

SymAsia Foundation Limited

Registration Number: 201011619R

Financial Statements

Year ended 31 May 2014

Directors' report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 May 2014.

Directors

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

Chairman

Tommy Koh

Board Members

Ee Hock Kim Gerard

Cheng Jue Hiang, Willie

Jose Isidro Navato Camacho

Jerry Ng

Under Article 7 of its Memorandum of Association, the member of the Company guarantee to contribute a sum not exceeding \$10 to the assets of the Company in the event of it being wound up. The member of the Company is Credit Suisse AG.

Directors' interests

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company 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 Company 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.

Auditors

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

On behalf of the Board of Directors



Tommy Koh
Director



Ee Hock Kim Gerard
Director

12 December 2014

Statement by directors

In our opinion:

- (a) the financial statements set out on pages FS1 to FS23 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 May 2014 and the results, changes in funds and cash flows of the Company for the 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 Company 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.

On behalf of the Board of Directors



Tommy Koh
Director



Ee Hock Kim Gerard
Director

12 December 2014



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Independent auditors' report

Members of the Company
SymAsia Foundation Limited

Report on the financial statements

We have audited the accompanying financial statements of SymAsia Foundation Limited (the Company), which comprise the balance sheet as at 31 May 2014, the statement of comprehensive income, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS23.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the Act), the Singapore Charities Act, Chapter 37 (the Charities Act) and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 May 2014 and the results, changes in funds and cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

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

- (a) the use of donation moneys was not in accordance with the objectives of the Company as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

KPMG LP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 December 2014

Balance sheet
As at 31 May 2014

	Note	2014 \$	2013 \$
Current assets			
Available-for-sale financial assets	3	25,258,200	26,412,963
Other receivables	4	25,762	21,754
Cash and cash equivalents	5	14,060,538	9,442,794
Derivative financial instruments	6	49,284	—
		<u>39,393,784</u>	<u>35,877,511</u>
Total assets		<u>39,393,784</u>	<u>35,877,511</u>
Funds			
General fund		—	—
Restricted funds	7	39,368,756	35,719,053
Total funds		<u>39,368,756</u>	<u>35,719,053</u>
Current liabilities			
Derivative financial instruments	6	—	137,018
Other payables and accruals	8	25,028	21,440
Total liabilities		<u>25,028</u>	<u>158,458</u>
Total funds and liabilities		<u>39,393,784</u>	<u>35,877,511</u>

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

Statement of comprehensive income
Year ended 31 May 2014

Note	General Fund	-----Restricted funds-----			2014 Total
		Non-IPC Fund	IPC Fund	Fair Value Reserve	
	\$	\$	\$	\$	\$
Incoming resources					
<i>Incoming resources from generated fund</i>					
Voluntary income					
- Donations	—	1,711,433	8,952,800	—	10,664,233
Investment income	—	41,381	6,157	—	47,538
<i>Other incoming resources</i>					
Other income					
- Net losses on disposal of available-for-sale financial assets	—	(957)	(86)	—	(1,043)
- Net gains from derivative financial instruments	—	—	18,470	—	18,470
- Foreign exchange losses	—	(3,406)	—	—	(3,406)
- Others	50,974	75	64	—	51,113
Total other income	50,974	(4,288)	18,448	—	65,134
Total incoming resources	50,974	1,748,526	8,977,405	—	10,776,905
Resources expended					
<i>Charitable activities</i>					
Grant disbursements	—	2,752,943	2,188,858	—	4,941,801
Total charitable activities	—	2,752,943	2,188,858	—	4,941,801
<i>Governance costs</i>					
Professional fees	46,440	—	—	—	46,440
Bank charges	—	8,360	330	—	8,690
Other expenses	4,534	—	—	—	4,534
Total governance costs	50,974	8,360	330	—	59,664
Total resources expended	50,974	2,761,303	2,189,188	—	5,001,465
Net incoming resources for the year, before income tax expense	—	(1,012,777)	6,788,217	—	5,775,440
Income tax expense	9	—	—	—	—
Net incoming resources for the year	—	(1,012,777)	6,788,217	—	5,775,440

