Connected Global Communities

Temasek Foundation International Financial Statements 2018/2019

TEMASEK FOUNDATION International

Financial Statements

FY2018/2019 Management Analysis

At a Glance

Established in May 2007 by Temasek and originally called Temasek Foundation, Temasek Foundation International manages three endowments, where the aggregate annual amounts available for use are approved for use by Temasek Trust:

- a main endowment for programme grants;
- a STEP endowment to build youth leadership and connections; and
- an endowment for the operating expenses of the foundation.

Outreach to communities across Asia was achieved through a steady level of programmes and high level of co-funding from host community partners.

Summary of Grants Committed for Financial Year (FY) 2018/2019:

- Main endowment: S$19.7 million towards 41 programmes
- STEP endowment: S$3 million towards 12 programmes

Cumulative total (Main and STEP endowment) across all years:

- S$216 million in grants towards 447 programmes

TABLE 1: PROGRAMME FUNDING COMMITMENT (UPDATED)

	FY 2007/ 2008	**FY 2008/ 2009**	**FY 2009/ 2010**	**FY 2010/ 2011**	**FY 2011/ 2012**	**FY 2012/ 2013**
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	S$19.0 m
Number of Programmes	14	32	33	26	32	40
	FY 2013/ 2014 (updated)	**FY 2014/ 2015** (updated)	**FY 2015/ 2016** (updated)	**FY 2016/ 2017** (updated)	**FY2017/ 2018** (updated)	**FY2018/ 2019** (provisional)
S$ Amount committed to Programmes	$20.7 m	S$16.4 m	S$17.2 m	S$18.4 m	S$19.3m	S$22.7m Main: S$19.7m STEP: S$3.0m
Number of Programmes	44	41	39	46	47	53 Main: 41 STEP: 12

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.

FY2018/2019 Management Analysis (Cont'd)

Financial Management

To minimise the financial risks associated with programme funding, the foundation practises the following:

- disburse committed funds only in tranches to partner organisations according to a specified schedule; and
- disburse committed funds subject to the progress of implementation of the programmes and milestones and targets achieved.

Disbursements for FY 2018/2019:

- Total disbursed: S$16,502,892 (Main endowment: S$15,154,039; STEP endowment: S$1,348,853) to programmes that were approved in FY 2018/2019 or earlier

Concluded Programmes:

- FY 2018/2019: 49 programmes (Main endowment: 45; STEP endowment: 4)
- Total (across all years): 338 out of a total of 447 programmes (Main endowment: 334 out of 435; STEP endowment: 4 out of 12)

TABLE 2: TOTAL ANNUAL OPERATING EXPENSES (UPDATED)

	FY 2007/ 2008	**FY 2008/ 2009**	**FY 2009/ 2010**	**FY 2010/ 2011**	**FY 2011/ 2012**	**FY 2012/ 2013**
S$ Total Operating Expenses	S$1.88 m	S$2.29 m	S$2.43 m	S$2.69 m	S$3.08 m	S$3.46 m
	FY 2013/ 2014	**FY 2014/ 2015**	**FY 2015/ 2016**	**FY 2016/ 2017**	**FY 2017/ 2018**	**FY 2018/ 2019**
S$ Total Operating Expenses	S$3.47 m	S$3.14 m	S$3.01m	S$2.85m	S$2.97m	S$3.27m

Increase in operating expenses due to team build up to develop and manage the programmes under the new endowment.

For FY 2018/2019, the "expense-to-grants" ratio of Temasek Foundation's annual operating expenses (including depreciation) to annual committed programme grants was 14.41%. 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 2019

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 2019.

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 2019 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.

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: 28 May 2019

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 2019, 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 2019 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 comprises the Directors' statement 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, 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.

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.

Independent Auditor's Report to the members of Temasek Foundation International CLG Limited (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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, 28 May 2019

Statement of Financial Position

as at 31 March 2019

	Note	31 March 2019 $	31 March 2018 $
ASSETS			
Non-current			
Intangible asset	3(a)	-	19,712
Plant and equipment	3(b)	**31,423**	10,947
		31,423	30,659
Current			
Account receivables	4	**1,277,909**	1,319,182
Prepayments		**24,622**	21,852
Cash and bank balances	5	**6,541,510**	4,699,564
		7,844,041	6,040,598
Total assets		**7,875,464**	6,071,257
ACCUMULATED FUNDS			
Funds		**4,036,133**	3,156,395
LIABILITIES			
Current			
Account payables	6	**3,839,331**	2,914,862
Total funds and liabilities		**7,875,464**	6,071,257

