



**Singapore Millennium Foundation Limited  
(A Company Limited by Guarantee)**

Registration Number: 200102355R

Annual Report  
Year ended 31 March 2017

**Registration:**

Incorporated on 7 April 2001 (Company Registration Number: 200102355R) with the Constitution as its constituent documents.

Registered as a charity under the Charities Act, Cap. 37.

Charity Registration Number 001508.

**Registered Address:**

60B Orchard Road  
#06-18 Tower 2 The Atrium@Orchard  
Singapore 238891

**Office Bearers:**

		<b>Date of Appointment</b>	<b>Date of cessation</b>
Dr Ngiam Tong Tau	- Director	18 January 2012	26 September 2016
Prof. Lee Sing Kong	- Director	15 January 2012	26 September 2016
A/P Cynthia Ruth Goh	- Director	1 February 2012	26 September 2016
A/P Lim Tit Meng	- Director	27 May 2013	26 September 2016
Prof. Lim Pin	- Chairman	1 September 2008	
Prof. Chong Siow Ann	- Director	1 February 2012	
Mr Stephen Arthur Forshaw	- Director	23 March 2016	
Mr Tan Guong Ching	- Director	27 May 2013	
Ms Jacqueline Wong May Fong	- Director	23 November 2011	

**Bankers:**

DBS Bank Limited  
United Overseas Bank Limited

**Company Secretaries:**

Ms Toon Fong Juat

**Auditors:**

KPMG LLP

## **Directors' statement**

We are pleased to submit this annual report to the members of Singapore Millennium Foundation Limited (the "Foundation") together with the audited financial statements for the financial year ended 31 March 2017.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS9 are drawn up so as to give a true and fair view of the financial position of the Foundation as at 31 March 2017 and the financial performance and cash flows of the Foundation for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, the Singapore Charities Act, Chapter 37, and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, having regards to the matters set out in note 2 to the financial statements, 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.

## **Directors**

The directors in office at the date of this statement are as follows:

Prof. Lim Pin (Chairman)  
Prof. Chong Siow Ann  
Mr Stephen Arthur Forshaw  
Mr Tan Guong Ching  
Ms Jacqueline Wong May Fong

## **Principal activities**

The principal activities of Singapore Millennium Foundation Limited (the "Foundation") are to promote and advance scientific progress in Singapore, to promote and support research and development in Singapore, and to advance and improve the standard of human life and social wellbeing by supporting research. The Foundation aims to enhance Singapore's knowledge base, advance its research and development capabilities, and raise Singapore's international visibility as a centre of knowledge creation.

The Foundation is registered as a charity under the Charities Act, Chapter 37.

**Review of activities during the financial year**

The Foundation continues to focus on supporting research projects in three niche areas, namely, Learning and Pedagogy/Special Needs Education, Ageing and Palliative Care, and Non-Medical Biosciences. The Foundation also supports other research projects that have been identified to be useful and beneficial to Singapore, namely the Respiratory Disease Project (SGH) and the Singapore Mental Health Studies (2016) Project (IMH).

The following 31 research projects have been<sup>1</sup> or are presently being supported by the Foundation during the financial year.

	<b>Research Project</b>	<b>Research Agency</b>
1	Tele-Rehabilitation for Newly Disabled Homebound Older Persons Needing Supervised Physical Therapy*	National University of Singapore (NUS)
2	Developing sustainable culture and depuration method for value-added hepatitis A-free blood cockles' project*	Tropical Marine Science Institute (NUS)
3	Rapid Detection of Food Borne Pathogens via Microfluidic Platform*	National University of Singapore (NUS)
4	Accessing unmet Palliative Care needs in patients with advanced cancer and their families through the development and validation of a novel palliative care needs assessment tool for Singapore*	National Cancer Centre, Singapore (NCCS)
5	Integrated Vertical Aeroponic farming system: Towards food security and sustainability in Singapore*	National Institute of Education (NIE)
6	Vertical farming and breeding of Soon Hock, <i>Oxyeleotris Marmorata</i> *	Tropical Marine Science Institute (NUS)
7	Virtual Pink Dolphins-Assisted Therapy for Children with Autism*	Nanyang Technology University (NTU)
8	Knowledge and preferences for treatment of end stage renal disease among elderly patients and their family caregivers*	National University of Singapore (NUS)
9	Bio-syringe delivery of pest control without pesticide*	National University of Singapore (NUS)
10	A Biomimetic and foundational study on light-enhanced calcification in the giant clam, <i>Tridacna Squamosa</i> , in association with symbiotic zooxanthellae*	Tropical Marine Science Institute (NUS)
11	Enhancing sustainability in Soon Hock vertical farming through co-culturing with Pacific White Shrimp and plants in an Integrated Multi-Trophic Recirculating Aquaculture System*	Tropical Marine Science Institute (NUS)

