

Financial statements

Temasek Foundation Connects CLG Limited
(A company limited by guarantee)

31 March 2018

Company information

Company registration number	201614829H
Registered office	60B Orchard Road #06-18 Tower 2 The Atrium@Orchard Singapore 238891
Directors	Lim Siang Hoe Benny (Chairman) Khoo Teng Chye Quek See Tiat Dr Beh Swan Gin Albert Chua Devan Janadas (Appointed on 1 June 2017)
Secretary	Toon Fong Juat (Appointed on 31 August 2017) Tan San-Ju (Resigned 31 August 2017)
Auditor	Foo Kon Tan LLP Chartered Accountants 24 Raffles Place, #07-03 Clifford Centre Singapore 048621

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Directors' statement

for the financial year ended 31 March 2018

The directors of Temasek Foundation Connects 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 of 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, the Charities Act, Chapter 37 and other relevant regulations and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

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

Lim Siang Hoe Benny (Chairman)
Khoo Teng Chye
Quek See Tiat
Dr Beh Swan Gin
Albert Chua
Devan Janadas (Appointed on 1 June 2017)

Directors' interest in shares or debentures

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

Share options

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

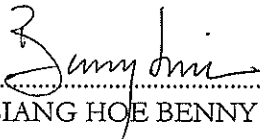
Temasek Foundation Connects CLG Limited
(A company limited by guarantee)
Directors' statement for the financial year ended 31 March 2018

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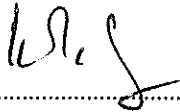
Independent auditor

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

On behalf of the Directors



.....
LIM SIANG HOE BENNY
Chairman



.....
KHOO TENG CHYE
Director

Dated: 23 May 2018

Independent auditor's report to the members of Temasek Foundation Connects CLG Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Temasek Foundation Connects 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"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") 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 comprises the Directors' statement 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 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 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 Connects 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, the Charities Act and Regulations 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 Connects 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 to be kept by the Foundation have been properly kept in accordance with the provisions of the Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year the Charity has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.



Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Yeo Boon Chye
Partner in charge of the audit

Singapore, 23 May 2018

Statement of financial position

as at 31 March 2018

	Note	31 March 2018 \$	31 March 2017 \$
Assets			
Non-current			
Intangible asset	3(a)	22,283	-
Plant and equipment	3(b)	39,310	62,908
		61,593	62,908
Current			
Account receivables	4	117,079	532,268
Prepayments		3,388	-
Cash and cash equivalents	5	1,734,161	-
		1,854,628	532,268
Total assets		1,916,221	595,176
Accumulated funds			
Funds		1,143,675	226,219
Liabilities			
Current			
Other payables	6	772,546	368,957
Total funds and liabilities		1,916,221	595,176

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

Statement of financial activities

for the financial year ended 31 March 2018

	Note	Year ended 31 March 2018 \$	Period from 1 June 2016 (the date of incorporation) to 31 March 2017 \$
Incoming resources			
Programme grants		3,922,144	41,724
Operating grants		634,135	358,171
Capital grants		41,343	2,741
Miscellaneous income		-	1,688
Total incoming resources		4,597,622	404,324
Resources expended			
Programme expenses	7	3,922,144	41,724
Depreciation of plant and equipment	3(b)	38,160	2,741
Amortisation of computer software	3(a)	3,183	-
Employee benefit costs	8	490,983	319,669
General and administrative expenses		143,152	40,190
Total resources expended		4,597,622	404,324
Net incoming resources		-	-

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

Statement of changes in funds

for the financial year ended 31 March 2018

	Programme funds# \$	Operating funds \$	Capital funds \$	Total \$
Balance at 1 June 2016 (the date of incorporation)	-	-	-	-
Transfer from S Rajaratnam Endowment ("SRE") *	341,251	(87,885)	63,125	316,491
Grants receivable ^	-	303,371	8,993	312,364
Grants utilised as incoming resources	(41,724)	(358,171)	(2,741)	(402,636)
Transfer	(136,216)	142,685	(6,469)	-
Balance at 31 March 2017	163,311	-	62,908	226,219
Grant received	4,825,000	577,900	-	5,402,900
Transfers from Hon Sui Sen Endowment ("HSSE") **	106,579	5,599	-	112,178
Grants utilised as incoming resources	(3,922,144)	(634,135)	(41,343)	(4,597,622)
Transfer	(142,044)	102,016	40,028	-
Balance at 31 March 2018	1,030,702	51,380	61,593	1,143,675