Statement of Financial Activities

for the financial year ended 31 March 2019

	Note	Year ended 31 March 2019 $	Year ended 31 March 2018 $
Incoming resources			
Programme grants		**16,502,892**	17,346,873
Operating grants		**3,239,985**	2,869,067
Capital grants		**30,214**	64,675
Other income		**296,078**	337,047
Total incoming resources		**20,069,169**	20,617,662

	Note	Year ended 31 March 2019 $	Year ended 31 March 2018 $
Resources expended			
Programme expenses	7	**16,502,892**	17,346,873
Depreciation of plant and equipment	3(b)	**10,502**	5,539
Amortisation of intangible asset	3(a)	**19,712**	59,136
Employee benefit costs	8	**2,652,054**	2,141,913
General and administrative expenses		**202,135**	328,622
Professional fees		**72,862**	57,192
Telecommunication and IT support charges		**86,870**	99,194
Rental, utilities and office maintenance	9	**319,841**	319,637
Travelling and transport		**202,301**	259,556
Total resources expended		**20,069,169**	20,617,662
Net incoming resources		-	-

Statement of Changes in Funds

for the financial year ended 31 March 2019

	PROGRAMME FUNDS							
	Funds to non-IPC entities **$**	**Funds to IPC entities (STEP*)** **$**	**Funds to IPC entities (Others)** **$**	**Funds for internal progra-mmes** **$**	**Sub-total** **$**	**Ope-rating funds** **$**	**Capital funds** **$**	**Total** **$**
Balance at 1 April 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**
Grants received	12,818,812	1,498,853	2,163,603	555,066	17,036,334	3,616,495	-	20,652,829
Grants recognised as incoming resources	(12,285,082)	(1,348,853)	(2,163,603)	(705,354)	(16,502,892)	(3,239,985)	(30,214)	(19,773,091)
Transfer	(150,288)	-	-	150,288	-	(30,978)	30,978	-
Balance at 31 March 2019	**881,480**	**150,000**	**50,391**	-	**1,081,871**	**2,922,839**	**31,423**	**4,036,133**

* Singapore Technologies Endowment Programme ("STEP")

Statement of Cash Flows

for the financial year ended 31 March 2019

	Note	Year ended 31 March 2019 $	Year ended 31 March 2018 $
Cash flows from operating activities			
Receipts from grants		**20,652,830**	20,682,808
Payments to programme partners, suppliers and employees		**(18,785,681)**	(20,386,069)
Net cash (used in)/generated from operating activities		**1,867,149**	296,739
Cash flows from investing activities			
Acquisition of plant and equipment	3(b)	**(30,978)**	(11,339)
Fixed deposits with a maturity of more than three months		**1,946,468**	(681,498)
Interest received		**5,775**	5,630
Net cash generated from/(used in) investing activities		**1,921,265**	(687,207)
Net increase/(decrease) in cash and cash equivalents		**3,788,414**	(390,468)
Cash and cash equivalents at beginning of year		**2,361,267**	2,751,735
Cash and cash equivalents at end of year		**6,149,681**	2,361,267

The cash and cash equivalents comprise:

Bank balances		**6,149,681**	2,361,267
Fixed deposits		**391,829**	2,338,297
Cash and bank balances	5	**6,541,510**	4,699,564
Less:			
Fixed deposits with a maturity of more than three months		-	(2,338,297)
Cash and cash equivalents		**6,541,510**	2,361,267

Notes to the Financial Statements
for the financial year ended 31 March 2019

1 General information

The financial statements of the Foundation for the financial year ended 31 March 2019 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.

It is the initiative of the Foundation to utilise the programme funds obtained to be disbursed (incoming resources) when the programmes are approved by the Board of Directors (See Note 7).

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 2019 (Cont'd)

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.

<u>Significant accounting estimates and judgements</u>
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.

<u>Critical accounting estimates and assumptions used in applying accounting policies</u>

<u>Amortisation of intangible asset [Note 3(a)]</u>
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 2019 was $ Nil (2018 - $19,712). 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.

<u>Depreciation of plant and equipment [Note 3(b)]</u>
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 2019 was $31,423 (2018 - $10,947). 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 not be significantly different.