<sup>1</sup> Projects marked with (\*) in the table provided in pages 4 were completed in the financial year ending 31 March 2017

	<b>Research Project</b>	<b>Research Agency</b>
12	Online Tutor for Engineering Students (OnTEN)	Nanyang Technology University (NTU)
13	Minimally-invasive, Thoracoscopic-ally Implantable Cardiac Assist Device for Palliative Care of the Elderly with Failing Hearts	National University of Singapore (NUS)
14	Validating a prognostic model incorporating the palliative performance scale and biological variable in life limiting illness	Tan Tock Seng Hospital (TTSH)
15	Tannic Acid as P5, 173lant-Inspired "Primer" for Antifouling and Antibacterial Coatings	National University of Singapore (NUS)
16	Biomimetics. Biologically Inspired Artificial Tentacles for Transnasal Procedures	National University of Singapore (NUS)
17	Effective screening of food import in Singapore using highly sensitive and reliable sensing platforms based on two-dimensional nanomaterials	Nanyang Technology University (NTU)
18	Engineering non-transgenic high yield, good quality and drought-tolerant "super" rice by fast-track Cas9/sgRNA-mediated 'molecular assembly breeding' platform	National University of Singapore (NUS)
19	Think on Your Feet- Learning through Purposeful Collaborative Play and Movement	Nanyang Technology University (NTU)
20	Smart Window of Tunable Transparency by Microscopic Crumpling of Transparent Thin Films	Nanyang Technology University (NTU)
21	Creating a Collaborative Healthcare Workforce: Designing and Evaluating a Virtual Hospital for Collaborative Practice Across Higher Education Institutions in Singapore	National University of Singapore (NUS)
22	Rapid, On-spot Analysis of Beta-Lactam Antibiotics in Milk and Egg Products	National University of Singapore (NUS)
23	Polyploidy Assisted Breeding To Improve Yield and Nutritional Value of Leafy Vegetables to Ensure Sustainable Food Production in Singapore	Temasek Life Sciences Laboratory Limited (TLL)
24	Costs and Medical Care of Patients with Advanced Serious Illness in Singapore (COMPASS) Study	Duke-NUS Graduate Medical School
25	Mobile Education Networked Tutoring on Request (MENTOR)	Nanyang Technological University (NTU)
26	Bidirectional Myoelectric (BiMyo) soft Robotic Glove Technology For Robot-assisted Hand Therapy in Stroke Patients	National University of Singapore (NUS)
27	Bio-based strategies to improve indoor air quality by increasing negative ion release	Temasek Life Sciences Laboratory Limited (TLL)
28	Development of Blue Light Technology to reduce fruit waste due to fungal spoilage	National University of Singapore (NUS)
29	AutoSENS: Development of a rapid, ultra-sensitive, cost-effective biosensor for autonomous monitoring of <i>Listeria monocytogenes</i> in food industries	Nanyang Technological University (NTU)
30	Singapore Mental Health Studies 2016	Institute of Mental Health (IMH)

	<b>Research Project</b>	<b>Research Agency</b>
31	Donation for Respiratory Disease Research	Singapore General Hospital (SGH)

The Foundation also sponsors the Lee Kuan Yew Water Prize.

The LKY Water Prize recognises individuals and organisations for their outstanding contributions towards solving the world's water problems by applying innovative technologies or implementing policies or programs which benefit humanity. It is the highlight of the annual Singapore International Water Week.