* Pursuant to the deed of asset transfer between S Rajaratnam Endowment CLG Limited and the Foundation effected on 15 March 2017, the assets, liabilities and operations of SRE were effectively transferred by way of a gift to the Foundation. Please refer to Note 10(a)(i) for details.

** Pursuant to the deed of asset transfer between Hon Sui Sen Endowment CLG Limited and the Foundation effected on 20 July 2017, the assets, liabilities and operations of HSSE were effectively transferred by way of a gift to the Foundation. Please refer to Note 10(a)(ii) for details.

^ Grants had been received on 25 May 2017. Please refer to Note 4 for details.

Funds received from Temasek Trust for the purpose of supporting programmes, which seek to build bridges and partnerships, and promote dialogue and mutual understanding across international communities and markets.

Statement of cash flows

for the financial year ended 31 March 2018

	Note	Year ended 31 March 2018 \$	Period from 1 June 2016 (the date of incorporation) to 31 March 2017 \$
Cash Flows from Operating Activities			
Receipts from grants		5,515,078	-
Payments to programme partners, suppliers and employees		(3,740,889)	-
Net cash generated from operating activities		1,774,189	-
Cash Flows from Investing Activities			
Acquisition of intangible asset	3(a)	(25,466)	-
Acquisition of plant and equipment	3(b)	(14,562)	-
Net cash used in investing activities		(40,028)	-
Net increase in cash and cash equivalents		1,734,161	-
Cash and cash equivalents at beginning of the year/period		-	-
Cash and cash equivalents at end of the year/period	5	1,734,161	-

The annexed notes form an integral part of 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 Directors' statement dated 23 May 2018.

The Foundation was incorporated in Singapore on 1 June 2016 as a company limited by guarantee and without share capital. The Foundation was registered as a charity on 28 April 2017 under the Charities Act, Chapter 37. The Foundation did not conduct any fund raising activities during the period from 28 April 2017 to 31 March 2018.

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

The Foundation is a Singapore-based non-profit philanthropic organisation that funds and supports programmes, which seek to build bridges and partnerships, and promote dialogue and mutual understanding across international communities and markets.

Established in 2016, the Foundation's programmes promote dialogue and advance collective knowledge and mutual understanding in key areas that are important to Singapore and on a global front. These include various issues such as security, geopolitics and economic imperatives of emerging markets, as well as best practices in areas such as corporate governance and stewardship. The Foundation provides oversight to two endowments - the S Rajaratnam Endowment ("SRE") and the Hon Sui Sen Endowment ("HSSE").

Pursuant to the deed of asset transfer between S Rajaratnam Endowment CLG Limited and the Foundation effected 15 March 2017, the assets, liabilities and operations of SRE were effectively transferred by way of a gift to the Foundation. Pursuant to the deed of asset transfer between Hon Sui Sen Endowment CLG Limited and the Foundation effected on 20 July 2017, the assets, liabilities and operations of HSSE were effectively transferred by way of a gift to the Foundation.

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.

2(a) Basis of preparation (Cont'd)**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 period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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

Critical accounting estimates and assumptions used in applying accounting policies**Amortisation of intangible asset [Note 3(a)]**

Intangible asset is amortised on a straight-line basis over its estimated useful life. Management estimates the useful life of intangible asset to be 3 years. The carrying amount of the Foundation's intangible asset as at 31 March 2018 was \$22,283 (2017 - \$ Nil). 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 differs by 10% from management's estimates, the carrying amount of the Foundation's intangible asset will be approximately \$300 (2017 - \$ Nil) higher or \$400 (2017 - \$ Nil) lower.