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

Statement of comprehensive income (cont'd)
Year ended 31 May 2014

	-----Restricted funds-----				
	General Fund \$	Non-IPC Fund \$	IPC Fund \$	Fair Value Reserve \$	2014 Total \$
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
Net change in fair value of available-for-sale financial assets	—	—	—	(2,126,780)	(2,126,780)
Net change in fair value of available-for-sale financial assets transferred to profit or loss	—	—	—	1,043	1,043
Other comprehensive income for the year, net of income tax	—	—	—	(2,125,737)	(2,125,737)
Total comprehensive income for the year	—	(1,012,777)	6,788,217	(2,125,737)	3,649,703

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

Statement of comprehensive income
Year ended 31 May 2013

		-----Restricted funds-----				
	Note	General Fund \$	Non-IPC Fund \$	IPC Fund \$	Fair Value Reserve \$	2013 Total \$
Incoming resources						
<i>Incoming resources from generated fund</i>						
Voluntary income						
- Donations		—	6,882,121	12,239,030	—	19,121,151
Investment income		—	4,158	61,165	—	65,323
<i>Other incoming resources</i>						
Other income						
- Net gains on disposal of available-for-sale financial assets		—	344	—	—	344
- Net losses from derivative financial instruments		—	—	(243,780)	—	(243,780)
- Foreign exchange losses		—	(133)	—	—	(133)
- Others		30,336	53	122	—	30,511
Total other income		30,336	264	(243,658)	—	(213,058)
Total incoming resources		30,336	6,886,543	12,056,537	—	18,973,416
Resources expended						
<i>Charitable activities</i>						
Grant disbursements		—	2,695,118	11,857,321	—	14,552,439
Total charitable activities		—	2,695,118	11,857,321	—	14,552,439
<i>Governance costs</i>						
Professional fees		30,336	—	—	—	30,336
Bank charges		—	191	552	—	743
Total governance costs		30,336	191	552	—	31,079
Total resources expended		30,336	2,695,309	11,857,873	—	14,583,518
Net incoming resources for the year, before income tax expense		—	4,191,234	198,664	—	4,389,898
Income tax expense	9	—	—	—	—	—
Net incoming resources for the year		—	4,191,234	198,664	—	4,389,898

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

Statement of comprehensive income (cont'd)
Year ended 31 May 2013

	-----Restricted funds-----				
	General Fund \$	Non-IPC Fund \$	IPC Fund \$	Fair Value Reserve \$	2013 Total \$
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
Net change in fair value of available-for-sale financial assets	—	—	—	10,789,345	10,789,345
Net change in fair value of available-for-sale financial assets transferred to profit or loss	—	—	—	(146)	(146)
Other comprehensive income for the year, net of income tax	—	—	—	10,789,199	10,789,199
Total comprehensive income for the year	—	4,191,234	198,664	10,789,199	15,179,097

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

Statement of changes in funds
Year ended 31 May 2014

	-----Restricted funds-----				
	General Fund	Non-IPC Fund	IPC Fund	Fair Value Reserve	Total
	\$	\$	\$	\$	\$
At 1 June 2012	—	3,353,201	16,423,377	763,378	20,539,956
Total comprehensive income for the year					
Net incoming resources/					
Net income for the year	—	4,191,234	198,664	—	4,389,898
Other comprehensive income	—	—	—	10,789,199	10,789,199
At 31 May 2013	—	7,544,435	16,622,041	11,552,577	35,719,053
Total comprehensive income for the year					
Net incoming resources/					
Net income for the year	—	(1,012,777)	6,788,217	—	5,775,440
Other comprehensive income	—	—	—	(2,125,737)	(2,125,737)
At 31 May 2014	—	6,531,658	23,410,258	9,426,840	39,368,756