The agreement to provide Temasek Life Sciences Laboratory (TLL) a general research fund over a period of 10 years from April 2008 has been terminated as at 1 January 2016, as part of a restructuring of the family of Temasek foundations. The remaining funds have been returned.

The Foundation did not conduct fund-raising activities during the year under the requirements of Regulation 15 (fund-raising expenses) of the Charities Institutions of a Public Character Regulations.

### **Plans for future periods**

Arising from the restructuring of the family of Temasek foundations, the Foundation intends to cease its operations and commence liquidation in the foreseeable future. All assets and liabilities, all rights to the future discretionary funds from Temasek Trust, and the existing programmes of the Foundation will be transferred to Temasek Foundation Innovates CLG Limited. There will be no material impact on the Foundation's existing beneficiaries.

### **Directors' interests**

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.

Neither at the end of, nor at any time during the financial year, was the Foundation a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Foundation to acquire benefits by means of the subscription to the Foundation or any other body corporate.

Since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Foundation or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

There are procedures in place for Board members to declare actual or potential conflicts of interest to the rest of the Board. Board members do not vote or participate in decision-making on matters where they have a conflict of interest.

### **Share options**

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

### **Auditors**

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



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**Prof. Lim Pin**  
*Chairman and Director*



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**Mr Tan Guong Ching**  
*Director*

31 August 2017



**KPMG LLP**  
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Hong Leong Building  
Singapore 048581

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## **Independent auditor's report**

Members of the Company  
Singapore Millennium Foundation Limited  
(A Company Limited by Guarantee)

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Singapore Millennium Foundation Limited ('the Foundation'), which comprise the balance sheet as at 31 March 2017, the statement of comprehensive income, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS 1 to FS 9.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of 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 state of affairs of the Foundation as at 31 March 2017 and of the results, changes in cash flows of the Foundation for the 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 '*Auditors' 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 *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.

#### *Emphasis of matter for going concern*

We draw attention to note 2 to the financial statements which states that the financial statements of the Foundation have not been prepared on going concern basis. As the Foundation is intended to be liquidated in the foreseeable future, the financial statements have been prepared on a realisation a basis. Our opinion is not modified in respect to this matter.





### *Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of management and the Board of 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 Charities Act and Regulations and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Board of Directors is responsible for overseeing the Foundation's financial reporting process.

### *Auditors' 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 auditors' 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 controls.
- Obtain an understanding of internal controls 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 controls.
- 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 auditors' 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 auditors' 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 Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.



**Report on other legal and regulatory requirements**

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (a) the Foundation has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Foundation has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

A handwritten signature in black ink, appearing to be 'KPMG' followed by a flourish.

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
31 August 2017

**Balance sheet**  
**As at 31 March 2017**

	Note	2017 \$	2016 \$
<b>Current assets</b>			
Interest receivable		556	929
Prepayment		4,013	4,013
Cash and cash equivalents	6	5,999,777	1,909,004
<b>Total assets</b>		<u>6,004,346</u>	<u>1,913,946</u>
<b>Accumulated fund</b>			
	7	—	—
<b>Current liabilities</b>			
Other payables	8	797,917	819,376
Non-tax deductible grants received in advance		5,206,429	1,094,570
<b>Total liabilities</b>		<u>6,004,346</u>	<u>1,913,946</u>
<b>Total accumulated fund and liabilities</b>		<u>6,004,346</u>	<u>1,913,946</u>
<b>Members' guarantee</b>	9	<u>300</u>	<u>300</u>

The accompanying notes form an integral part of these financial statements.

**Statement of comprehensive income**  
**Year ended 31 March 2017**

	Note	2017 \$	2016 \$
<b>Income</b>			
Non-tax deductible grants		4,128,141	21,674,928
Interest income		11,552	12,259
		4,139,693	21,687,187
<b>Direct Charitable Expenses</b>			
Research grants		(3,910,688)	(21,460,957)
<b>Administrative and Other Expenses</b>			
Audit fees		(3,372)	(3,725)
Miscellaneous		(7,353)	(4,225)
Professional service fee		(218,280)	(218,280)
		(229,005)	(226,230)
<b>Total Expenses</b>		(4,139,693)	(21,687,187)
Surplus before income tax		—	—
Income tax expense	10	—	—
Surplus for the year/Total comprehensive income for the year		—	—
Accumulated fund brought forward		—	—
Accumulated fund utilised	7	—	—
Accumulated fund carried forward		—	—

No separate statement of changes in accumulated fund has been prepared as the surplus for the financial year would be the only component of this statement.

