,572,791)	(357,131)	(2,760,009)	(58,029)	(20,081,918)	-	(20,081,918)
Transfer	(285,852)	-	269,474	(11,906)	28,284	-	-	-
Balance at 31 March 2017	515,273	50,394	(49,872)	2,154,412	83,995	2,754,202	-	2,754,202

* Funds received by the Foundation for disbursements to families of Singaporeans affected in the Sabah earthquake.

STATEMENT OF CASH FLOWS*for the financial year ended 31 March 2017*

	Year ended 31 March 2017	Year ended 31 March 2016
	\$	\$
Cash Flows from Operating Activities		
Receipts from grants	20,506,886	21,446,103
Payments to programme partners, suppliers and employees	(20,032,525)	(21,164,363)
Net cash generated from operating activities	474,361	281,740
Cash Flows from Investing Activities		
Acquisition of intangible asset	(116,553)	-
Acquisition of plant and equipment	(5,954)	-
Fixed deposits with a maturity of more than three months	(87,024)	(544,510)
Interest received	6,681	12,802
Net cash used in investing activities	(202,850)	(531,708)
Net increase/(decrease) in cash and cash equivalents	271,511	(249,968)
Cash and cash equivalents at beginning of the year	2,480,224	2,730,192
Cash and cash equivalents at end of the year	2,751,735	2,480,224
The cash and cash equivalents comprise:		
Bank balances	2,751,735	2,480,224
Fixed deposits	1,656,799	1,569,775
Cash and cash equivalents (Note 5)	4,408,534	4,049,999
Less:		
Fixed deposits with a maturity of more than three months	(1,656,799)	(1,569,775)
	2,751,735	2,480,224

Note: The full Financial Statements is available at www.temasekfoundation-international.org.sg

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

1 GENERAL INFORMATION

The financial statements of the Foundation for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on Directors' statement.

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

The Foundation's registered office is located at 60B Orchard Road #06-18 Tower 2 The Atrium@Orchard, Singapore 238891.

Temasek Foundation International CLG Limited is a Singapore-based non-profit philanthropic organisation that funds and supports programmes that aim to build capabilities in communities in Asia and beyond. Designed and implemented with programme partners, these programmes build human and social capital development and contribute towards a more vibrant and connected global community, with positive networks of cooperation. The programmes also aim to enhance capabilities in the areas of health care, education, public administration, urban management and disaster-response.

Temasek Foundation International CLG Limited, formerly known as Temasek Foundation CLG Limited, was set up in 2007 by Singapore investment company, Temasek Holdings (Private) Limited. It was renamed Temasek Foundation International CLG Limited in 2016, and is a member of the Temasek family of foundations.

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

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. The Foundation has three members.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

2(A) BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollar which is the Foundation's functional currency. All financial information is presented in Singapore dollar, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, 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 financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

Critical accounting estimates and assumptions used in applying accounting policies

Amortisation of intangible asset [Note 3(a)]

Intangible asset is amortised on a straight-line basis over its estimated useful life. Management estimates the useful life of intangible asset to be 2 years. The carrying amount of the Foundation's intangible asset as at 31 March 2017 was \$78,848 (2016 - \$1,019). Changes in the expected level of usage and technological developments could impact the economic useful life and the residual value of this asset, therefore future amortisation charge could be revised. If the actual useful life of intangible asset differ by 10% from management's estimates, the carrying amount of the Foundation's intangible asset will be approximately \$4,000 (2016 - \$4,000) higher or \$4,000 (2016 - \$5,000) lower.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

2(A) BASIS OF PREPARATION (CONT'D)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Depreciation of plant and equipment [Note 3(b)]

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant and equipment to be within the range as indicated in the accounting policy for plant and equipment and depreciation. The carrying amount of the Foundation's plant and equipment as at 31 March 2017 was \$5,147 (2016 - \$18,498). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. If the actual useful lives of plant and equipment differ by 10% from management's estimates, the carrying amount of the Foundation's plant and equipment will be approximately \$2,000 (2016 - \$3,000) higher or \$2,000 (2016 - \$4,000) lower.