Notes to the Financial Statements

for the financial year ended 31 March 2019 (Cont'd)

2(b) Interpretations and amendments to published standards effective in 2019

The adoption of the following FRSs does not have a material impact on the financial statements of the Foundation:

Reference	Description
FRS 115	Revenue from Contracts with Customers
FRS 109	Financial Instruments
INT FRS 22	Foreign Currency Transactions and Advance Consideration

<u>FRS 115 – Revenue from Contracts with Customers</u>
FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

The standard replaces FRS 11 Construction Contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for Construction of Real Estate, INT FRS 118 Transfer of Assets from Customers and INT FRS 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

The amendments to FRS 115 clarify how to:
- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)
- Determine whether the revenue from granting a license should be recognised at a point in time or over time.

Management has reassessed the revenue recognition of the Foundation and there is no material impact on the Foundation's financial position and performance.

<u>FRS 109 – Financial instruments</u>
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.

Notes to the Financial Statements
for the financial year ended 31 March 2019 (Cont'd)

(i) *Classification and measurement of financial assets and financial liabilities*
Under FRS 109, financial assets are classified in the following categories: measured at amortised cost, FVOCI – debt instrument, FVOCI – equity instrument; or FVTPL. The classification of financial assets under FRS 109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. FRS 109 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under FRS 109, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. There is no reclassifications resulting from management's assessment on the adoption of FRS 109.

The adoption of FRS 109 has not had a significant effect on the Foundation's accounting policies for financial liabilities.

The following table presents original measurement categories under FRS 39 and the new measurement categories under FRS 109 for each class of the Foundation's financial assets as of 1 April 2018.

Foundation	**Original classification under FRS 39** (Up to financial year ended 31 March 2018)	**New classification under FRS 109** (Effective from 1 April 2018)
Financial assets		
Account receivables	Loan and receivables	Amortised cost
Cash and bank balances	Loan and receivables	Amortised cost

(ii) *Impairment of financial assets*
The other receivables are subject to the expected credit loss impairment model under FRS 109 as disclosed in Note 2(d) and Note 13.1.

Notes to the Financial Statements

for the financial year ended 31 March 2019 (Cont'd)

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 116	Leases	1 January 2019
Amendments to FRS 1 and FRS 8	Definition of Material	1 January 2020

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.

Amendments to FRS 1 and FRS 8 Definition of Material
The amendments clarify that the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in FRSs. Materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary user.

The amendments to FRS 1 and FRS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted.

Notes to the Financial Statements
for the financial year ended 31 March 2019 (Cont'd)

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

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.

Notes to the Financial Statements

for the financial year ended 31 March 2019 (Cont'd)

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 based on the effective interest method.

Financial assets

The accounting for financial assets before 1 April 2018 is as follows:

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.

Notes to the Financial Statements
for the financial year ended 31 March 2019 (Cont'd)

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 account receivables and deposits held in a bank. 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.

The accounting for financial assets from 1 April 2018 is as follows:

Classification and measurement
The Foundation shall classify its financial assets in the following measurement categories:
- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

Notes to the Financial Statements
for the financial year ended 31 March 2019 (Cont'd)

The classification depends on the Foundation's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Foundation reclassifies debt instruments when and only when its business model for managing those assets changes.

Other than debt instruments at amortised cost, the Foundation has not designated any financial assets at fair value through profit or loss and fair value through other comprehensive income.

At initial recognition
At initial recognition, the Foundation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement
Debt instruments
Debt instruments mainly comprise of cash and cash equivalents and grant receivables.

The Foundation's business model for these financial assets is by collecting the contractual cash flow where those cash flows represent solely payments of principal and interest, measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment
The Foundation assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 13.1 details how the Foundation determines whether there has been a significant increase in credit risk.

For grant receivables and cash and bank deposits, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Notes to the Financial Statements
for the financial year ended 31 March 2019 (Cont'd)

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Foundation commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership.

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.

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, an 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.

Notes to the Financial Statements

for the financial year ended 31 March 2019 (Cont'd)

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 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.

Notes to the Financial Statements
for the financial year ended 31 March 2019 (Cont'd)

Related parties
A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Foundation if that person:
- (i) has control or joint control over the Foundation;
- (ii) has significant influence over the Foundation; or
- (iii) is a member of the key management personnel of the Foundation.