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

Statement of cash flows
Year ended 31 May 2014

	Note	2014	2013
		\$	\$
Operating activities			
Net incoming resources before income tax expense		5,775,440	4,389,898
Adjustments for:			
Net losses/(gains) on disposal of available-for-sale financial assets		1,043	(344)
Net (gains)/losses from derivative financial instruments		(18,470)	243,913
Interest income from fixed deposits		(3,522)	(5,386)
Dividend income		(41,555)	(59,937)
		<u>5,712,936</u>	<u>4,568,144</u>
Changes in working capital:			
Other receivables		(3,588)	(4,763)
Other payables and accruals		3,588	4,763
Cash flows from operating activities		<u>5,712,936</u>	<u>4,568,144</u>
Investing activities			
Purchase of available-for-sale financial assets		(1,002,461)	(833,000)
Proceeds from sale of available-for-sale financial assets		30,444	25,124
Realised (loss)/gain from derivative financial instruments		(167,832)	61,427
Interest received from fixed deposits		3,102	5,072
Dividend income received		41,555	—
Cash flows used in investing activities		<u>(1,095,192)</u>	<u>(741,377)</u>
Net increase in cash and cash equivalents		4,617,744	3,826,767
Cash and cash equivalents at beginning of year		9,442,794	5,616,027
Cash and cash equivalents at end of year	5	<u>14,060,538</u>	<u>9,442,794</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 12 December 2014.

1 Domicile and activities

SymAsia Foundation Limited (the Company) is a public company limited by guarantee, incorporated in the Republic of Singapore. The Company has its registered office at One Raffles Link, #03-01, Singapore 039393. Under Article 7 of its Memorandum of Association, the member of the Company guarantee to contribute a sum not exceeding \$10 to the assets of the Company in the event of it being wound up.

The Company is registered as a charity under the Charities Act (Cap. 37). SymAsia Singapore Fund is an approved Institution of a Public Character (IPC) under the Charities Act.

The principal activities of the Company are to promote philanthropy in Asia by providing flexible and creative philanthropic opportunities and programmes to help donors meet their giving needs.

2 Summary of significant accounting policies

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Company's functional currency.

2.4 Use of estimates 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.

2.5 Changes in accounting policies

Fair value measurement

FRS 113 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other FRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRSs, including FRS 107 *Financial Instruments: Disclosures*.

From 1 June 2013, in accordance with the transitional provisions of FRS 113, the Company has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Company's assets and liabilities.

Presentation of items of other comprehensive income

From 1 June 2013, as a result of the amendments to FRS 1, the Company has modified the presentation of items of other comprehensive income in its statement of comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly.

The adoption of the amendment to FRS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Company.

2.6 Significant accounting policies

The accounting policies set out below have been applied consistently by the Company to the period presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

2.6.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the retranslation of:

- available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

2.6.2 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company 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.

The Company classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Non-derivative financial liabilities

The Company initially recognises financial liabilities on the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount represented in the balance sheet when, and only when, the Company 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.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities comprise payables and accruals.

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period 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 assets, and that the loss event has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets, (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

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. Interest on the impaired assets continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

2.6.3 Derivatives financial instruments

Off-balance sheet derivative financial instruments arise from futures, forward, swap and option transactions undertaken by the Company in the foreign exchange, interest rate, equity, credit and commodities derivative markets.

Derivative financial instruments are recognised initially at fair value on the date on which the derivatives are entered into. Subsequent to initial recognition, the derivative financial instruments are re-measured at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

Assets including gains, resulting from off-balance-sheet financial instruments which are marked-to-market are included in "Assets: Derivatives financial instruments". Liabilities, including losses, resulting from such contracts, are included in "Liabilities: Derivatives financial instruments".

2.6.4 Funds

General fund

Income and expenditure relating to the main activities of the Company are accounted for through the general fund in the statement of comprehensive income.

Restricted funds

Income and expenditure relating to funds set up for contributions received and expenditure incurred for specific purposes are accounted for through the restricted fund in the statement of comprehensive income.