2(B) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2017

On 1 April 2016, the Foundation adopted the FRSs that are mandatory for application from that date. Changes to the Foundation's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. This includes the following FRSs, which are relevant to the Foundation:

Reference	Description
Amendments to FRS 1	Disclosure Initiatives
Improvements to FRSs (November 2014)	

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Foundation in the period of their initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

2(C) FRS NOT YET EFFECTIVE

The following are the new or amended FRS issued that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 7	Statement of Cash Flows	1 January 2017
FRS 115	Revenue from Contracts with Customers	1 January 2018
Clarifications to FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 116	Leases	1 January 2019

Amendments to FRS 7 *Statement of Cash Flows*

The Amendments to FRS 7 *Statement of Cash Flows* required entities to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed equity – to the corresponding liabilities in the opening and closing statement of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances, in particular way - e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances. These amendments are effective on beginning or after 1 January 2017. As this is a disclosure standard, it will have no impact to the financial position and performance of the Foundation when applied in.

FRS 109 *Financial Instruments*

FRS 109 *Financial Instruments* replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:

- Classification and measurement;
- A single, forward-looking “expected loss” impairment model; and
- A substantially reformed approach to hedge accounting.

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Foundation is currently assessing the impact to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

2(C) FRS NOT YET EFFECTIVE (CONT'D)

FRS 116 Leases

FRS 116 *Leases* replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 *Leases* that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. FRS 116 *Leases* will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the entity has adopted FRS 115. The Foundation is currently assessing the impact to the financial statements.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Intangible asset

Computer software is initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, if any, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the statement of financial activities using the straight-line method over its estimated useful life of 2 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each reporting period. The effects of any revision are recognised in the statement of financial activities when the changes arise.

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Renovation	3 years
Furniture and fittings	3 years
Computers	2 years

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

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

Plant and equipment and depreciation (Cont'd)

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment, if any.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Foundation and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

An item of plant and equipment is derecognised upon 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 the statement of financial activities in the financial year the asset is derecognised.

Grants

Programme grants received are recognised as incoming resources 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 incoming resources to match the related operating expenditure incurred.

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

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

Interest income

Interest income is recognised on a time-apportioned basis using the effective interest method.

Financial assets

Financial assets, other than hedging instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Foundation commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets, if any, are recognised in the statement of financial activities when received, regardless of how the related carrying amount of financial assets is measured.

The Foundation does not have any investments and accordingly, there are no investments to be designated as financial assets at fair value through profit or loss, assets held-to-maturity or available-for-sale.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Foundation provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets, if any.

Loans and receivables include receivables and deposits held in banks. They are subsequently measured at amortised cost using the effective interest method, less allowance for impairment. If there is objective evidence that the assets have been impaired, the financial assets are measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the assets recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in the statement of financial activities, if any.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances and bank deposits placed with financial institutions which are readily convertible to cash and which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents are presented net of fixed deposits restricted in use.

Financial liabilities

The Foundation's financial liabilities include payables and accruals.

Financial liabilities are recognised when the Foundation becomes a party to the contractual agreements of the instrument. All interest related charges, if any, is recognised as an expense in "finance cost" in the statement of financial activities.

Financial liabilities are derecognised if the Foundation's obligations specified in the contract expire or are discharged or cancelled.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

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

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised as well as through the amortisation process.

Payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Employee benefits

Pension obligations

The Foundation contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to the CPF are charged to the statement of financial activities in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Foundation. Directors and certain managerial personnel are considered key management personnel.

Income taxes

The Foundation was approved under the "Non-Profit Organisation Tax Incentive" scheme (the "scheme") administered by the Singapore Economic Development Board ("EDB"). 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. The Foundation has satisfied the conditions required throughout the incentive period. Subsequent to 1 April 2017, EDB has approved the extension of the incentive period of the scheme for the Foundation for five years up to 1 April 2022. As an approved non-profit organisation, the Foundation is exempt from Singapore tax on income and gains falling within Section 13U(1) of the Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

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

Leases

Where the Foundation is the lessee,

Operating leases

Rental on operating lease is charged to the statement of financial activities on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in statement of financial activities when incurred.

