



Financial Statements

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FY2017/2018 Management Analysis

At a Glance

Established in May 2007 by Temasek and originally called Temasek Foundation, Temasek Foundation International received an endowment for programme grants at the outset, and subsequently another endowment for the operating expenses of the foundation. Temasek Trust acts as the steward of the endowments and approves the aggregate annual amounts available for use by the foundation. Temasek Foundation International continued its work into Financial Year (FY) 2017/2018 with the sums committed to programme grants held steady at S\$19.7 million and the number of programmes at 47. 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 was also sustained which affirmed their leadership and co-ownership of the programmes. The following table shows the foundation's 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	FY 2011/2012
S\$ Amount committed to Programmes	S\$14.3 m	S\$15.4 m	S\$16.0 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 (updated)	FY 2017/2018 (provisional)
S\$ Amount committed to Programmes	S\$19.0 m	\$20.9 m	S\$16.6 m	S\$18.2 m	S\$19.2 m	S\$19.7m
Number of Programmes	40	44	41	39	46	47

During the course of implementation, some programmes had to be modified and funding revised accordingly.

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.

FY2017/2018 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 to a specified schedule, and subject to the progress of implementation of the programmes and milestones and targets achieved. For FY 2017/2018, the foundation disbursed a sum of S\$17,346,873 to programmes that were approved in FY 2017/2018 or earlier, with programme activities being implemented progressively and at a consistent pace. For FY 2017/2018, some 38 programmes were concluded, bringing the total number of concluded programmes to 289 out of a total of 394 programmes that the foundation has committed to since inception. The total annual operating expenses of Temasek Foundation International for FY 2017/2018 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	FY 2017/2018
S\$ Total Operating Expenses	S\$3.46 m	S\$3.47 m	S\$3.14 m	S\$3.01m	S\$2.85m	S\$2.97m
Headcount	11	11	10	10	9.25*	10.75*

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

The staff team of Temasek Foundation International expanded in FY 2017/2018 by a full time equivalent ratio of 1.5. New staff were recruited during the year to assume the appointments of staff who had to take up concurrent appointments at Temasek Foundation Management Services. The new staff joined the organisation at various periods of the financial year.

In spite of the increase in headcount, FY 2017/2018 only saw a slight increase in operating expenses i.e. from S\$2.85m to S\$2.97m. This is due to the lower expenses incurred for professional fees and Telecommunication and IT support charges. In FY 2017/18, some of the professional services were provided by Temasek Foundation Management Services and funded separately, and this will continue into the future.

For FY 2017/2018, the "expense-to-grants" ratio of Temasek Foundation International annual operating expenses (including depreciation) to annual committed programme grants was 15.09%. 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 2018

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 2018.

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 2018 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 statement 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)

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.

Directors' Statement

for the financial year ended 31 March 2018

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: 26 June 2018

Independent Auditor's Report

to the members of Temasek Foundation International CLG Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Temasek Foundation International CLG Limited (the "Foundation"), which comprise the statement of financial position of the Foundation as at 31 March 2018, 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 2018 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.

Other Information

Management is responsible for the other information. The other information refers to the "Directors' Statement" section of the annual report, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report. The remaining sections of the annual report and Chairman's message are expected to be made available to us after the date of this auditor's report.

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.

When we read the remaining sections of the annual report and Chairman's message, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Independent Auditor's Report

to the members of Temasek Foundation International CLG Limited (cont'd)

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.

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 (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.

Foo Kon Tan LLP

Public Accountants and
Chartered Accountants

Yeo Boon Chye

Partner in charge of the audit

Singapore, 26 June 2018

Statement of Financial Position

as at 31 March 2018

	Note	31 March 2018 \$	31 March 2017 \$
ASSETS			
Non-current			
Intangible asset	3(a)	19,712	78,848
Plant and equipment	3(b)	10,947	5,147
		30,659	83,995
Current			
Account receivables	4	1,319,182	1,345,540
Prepayments		21,852	15,744
Cash and bank balances	5	4,699,564	4,408,534
		6,040,598	5,769,818
Total assets		6,071,257	5,853,813
ACCUMULATED FUNDS			
Funds		3,156,395	2,754,202
LIABILITIES			
Current			
Account payables	6	2,914,862	3,099,611
Total funds and liabilities		6,071,257	5,853,813

Statement of Financial Activities

as at 31 March 2018

	Note	Year ended 31 March 2018 \$	Year ended 31 March 2017 \$
Incoming resources			
Programme grants		17,346,873	17,263,880
Operating grants		2,869,067	2,760,009
Capital grants		64,675	58,029
Other income		337,047	320,023
Total incoming resources		20,617,662	20,401,941
Resources expended			
Programme expenses	7	17,346,873	17,263,880
Depreciation of plant and equipment	3(a)	5,539	19,305
Amortisation of intangible asset	3(b)	59,136	38,724
Employee benefit costs	8	2,141,913	2,163,919
General and administrative expenses		328,622	168,523
Professional fees		57,192	74,412
Telecommunication and IT support charges		99,194	113,116
Rental, utilities and office maintenance	9	319,637	319,014
Travelling and transport		259,556	241,048
Total resources expended		20,617,662	20,401,941
Net incoming resources		-	-