The assets and liabilities of these funds are accounted for separately. However, for presentation purposes, they are pooled together with those of the general fund.

2.6.5 Donations

Donations are recognised as and when the Company's entitlement to such income is established with no significant uncertainty and amount can be measured with sufficient reliability, which is generally upon receipt of the amount due in full or by instalments.

2.6.6 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to that activity. Where costs cannot be wholly attributed to an activity they have been apportioned on a basis consistent with the use of resources. These include overheads like utilities, amortisation of renovations and support costs.

(i) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity that is to award grants to charitable organisations. Grants that are awarded to charitable organisations which have IPC status are applied from the IPC fund.

(ii) Governance costs

Governance costs comprise all costs attributable to the general running of the Company, in providing the governance infrastructure and in ensuring public accountability.

3 Available-for-sale financial assets

	2014 \$	2013 \$
Funds	1,823,382	811,767
Quoted equity securities	52,931	49,314
Others	23,381,887	25,551,882
	<u>25,258,200</u>	<u>26,412,963</u>
Movement:		
At beginning of the year	26,412,963	14,755,607
Additions	1,002,461	892,937
Disposals	(31,487)	(24,780)
Fair value changes	(2,125,737)	10,789,199
At end of the year	<u>25,258,200</u>	<u>26,412,963</u>

Other investments represent investments in unquoted funds.

4 Other receivables

Other receivables are related party transactions (refer to note 11), other than accrued interest income of \$734 (2013: \$314), which has been included in other receivables. These balances are neither past due nor impaired.

5 Cash and cash equivalents

	2014 \$	2013 \$
Cash at bank	4,329,109	4,395,426
Fixed deposits	9,731,429	5,047,368
	<u>14,060,538</u>	<u>9,442,794</u>

The effective interest rates of fixed deposit range from 0.06% to 0.18% per annum (2013: 0.035% to 0.19%) and mature within 6 days to 2 months (2013: 6 days to 2 months) from the balance sheet date.

6 Derivative financial instruments

The contractual or underlying principal amounts of the derivative financial instruments and their corresponding gross positive (derivative receivables) and negative (derivative payables) fair values at balance sheet date are analysed below.

	2014			2013		
	Notional amount \$	Positive fair value \$	Negative fair value \$	Notional amount \$	Positive fair value \$	Negative fair value \$
FX Swap	4,566,563	49,284	—	4,403,700	—	(137,018)

7 Restricted funds

Restricted funds comprise the following funds:

IPC funds

IPC funds specifically aim to channel donations to Institution(s) of a Public Character (IPC) within Singapore, as defined in the Charities Act (Chapter 37) in support of the following causes: humanitarian and social development; protection of nature and the environment; education; culture and the arts; health and sports. IPC funds are exclusively beneficial to the community in Singapore as a whole.

Non IPC fund

Non-IPC fund supports similar causes as IPC funds. However, the donations can be directed to Non-IPC organisations within Singapore as well as overseas.

Net assets/(liabilities) of the restricted funds

	Non-IPC Funds \$	IPC Funds \$	Fair Value Reserve Non-IPC Funds# \$	Fair Value Reserve IPC Funds# \$	Total \$
Total Funds as at 31 May 2014	6,532,616	23,410,343	45,977	9,379,820	39,368,756
Represented by:					
Available-for-sale financial assets	1,723,816	14,108,587	45,977	9,379,820	25,258,200
Derivative financial instrument	–	49,284	–	–	49,284
Cash and cash equivalents	4,808,530	9,252,008	–	–	14,060,538
Other receivables	270	464	–	–	734
Net Assets as at 31 May 2014	6,532,616	23,410,343	45,977	9,379,820	39,368,756
Total Funds as at 31 May 2013	7,544,435	16,622,041	3,289	11,549,288	35,719,053
Represented by:					
Available-for-sale financial assets	749,219	14,111,167	3,289	11,549,288	26,412,963
Derivative financial instrument	–	(137,018)	–	–	(137,018)
Cash and cash equivalents	6,794,977	2,647,817	–	–	9,442,794
Other receivables	239	75	–	–	314
Net Assets as at 31 May 2013	7,544,435	16,622,041	3,289	11,549,288	35,719,053

Fair value reserve forms part of the respective funds. It represents the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised.