Functional currency

Functional and presentation currency

Items included in the financial statements of the Foundation are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Foundation (the “functional currency”). The financial statements of the Foundation are presented in Singapore dollar, which is also the functional currency of the Foundation.

Funds

Fund is available for use at the discretion of the Foundation for the purpose in furtherance of the Foundation's objectives that have been approved by the board of directors.

Related parties

A related party is defined as a person who is a member of the key management personnel of the Foundation.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

3(A) INTANGIBLE ASSET

	Computer software \$
<u>Cost</u>	
At 1 April 2015 and at 31 March 2016	114,423
Additions	116,553
At 31 March 2017	230,976
<u>Accumulated amortisation</u>	
At 1 April 2015	70,318
Amortisation for the year	43,086
At 31 March 2016	113,404
Amortisation for the year	38,724
At 31 March 2017	152,128
<u>Net book value</u>	
At 31 March 2017	78,848
At 31 March 2016	1,019

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2017***3(B) PLANT AND EQUIPMENT**

	Renovation	Furniture and fittings	Computers	Total
	\$	\$	\$	\$
<u>Cost</u>				
At 1 April 2015 and at 31 March 2016	56,118	263,023	70,523	389,664
Additions	-	-	5,954	5,954
At 31 March 2017	56,118	263,023	76,477	395,618
<u>Accumulated depreciation</u>				
At 1 April 2015	33,665	242,039	60,186	335,890
Depreciation for the year	15,549	13,375	6,352	35,276
At 31 March 2016	49,214	255,414	66,538	371,166
Depreciation for the year	6,904	7,609	4,792	19,305
At 31 March 2017	56,118	263,023	71,330	390,471
<u>Net book value</u>				
At 31 March 2017	-	-	5,147	5,147
At 31 March 2016	6,904	7,609	3,985	18,498

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2017***4 ACCOUNT RECEIVABLES**

	2017	2016
	\$	\$
Interest receivable	8,394	10,228
Deposits	17,505	91,110
Other receivables ^	1,319,641	396,887
	1,345,540	498,225

^ This represents the expenses and payments made on behalf of Temasek's five foundations, Temasek Foundation Management Services and S Rajaratnam Endowment CLG Limited.

Account receivables that are considered current and not past due and categorised as financial assets amounted to \$1,345,540 (2016 - \$498,225).

No impairment is necessary in respect of other receivables.

Account receivables are denominated in Singapore dollar.

5 CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Bank balances	2,751,735	2,480,224
Fixed deposits	1,656,799	1,569,775
	4,408,534	4,049,999

The fixed deposits, placed with a financial institution, mature between 6 October 2017 (2016 - 7 October 2016), the earliest date and 26 March 2018 (2016 - 28 February 2017), the latest date, with a maturity of more than three months from the date of acquisition. The interest rates range between 1.35%, the lowest and 1.73%, the highest (2016 - between 1.68%, the lowest and 1.73%, the highest) per annum.

Cash and cash equivalents are denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2017***6 ACCOUNT PAYABLES**

	2017	2016
	\$	\$
Sundry creditors	956,036	126,172
Accrued operating expenses	2,143,575	2,118,308
	3,099,611	2,244,480

The fair value of account payables have not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the statement of financial position to be reasonable approximation of their fair values.

Account payables are denominated in Singapore dollar.

7 PROGRAMME EXPENSES

Against the commitment for each approved programme, Temasek Foundation International CLG Limited 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.

8 EMPLOYEE BENEFIT COSTS

	2017	2016
	\$	\$
Directors and key management personnel of the Foundation, including Directors' fee		
- salaries and related costs	1,363,667	1,503,876
- CPF contributions	58,892	65,280
Other than directors and key management personnel		
- salaries and related costs	657,928	722,028
- CPF contributions	83,432	73,401
	2,163,919	2,364,585

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2017***8(A) RENTAL, UTILITIES AND OFFICE MAINTENANCE**

	2017	2016
	\$	\$
Rental of office *	317,538	317,538
Utilities and maintenance	1,476	418
	319,014	317,956

* The Foundation entered into a non-cancellable operating lease with an external party for a lease period of 10 years commencing 1 September 2012. A portion of the office space is leased out to external parties. Please refer to Note 11 for more details.