The accompanying notes form an integral part of these financial statements.

**Statement of cash flows**  
**Year ended 31 March 2017**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Surplus before income tax		–	–
Adjustments for:			
Interest income		(11,552)	(12,259)
		<u>(11,552)</u>	<u>(12,259)</u>
Changes in working capital:			
Other receivables		–	(4,013)
Non-tax deductible grants receivable		–	1,990,502
Other payables		(21,459)	(1,609,235)
Non-tax deductible grants received in advance		4,111,859	1,094,570
<b>Net cash from operating activities</b>		<u>4,078,848</u>	<u>1,459,565</u>
<b>Cash flows from investing activity</b>			
Interest received		11,925	11,330
<b>Net cash generated from investing activity</b>		<u>11,925</u>	<u>11,330</u>
<b>Net increase in cash and cash equivalents</b>		4,090,773	1,470,895
Cash and cash equivalents at beginning of the year		1,909,004	438,109
<b>Cash and cash equivalents at end of the year</b>	<b>6</b>	<u>5,999,777</u>	<u>1,909,004</u>

The accompanying notes form an integral part of these financial statements.

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 August 2017.

### **1 Domicile and activities**

Singapore Millennium Foundation Limited (the “Foundation”) is incorporated in the Republic of Singapore. The address of the Foundation’s registered office is 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

The principal activities of Singapore Millennium Foundation Limited (the “Foundation”) are to promote and advance scientific progress in Singapore, to promote and support research and development in Singapore, and to advance and improve the standard of human life and social wellbeing by supporting research. The Foundation aims to enhance Singapore’s knowledge base, advance its research and development capabilities, and raise Singapore’s international visibility as a centre of knowledge creation.

The Foundation is registered as a charity under the Charities Act, Chapter 37.

### **2 Going concern**

The Foundation intends to cease its operations and commence liquidation in the foreseeable future. All assets and liabilities, all rights to the future discretionary funds from Temasek Trust, and the existing programmes of the Foundation will be transferred to Temasek Foundation Innovates CLG Limited. There will be no material impact on the Foundation’s existing beneficiaries.

As a result, the Foundation changed its basis of accounting to a realisation basis for the year ended 31 March 2017. The carrying value of the assets as at 31 March 2017 are presented at the carrying amount and all liabilities are presented at the estimated settlement amounts.

### **3 Basis of preparation**

#### **3.1 Statement of compliance**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

#### **3.2 Basis of measurement**

The financial statements have been prepared on a realisation basis as management intends to liquidate the Foundation in the foreseeable future.

### 3.3 Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Foundation's functional currency.

### 3.4 Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 3.5 Changes to accounting policies

On 1 April 2016, the Foundation adopted the new or amended FRS and interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Foundation's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Foundation's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

## 4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 4.1 Non-derivative financial instruments

Non-derivative financial instruments comprise interest receivable, cash and cash equivalents and other payables.

Cash and cash equivalents comprise cash balances and bank deposits.

A financial instrument is recognised if the Foundation becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Foundation's contractual rights to the cash flows from the financial assets expire or if the Foundation transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset.

On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit and loss. Any amount in the fair value reserve relating to that asset is reclassified to profit and loss. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Foundation commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Foundation's obligations specified in the contract expire or are discharged or cancelled.



Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Foundation has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include interest receivable and cash and cash equivalents which are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Non-derivative financial liabilities

Non-derivative financial liabilities are carried at amortised cost using the effective interest method. Non-derivative financial liabilities comprise other payables.

#### 4.2 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each balance sheet date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Foundation on terms that the Foundation would not consider otherwise or indications that a debtor will enter bankruptcy or adverse changes in payment status of borrowers of the Foundation.