8 Other payables and accruals

	2014 \$	2013 \$
Other payables	2,028	–
Accrued operating expenses:		
- Accounting charges	3,000	11,440
- Audit fees	20,000	10,000
	<u>25,028</u>	<u>21,440</u>

9 Income tax expense

The Company is an approved charitable institution under the Charities Act, Chapter 37 and an Institution of a Public Character under the Income Tax Act, Chapter 134.

No provision for tax has been made in the financial statements as the Company is exempt from income tax.

10 Tax deductible donations

During the year, the Company issued tax deductible receipts for donations totalling \$8,952,800 (2013: \$12,239,030).

11 Related parties

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

During the financial year, transactions with related party were as follows:

	2014 \$	2013 \$
Transactions with Credit Suisse		
Other receivables	25,028	21,440

Credit Suisse AG, Singapore Branch agrees to cover all costs incurred by the Company during its ordinary course of business. Other receivables are amounts receivables from Credit Suisse AG, Singapore Branch for the purposes of reimbursing the operating expenses payable of the Company.

12 Financial risk management

Overview

The main risks arising from the Company's financial instruments arise from credit, price, foreign currency, interest rate and liquidity risks. The Company's policies for managing each of these risks are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations.

At the balance sheet date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Fixed deposits and cash and bank balances are placed with a related financial institution which is regulated.

Price risk

Price risk arises from uncertainty about the future prices of financial instruments invested by the Company. It represents the potential financial loss the Company might suffer through holding investments in the face of falling prices. It is the Company's policy to achieve an appropriate diversification in its investment portfolio in order to mitigate such risk. The Company's exposure to changes in prices relates primarily to the investment in equity securities, and mutual funds.

Sensitivity analysis

The Company's equity investment is listed on the Singapore Exchange. A 5% (2013: 5%) change in the prices of these securities would have changed the surplus for the year by approximately \$2,647 (2013: \$2,466). The analysis assumes that all other variables remain constant.

The Company's investment in funds represents 99.8% (2013: 99.8%) of the Company's total investments. A 5% (2013: 5%) change in the prices of these funds would have changed the surplus for the year by approximately \$1,260,263 (2013: \$1,318,182). The analysis assumes that all other variables remain constant.

Foreign currency risk

The Company is exposed to foreign currency risk on investments that are denominated in US dollars. There is no formal hedging policy with respect to foreign currency risk exposure. Management review the investment portfolio periodically to ensure that the net exposure is kept at an acceptable level.

The Company has \$23,381,887 of US dollar investments (2013: \$25,551,882) which is 92.6% (2013: 96.7%) of the Company's total investments.

Sensitivity analysis

A 10% (2013: 10%) strengthening or weakening of US dollar against Singapore dollar at reporting date would increase/(decrease) surplus for the year by approximately \$2,338,189 (2013: \$2,555,188). The analysis assumes other variables remain constant.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's interest-earning bank balances. At the balance sheet date, there is no significant interest rate risk.

There is no formal hedging policy with respect to interest rate exposure. Exposure to interest rate risk is monitored on an ongoing basis and the Company endeavours to keep the net exposure at an acceptable level.

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate to finance the Company's operations and to mitigate the effects of fluctuations in short-term cash flows.

At the balance sheet date, the contractual cash flows of the Company's financial liabilities approximate the carrying values and they are expected to be settled within the next twelve months.

Fair values

The following methods and assumptions are used to estimate the fair values of the following significant classes of financial instruments:

(i) Available-for-sale financial assets

The fair value of available-for-sale financial assets traded in active markets is based on quoted market prices at the balance sheet date. The fair value of available-for-sale financial assets that are not traded in an active market is based on the net asset value of the fund at the balance sheet date as provided by the fund manager.