Statement of Changes in Funds

as at 31 March 2018

	PROGRAMME FUNDS			Sub-total \$	Operating funds \$	Capital funds \$	Sabah earthquake fund* \$	Total \$
	Funds to non-IPC entities \$	Funds to IPC entities \$	Funds for internal programmes \$					
Balance at 1 April 2016	640,083	50,185	37,785	728,053	1,487,646	113,740	(205)	2,329,234
Grants received	14,495,000	2,573,000	-	17,068,000	3,438,681	-	205	20,506,886
Grants recognised as incoming resources	(14,333,958)	(2,572,791)	(357,131)	(17,263,880)	(2,760,009)	(58,029)	-	(20,081,918)
Transfer	(285,852)	-	269,474	(16,378)	(11,906)	28,284	-	-
Balance at 31 March 2017	515,273	50,394	(49,872)	515,795	2,154,412	83,995	-	2,754,202
Grants received	14,663,009	2,461,289	238,829	17,363,127	3,319,681	-	-	20,682,808
Grants recognised as incoming resources	(14,561,505)	(2,461,289)	(324,079)	(17,346,873)	(2,869,067)	(64,675)	-	(20,280,615)
Transfer	(118,739)	(3)	135,122	16,380	(27,719)	11,339	-	-
Balance at 31 March 2018	498,038	50,391	-	548,429	2,577,307	30,659	-	3,156,395

*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 2018

	Note	Year ended 31 March 2018 \$	Year ended 31 March 2017 \$
Cash Flows from Operating Activities			
Receipts from grants		20,682,808	20,506,886
Payments to programme partners, suppliers and employees		(20,386,069)	(20,032,525)
Net cash generated from operating activities		296,739	474,361
Cash Flows from Investing Activities			
Acquisition of intangible asset	3(a)	-	(116,553)
Acquisition of plant and equipment	3(b)	(11,339)	(5,954)
Fixed deposits with a maturity of more than three months		(681,498)	(87,024)
Interest received		5,630	6,681
Net cash used in investing activities		(687,207)	(202,850)
Net (decrease)/increase in cash and cash equivalents		(390,468)	271,511
Cash and cash equivalents at beginning of year		2,751,735	2,480,224
Cash and cash equivalents at end of year		2,361,267	2,751,735
The cash and cash equivalents comprise:			
Bank balances		2,361,267	2,751,735
Fixed deposits		2,338,297	1,656,799
Cash and bank balances	5	4,699,564	4,408,534
Less:			
Fixed deposits with a maturity of more than three months		(2,338,297)	(1,656,799)
Cash and cash equivalents		2,361,267	2,751,735

The annexed notes form an integral part and should be read in conjunction with these financial statements.

Notes to the Financial Statements

for the financial year ended 31 March 2018

1 General information

The financial statements of the Foundation for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on the date of 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 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 Philanthropic Platform.

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.

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.

Notes to the Financial Statements

for the financial year ended 31 March 2018

2(a) Basis of preparation (Cont'd)

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 2018 was \$19,712 (2017 - \$78,848). 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 not be significantly different.

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 2018 was \$10,947 (2017 - \$5,147). 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 \$1,000 (2017 - \$2,000) higher or \$1,000 (2017 - \$2,000) lower.

2(b) Interpretations and amendments to published standards effective in 2017

On 1 April 2017, the Foundation adopted the new or amended FRSs that are mandatory for application for the financial year. 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:

Reference	Description
Amendments to FRS 7	Disclosure initiatives – Statement of Cash Flows

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 except for the following:

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 statements 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.

Notes to the Financial Statements

for the financial year ended 31 March 2018

2(c) FRS issued but 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)
FRS 109	Financial Instruments	1 January 2018
FRS 116	Leases	1 January 2019

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.

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.

Notes to the Financial Statements

for the financial year ended 31 March 2018

2(d) Summary of significant accounting policies (Cont'd)

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

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.

Interest income

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

Notes to the Financial Statements

for the financial year ended 31 March 2018

2(d) Summary of significant accounting policies (Cont'd)

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.

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.

Notes to the Financial Statements

for the financial year ended 31 March 2018

2(d) Summary of significant accounting policies (Cont'd)

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.

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.

Notes to the Financial Statements

for the financial year ended 31 March 2018

2(d) Summary of significant accounting policies (Cont'd)

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 of the Income Tax Act.