(b) An entity is related to the Foundation if any of the following conditions applies:
- (i) the entity and the Foundation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Foundation or an entity related to the Foundation. If the Foundation is itself such a plan, the sponsoring employers are also related to the Foundation;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Notes to the Financial Statements
for the financial year ended 31 March 2019 (Cont'd)

3(a) Intangible asset

	Computer software $
Cost	
At 1 April 2017	230,976
Additions	-
As at 31 March 2018	230,976
Additions	-
At 31 March 2019	**230,976**
Accumulated amortisation	
At 1 April 2017	152,128
Amortisation for the year	59,136
At 31 March 2018	211,264
Amortisation for the year	19,712
At 31 March 2019	**230,976**
Net book value	
At 31 March 2019	-
At 31 March 2018	19,712

Notes to the Financial Statements

for the financial year ended 31 March 2019 (Cont'd)

3(b) Plant and equipment

	Renovation	Furniture and fittings	Computers	Total
	$	$	$	$
Cost				
At 1 April 2017	56,118	263,023	76,477	395,618
Additions	-	-	11,339	11,339
As at 31 March 2018	56,118	263,023	87,816	406,957
Additions	-	-	30,978	30,978
At 31 March 2019	**56,118**	**263,023**	**118,794**	**437,935**
Accumulated depreciation				
At 1 April 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
Depreciation for the year	-	-	10,502	10,502
At 31 March 2019	**56,118**	**263,023**	**87,371**	**406,512**
Net book value				
At 31 March 2019	-	-	**31,423**	**31,423**
At 31 March 2018	-	-	10,947	10,947

Notes to the Financial Statements

for the financial year ended 31 March 2019 (Cont'd)

4 Account receivables

	2019	**2018**
	$	**$**
Interest receivable	**5,775**	12,364
Deposits	**13,505**	13,505
Other Temasek Foundations ^	**1,172,420**	1,275,470
Other receivables	**86,209**	17,843
	1,277,909	1,319,182

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

Account receivables that are considered current and not past due and categorised as financial assets amounted to $1,277,909 (2018 - $1,319,182).

No impairment is necessary in respect of other receivables.

Account receivables are denominated in Singapore dollar.

5 Cash and bank balances

	2019	**2018**
	$	**$**
Bank balances	**6,149,681**	2,361,267
Fixed deposits	**391,829**	2,338,297
	6,541,510	4,699,564

The fixed deposits, placed with a financial institution, mature on 1 April 2019 (2018 – mature between 28 September 2018, the earliest date and 1 April 2019, the latest date), with a maturity of more than three months from the date of acquisition. The interest rate is 1.45% (2018 – ranged between 1.40%, the lowest and 1.45%, the highest) per annum.

Cash and bank balances are denominated in Singapore dollar.

Notes to the Financial Statements

for the financial year ended 31 March 2019 (Cont'd)

6 Account payables

	2019 $	2018 $
Accrued operating expenses	**3,752,035**	2,755,458
Sundry creditors	**87,296**	159,404
	3,839,331	2,914,862

The fair value of account payables has 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.

Notes to the Financial Statements
for the financial year ended 31 March 2019 (Cont'd)

8 Employee benefit costs

	2019 $	2018 $
Directors and key management personnel of the Foundation, including Directors' fee		
- salaries and related costs	**1,227,000**	1,129,564
- CPF contributions	**56,704**	50,385
Other than directors and key management personnel		
- salaries and related costs	**1,336,328**	925,351
- CPF contributions	**172,697**	129,807
	2,792,729	2,235,107
Charged to:		
- Programme expenses	**140,675**	93,194
- Employee benefit costs	**2,652,054**	2,141,913
	2,792,729	2,235,107

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 2019.

9 Rental, utilities and office maintenance

	2019 $	2018 $
Rental of office *	**317,538**	317,538
Utilities and maintenance	**2,303**	2,099
	319,841	319,637

* 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.

Notes to the Financial Statements
for the financial year ended 31 March 2019 (Cont'd)

10 Income tax

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

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 $27,020,269 (2018 - $23,325,705).

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:

	2019 $	2018 $
Not later than one year	**317,538**	317,538
Later than one year and not later than five years	**767,383**	1,084,921
Later than five years	**-**	-
Rental expenses for the year (Note 9)	**317,538**	317,538
Rental income charged to external parties #	**(294,936)**	(299,021)

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 $26,461 (2018 - $26,461) 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.

Notes to the Financial Statements
for the financial year ended 31 March 2019 (Cont'd)

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 according to payment schedules reflected in the agreements.

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.

The Foundation's financial assets are cash and bank balances and account receivables. Cash is held with financial institutions of good standing.

There is no expected credit loss as the income resources are grant received according to programme designated.

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'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 2019 (Cont'd)

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.

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 amounts of financial assets and financial liabilities at the reporting date by categories of FRS 109 are as follows:

	2019 $	2018 $
Financial assets at amortised cost		
Account receivables	**1,277,909**	1,319,182
Cash and bank balances	**6,541,510**	4,699,564
	7,819,419	6,018,746
Financial liabilities at amortised cost		
Account payables	**3,839,331**	2,914,862

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