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 \$39,309 (2017 - \$62,908). 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 \$3,000 (2017 - \$200) higher or \$4,000 (2017 - \$300) lower.

2(b) Interpretations and amendments to published standards effective in 2018

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 has no impact to the financial position and performance of the Foundation.

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 3 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.

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:

Equipment	2 years
Computers	2 years
Renovation	3 years
Furniture and fittings	3 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 period in which it is incurred.

For acquisitions and disposals during the financial period, 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 are recognised as incoming resources to match the related programme costs. Programme costs are recognised as expenses in the statement of financial activities when incurred in the current financial period.

Operating grants 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.

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 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.

Cash and cash equivalents

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

2(d) Summary of significant accounting policies (Cont'd)**Financial liabilities**

The Foundation's financial liabilities include other 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.

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

Employee benefits

Reference to Note 8, employee benefits are in relation to employees contracted under Temasek Foundation International CLG Limited ("TFI"). TFI charges the Foundation on a cost recovery basis.

Income taxes

The Foundation is registered as a charity on 28 April 2017 under the Charities Act, Chapter 37. With effect from Year of Assessment 2008, all registered charities are not required to file income tax returns and will enjoy automatic income tax exemption falling within Section 13(1)(zm) 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 currencyFunctional 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.

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

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.

3(a) Intangible asset

	Computer software \$
<u>Cost</u>	
At 1 June 2016 (date of incorporation) and at 31 March 2017	-
Additions	25,466
At 31 March 2018	25,466
<u>Accumulated amortisation</u>	
At 1 June 2016 (date of incorporation) and at 31 March 2017	-
Amortisation for the year	3,183
At 31 March 2018	3,183
<u>Net book value</u>	
At 31 March 2018	22,283
At 31 March 2017	-

3(b) Plant and equipment

	Furnitures and equipment \$	Computers \$	Renovation \$	Total \$
<u>Cost</u>				
At 1 June 2016 (the date of incorporation)	-	-	-	-
Additions	19,439	5,748	40,462	65,649
At 31 March 2017	19,439	5,748	40,462	65,649
Additions	161	14,401	-	14,562
At 31 March 2018	19,600	20,149	40,462	80,211
<u>Accumulated depreciation</u>				
At 1 June 2016 (the date of incorporation)	-	-	-	-
Depreciation for the period	845	485	1,411	2,741
At 31 March 2017	845	485	1,411	2,741
Depreciation for the year	10,184	8,532	19,444	38,160
At 31 March 2018	11,029	9,017	20,855	40,901
<u>Net book value</u>				
At 31 March 2018	8,571	11,132	19,607	39,310
At 31 March 2017	18,594	5,263	39,051	62,908

Notes to the financial statements for the financial year ended 31 March 2018

4 Account receivables

	2018 \$	2017 \$
Grant receivables for:		
- operating funds #	-	303,371
- capital funds #	-	8,993
	-	312,364
Receivables from:		
- S Rajaratnam Endowment CLG Limited ^	-	140,112
- Temasek Foundation Ecosperity CLG Limited *	-	61,535
- Trusted Board Ltd	-	2,407
	-	204,054
Account receivable	101,439	-
Deposits	15,640	15,850
	<u>117,079</u>	<u>532,268</u>

Money had been received on 25 May 2017

^ Money had been received on 4 April 2017

* This represents the expenses and payments made on behalf of Temasek Foundation Ecosperity CLG Limited

Account receivables of \$117,079 (2017 - \$532,268) are considered current and not past due and are categorised as financial assets.

No impairment is necessary in respect of account receivables.

Account receivables are denominated in Singapore dollar.

5 Cash and cash equivalents

	2018 \$	2017 \$
Bank balances	1,734,161	-

Cash and cash equivalents are denominated in Singapore dollar.

6 Other payables

	2018 \$	2017 \$
Sundry creditors	659,408	46,814
Accrued expenses	88,917	322,143
Withholding tax payable	24,221	-
	<u>772,546</u>	<u>368,957</u>

The fair value of other 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.

Included in the sundry creditors is an amount of \$469,541 (2017 - Nil) owing to Temasek Foundation International CLG Limited for payroll costs and other operating expenses paid on behalf of the Foundation.