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 2018

3(a) Intangible asset

	Computer software \$
<u>Cost</u>	
At 1 April 2016	114,423
Additions	116,553
As at 31 March 2017	230,976
Additions	-
At 31 March 2018	230,976
<u>Accumulated amortisation</u>	
At 1 April 2016	113,404
Amortisation for the year	38,724
At 31 March 2017	152,128
Amortisation for the year	59,136
At 31 March 2018	211,264
<u>Net book value</u>	
At 31 March 2018	19,712
At 31 March 2017	78,848

3(b) Plant and equipment

	Renovation \$	Furniture and fittings \$	Computers \$	Total \$
<u>Cost</u>				
At 1 April 2016	56,118	263,023	70,523	389,664
Additions	-	-	5,954	5,954
As at 31 March 2017	56,118	263,023	76,477	395,618
Additions	-	-	11,339	11,339
At 31 March 2018	56,118	263,023	87,816	406,957
<u>Accumulated depreciation</u>				
At 1 April 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
Depreciation for the year	-	-	5,539	5,539
At 31 March 2018	56,118	263,023	76,869	396,010
<u>Net book value</u>				
At 31 March 2018	-	-	10,947	10,947
At 31 March 2017	-	-	5,147	5,147

Notes to the Financial Statements

for the financial year ended 31 March 2018

4 Account receivables

	2018 \$	2017 \$
Interest receivable	12,364	8,394
Deposits	13,505	17,505
Other receivables ^	1,293,313	1,319,641
	1,319,182	1,345,540

^ This represents the expenses and payments made on behalf of Temasek's five foundations and Temasek Foundation Management Services.

Account receivables that are considered current and not past due and categorised as financial assets amounted to \$1,319,182 (2017 - \$1,345,540).

No impairment is necessary in respect of other receivables.

Account receivables are denominated in Singapore dollar.

5 Cash and bank balances

	2018 \$	2017 \$
Bank balances	2,361,267	2,751,735
Fixed deposits	2,338,297	1,656,799
	4,699,564	4,408,534

The fixed deposits, placed with a financial institution, mature between 28 September 2018 (2017 - 6 October 2017), the earliest date and 1 April 2019 (2017 - 26 March 2018), the latest date, with a maturity of more than three months from the date of acquisition. The interest rates range between 1.40%, the lowest and 1.45%, the highest (2017 - between 1.35%, the lowest and 1.73%, the highest) per annum.

Cash and bank balances are denominated in Singapore dollar.

6 Account payables

	2018 \$	2017 \$
Sundry creditors	159,404	956,036
Accrued operating expenses	2,755,458	2,143,575
	2,914,862	3,099,611

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.

Notes to the Financial Statements

for the financial year ended 31 March 2018

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

	2018	2017
	\$	\$
Directors and key management personnel of the Foundation, including Directors' fee		
- salaries and related costs	1,129,564	1,363,667
- CPF contributions	50,385	58,892
Other than directors and key management personnel		
- salaries and related costs	925,351	657,928
- CPF contributions	129,807	83,432
	2,235,107	2,163,919
Charged to:		
- Programme expenses	93,194	-
- Employee benefit costs	2,141,913	2,163,919
	2,235,107	2,163,919

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Foundation. The Foundation has four key management personnel during the financial year ended 31 March 2018.

9 Rental, utilities and office maintenance

	2018	2017
	\$	\$
Rental of office *	317,538	317,538
Utilities and maintenance	2,099	1,476
	319,637	319,014

* 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 12 for more details.

10 Income tax

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

Notes to the Financial Statements

for the financial year ended 31 March 2018

11 Programme commitments

Programme commitments approved but not disbursed nor recognised in the financial statements as at the end of the reporting period amounted to \$23,325,705 (2017 - \$23,224,172).

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.

12 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:

	2018 \$	2017 \$
Not later than one year	296,764	296,764
Later than one year and not later than five years	1,013,945	1,187,058
Later than five years	-	123,652
Rental expenses for the year (Note 9)	317,538	317,538
Rental income charged to external parties #	(299,021)	(289,658)

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 (2017 - \$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 31 August 2022, with renewals at the then prevailing rates.

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.

Notes to the Financial Statements

for the financial year ended 31 March 2018

13 Financial risk management objectives and policies (Cont'd)

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.

13.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Foundation's financial instruments will fluctuate because of changes in market interest rates.

The Foundation is not exposed to any interest rate risk as it does not have any significant financial instruments with variable interest rates.

13.4 Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Foundation does not hold any quoted or marketable financial instrument, hence is not exposed to any movement in market prices.

Notes to the Financial Statements

for the financial year ended 31 March 2018

14 Financial Instruments

(a) Fair values

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

(b) Financial instruments by category

The carrying amount of the different categories of financial instrument is as disclosed on the face of the statement of financial position except as follows:

	2018 \$	2017 \$
Loans and receivables		
Account receivables	1,319,182	1,345,540
Cash and bank balances	4,699,564	4,408,534
	6,018,746	5,754,074
Financial liabilities, at amortised cost		
Account payables	2,914,862	3,099,611



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