9 INCOME TAX

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

10 PROGRAMME COMMITMENTS

Programme commitments approved but not disbursed nor recognised in the financial statements as at the end of the reporting period amounted to \$23,224,172 (2016 - \$24,715,072).

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.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2017***11 OPERATING LEASE COMMITMENTS (NON-CANCELLABLE)**Where the Foundation is the lessee

As at the end of reporting period, the Foundation was committed to making the following rental payment in respect of non-cancellable operating lease for rental of premises with an original term of more than one year:

	2017	2016
	\$	\$
Not later than one year	296,764	296,764
Later than one year and not later than five years	1,187,058	1,187,058
Later than five years	123,652	420,416
Rental expenses for the year	317,538	317,538
Rental income charged to external parties #	(289,658)	(290,322)

The lease on the Foundation's premises on which rental is payable will expire on 31 August 2022. The current rent payable on the lease is \$24,730 (2016 - \$24,730) per month, which is subject to revision on renewal of lease agreement.

As at the end of reporting period, the Foundation entered into cancellable leases with external parties for rental of premises with an original term of more than one year. The leases on which rentals are received will expire on 30 August 2022, with renewals at the then prevailing rates.

12 CAPITAL COMMITMENT

	2017	2016
	\$	\$
Capital expenditure approved and not contracted for purchase of intangible asset but not provided for in the financial statements	-	24,456

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2017

13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole operations of the Foundation. The Foundation has a system of controls in place to create an acceptable balance between cost of risks occurring and the cost of managing the risks. The board of directors continually monitors the Foundation's risk management process to ensure that an appropriate balance between risk and control is achieved.

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 and/or grant recipients quarterly.

As at the end of reporting period, the Foundation does not have any significant credit, liquidity and interest rate exposure, except where explained below.

13.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Foundation has no significant concentrations of credit risk. The maximum exposure to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial asset as indicated in the statement of financial position.

Cash is held with financial institutions of good standing.

13.2 Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Foundation monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Foundation's operations and to mitigate the effects of fluctuation in cash flows. The Foundation's activities are adequately funded by Temasek Trust to meet all its cash requirements.

As at the end of reporting period, there is no non-current item of monetary assets or liabilities which require analysis of the liquidity risk as to its maturity period.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2017***13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****13.3 Cash flow and fair value interest rate risk**

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Foundation is not exposed to any interest rate risk as it has no interest-bearing borrowings.

No sensitivity analysis is prepared as the Foundation has no exposure to significant interest rate risks.

14 FINANCIAL INSTRUMENTS**Fair value**

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

The Foundation does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

The carrying amount of financial assets and financial liabilities in each category is as follows:

	2017	2016
	\$	\$
Financial assets at amortised cost		
Account receivables	1,345,540	498,225
Cash and cash equivalents	4,408,534	4,049,999
	5,754,074	4,548,224
Financial liabilities at amortised cost		
Account payables	3,099,611	2,244,480

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2017***15 COMPARATIVE FIGURES**

The following comparative figures have been reclassified to conform with current year's presentation:

	Reported 31 March 2016 \$	Reclassification 31 March 2016 \$	Restated 31 March 2016 \$
<u>Statement of financial position</u>			
Non-current assets			
Intangible asset	-	1,019	1,019
Plant and equipment	19,517	(1,019)	18,498
<u>Statement of financial activities</u>			
Incoming resources			
Other income	34,362	290,322	324,684
Resources expended			
Amortisation of intangible asset	-	43,086	43,086
Depreciation of plant and equipment	78,362	(43,086)	35,276
Rental, utilities and office maintenance	27,634	290,322	317,956

The above reclassifications have no significant impact on the statement of financial position as at 1 April 2015. Accordingly, the statement of financial position as at 1 April 2015 is not presented.



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