Other payables are denominated in Singapore dollar.

Notes to the financial statements for the financial year ended 31 March 2018

7 Programme expenses

Programme expenses are incurred by the Foundation to fund and support programmes, which seek to build bridges and partnerships, and promote dialogue and mutual understanding across international communities and markets.

8 Employee benefit costs

	Year ended 31 March 2018 \$	Period from 1 June 2016 (the date of incorporation) to 31 March 2017 \$
Employee benefit costs	1,015,599	319,669
Charged to:		
- Programme expenses	524,616	-
- Employee benefit costs	490,983	319,669
	1,015,599	319,669

Employee benefit costs are in relation to employees contracted under Temasek Foundation International CLG Limited ("TFI"). TFI charges the Foundation on a cost recovery basis. TFI is responsible for all staff remuneration matters, including contributions to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore.

9 Income tax

As a charity, the Foundation is exempted from tax on income and gains falling within section 13(1)(zm) of the Income Tax to the extent that these are applied to its charitable objects. No tax charges have arisen in the Foundation.

10(a) The deed of asset transfer

(i) S Rajaratnam Endowment ("SRE")

Pursuant to the deed of asset transfer between S Rajaratnam Endowment CLG Limited and the Foundation effected on 15 March 2017, the assets, liabilities and operations of SRE were effectively transferred by way of a gift to the Foundation.

Represented by:

	15 March 2017
	\$
Programme funds	341,251
Operating funds	(87,885)
Capital funds	63,125
Accumulated funds	316,491

As at 15 March 2017, the carrying value of the assets and liabilities assumed were as follows:

	15 March 2017
	\$
Non-current assets	57,088
Current assets	262,436
Current liabilities	(3,033)
Net assets assumed	316,491

The directors of the Foundation have approved the transfer and the accumulated funds of \$316,491 from SRE to the Foundation as at 31 March 2017.

The transfer of programme funds of \$136,216 to operating funds has been approved by the directors of the Foundation on 29 May 2017.

(ii) Hon Sui Sen Endowment ("HSSE")

Pursuant to the deed of asset transfer between Hon Sui Sen Endowment CLG Limited and the Foundation effected on 20 July 2017, the assets, liabilities and operations of HSSE were effectively transferred by way of a gift to the Foundation.

Represented by:

	20 July 2017
	\$
Programme funds	106,579
Operating funds	5,599
Accumulated funds	112,178

As at 20 July 2017, the carrying value of the assets and liabilities assumed were as follows:

	20 July 2017
	\$
Current assets	116,692
Current liabilities	(4,514)
Net assets assumed	112,178

The directors of the Foundation have approved the transfer and the accumulated funds of \$112,178 from HSSE to the Foundation on 4 September 2017.

10(b) Programme commitments

Programme commitments approved by the board of directors during the financial year based on proposals submitted amounted to \$5,156,123 (2017 - \$172,521).

Programme commitments approved but not disbursed nor recognised in the financial statements as at the end of reporting year amounted to \$2,606,374 (2017 - \$172,521).

Programme commitments are subject to adjustments as the respective programmes progress in subsequent reporting years.

11 Operating lease commitments (non-cancellable)

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

	2018 \$	2017 \$
Not later than one year	66,062	65,940
Later than one year and not later than five years	260,213	261,730
Later than five years	176,550	240,750

The leases on the Foundation's premises and office equipment on which rentals are payable will expire on 4 February 2021, the earliest and 31 December 2025, the latest. The current rent payable on the leases are between \$155 and \$5,350 per month and are subject to revision on renewals.

12 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.

12.1 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 a financial institution of good standing.

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

12.2 Liquidity risk

Liquidity 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.

12.3 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 cash flows risk as it does not have any monetary financial instruments with variable interest rates.

12.4 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.

13 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	117,079	532,268
Cash and cash equivalents	1,734,161	-
	<u>1,851,240</u>	<u>532,268</u>
Financial liabilities at amortised cost		
Other payables (exclude withholding tax payables)	748,335	368,957