##### *Loans and receivables*

The Foundation considers evidence of impairment for receivables at specific asset level. All individually significant receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### 4.3 Income and expenses recognition

Expenses are recognised on an accruals basis.

Interest income is recognised based on the effective interest method.

4.4 Non-tax deductible grants

Non-tax deductible grants and contributions are recognised initially as deferred income at their fair value where there is reasonable assurance that they will be received and all required conditions associated with the grants and contributions will be complied with.

These grants and contributions that compensate the Foundation for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

4.5 Fund structure

*Designated fund*

The designated fund from Temasek Trust is available for use at the discretion of the Foundation for specific projects in furtherance of the Foundation's objectives that the Foundation has identified and earmarked.

Designated fund are funds which are part of the unrestricted general fund, but earmarked for a particular project. The designation is made for administrative purposes only and does not contain any legal restrictions in relation to the Foundation's discretion to apply the fund. Research projects are presented to the Foundation's Board for consideration. When a research project and its funding request is approved by the Foundation's Board, the approved quantum of funding will be designated and earmarked for the project.

Designated fund is accounted for as part of the Foundation's unrestricted designated fund.

**5 New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2016, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Foundation. The Foundation does not plan to adopt these standards early.

**6 Cash and cash equivalents**

	2017	2016
	\$	\$
Cash at bank	498,700	909,004
Fixed deposits	5,501,077	1,000,000
	5,999,777	1,909,004

Fixed deposits bore interest at 0.59% to 0.89% per annum and repriced at intervals of 1 to 4 months upon roll-over on maturity.

**7 Accumulated fund**

Accumulated fund represents donations received for future utilisation of research grants.

**8 Other payables**

	<b>2017</b>	<b>2016</b>
	\$	\$
Accrued operating expenses	758,180	809,514
Other payables	39,737	9,862
	797,917	819,376

The undiscounted cash flows of accrued operating expenses and other payables are expected to be incurred within one year and approximate their carrying values.

**9 Company limited by guarantee**

The Foundation is a company limited by guarantee whereby every member of the Foundation undertakes to meet debts and liabilities of the Foundation in the event of its winding up, to an amount not exceeding \$100 per member.

As at 31 March 2017, the Foundation has 3 members (2016: 3 members).

**10 Income tax expense**

The Foundation is registered as a charity 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 without having the need to meet the 80% spending rule. Accordingly, no provision for taxation has been made in the financial statements.

**11 Financial risk management**

The Board of Directors continually monitors the Foundation's risk management process to ensure that an appropriate balance between risk and control is achieved.

Given that the Foundation's principal activities is to promote research and development in Singapore through the awards of scholarships and grants, at the balance sheet date, it does not have any significant credit, liquidity and market risk exposure.

***Credit risk***

Credit risk is the risk of financial loss to the Foundation if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Foundation's loans and other receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Foundation does not hold any collateral in respect of its financial assets.

Cash and cash equivalents are placed with financial institutions which are regulated.

### ***Liquidity risk***

Liquidity risk is the risk that the Foundation may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Foundation ensures that there are adequate fund to meet its obligations. The Foundation maintains sufficient level of cash and cash equivalents through grants to meet its working capital requirements. The Foundation is expected to be liquidated in the foreseeable future, and all liquidation expenses will be borne by Temasek Holdings (Private) Limited.

### ***Market risk***

Market risk is the risk that changes in market prices, such as interest rates will affect the Foundation's income or the value of its investment in financial instruments.

The Foundation's exposure to changes in interest rates relates primarily to interest-earning financial assets comprising fixed deposits, which is not significant.

### ***Fair values***

#### ***Loans and receivables and other financial liabilities***

The carrying amounts of loans and receivables and other financial liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

## **12 Related party transactions**

For the purpose of these financial statements, parties are considered to be related to the Foundation if the Foundation has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making the financial and operating decisions, or vice versa, or where the Foundation and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel, who are the trustees/office bearers, of the Foundation are those persons having the authority and responsibility for planning, directing and controlling the activities of the Foundation. The directors are considered as key management personnel of the Foundation. The directors of the Foundation render their services on a voluntary basis and do not receive any remuneration.

Except as disclosed in the financial statements, there were no significant transactions with related parties.