(ii) Derivative financial instruments

The fair value of derivatives financial instruments is based on their brokers' quotes as at balance sheet date.

(iii) Other financial assets and liabilities

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year (including cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Available- for-sale \$	Loans and receivables \$	At fair value \$	Other financial liabilities at amortised cost \$	Total carrying amount \$	Fair value \$
2014						
Financial assets						
Cash and cash equivalents	—	14,060,538	—	—	14,060,538	14,060,538
Derivative financial instruments	—	—	49,284	—	49,284	49,284
Available-for-sale financial assets	25,258,200	—	—	—	25,258,200	25,258,200
Other receivables	—	25,762	—	—	25,762	25,762
Total financial assets	25,258,200	14,086,300	49,284	—	39,393,784	39,393,784

	Available- for-sale \$	Loans and receivables \$	At fair value \$	Other financial liabilities at amortised cost \$	Total carrying amount \$	Fair value \$
2014						
Financial liabilities						
Derivative financial instruments	—	—	—	—	—	—
Other payable and accruals	—	—	—	25,028	25,028	25,028
Total financial liabilities	—	—	—	25,028	25,028	25,028
2013						
Financial assets						
Cash and cash equivalents	—	9,442,794	—	—	9,442,794	9,442,794
Available-for-sale financial assets	26,412,963	—	—	—	26,412,963	26,412,963
Other receivables	—	21,754	—	—	21,754	21,754
Total financial assets	26,412,963	9,464,548	—	—	35,877,511	35,877,511
Financial liabilities						
Derivative financial instruments	—	—	137,018	—	137,018	137,018
Other payable and accruals	—	—	—	21,440	21,440	21,440
Total financial liabilities	—	—	137,018	21,440	158,458	158,458

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 May 2014				
Financial asset				
Available-for-sale financial assets	1,876,313	—	23,381,887	25,258,200
Derivative financial instruments	—	49,284	—	49,284

Financial liability				
Derivative financial instruments	—	—	—	—

31 May 2013				
Financial assets				
Available-for-sale financial assets	861,081	—	25,551,882	26,412,963

Financial liability				
Derivative financial instruments	—	137,018	—	137,018

Independent Donor Investor (IDI) Scheme is where donors appoint their own investment manager for the funds donated. As at 31 May 2014 and 31 May 2013, there is only one IDI. The amount of financial assets and financial liabilities under this scheme (which are included in the table above) are as follows:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 May 2014				
Financial asset				
Available-for-sale financial assets	52,931	—	23,381,887	23,434,818
Derivative financial instruments	—	49,284	—	49,284

Financial liability				
Derivative financial instruments	—	—	—	—

31 May 2013				
Financial asset				
Available-for-sale financial assets	49,314	—	25,551,882	25,601,196

Financial liability				
Derivative financial instruments	—	137,018	—	137,018

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Available-for-sale financial assets \$
Balance as at 1 June 2012	14,723,207
Total gains/(losses) in profit or loss	—
Total gains/(losses) in other comprehensive income	10,771,699
Additions	56,976
Sales	—
Balance as at 31 May 2013	<u>25,551,882</u>
Total gains/(losses) in profit or loss	—
Total gains/(losses) in other comprehensive income	(2,169,995)
Additions	—
Sales	—
Balance as at 31 May 2014	<u><u>23,381,887</u></u>

During the year, there are no transfers between the levels.

Available-for-sale financial assets

The following table shows the key unobservable inputs used in the determination of fair value of the available-for-sale financial assets:

Valuation method	Key unobservable input	Inter-relationship between key unobservable input and fair value measurement
Net asset value	Net asset value	The estimated fair value would increase if net asset value was higher

Management considers that the Net Asset Value of the available-for-sale financial assets closely approximates the estimated fair value.

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Company's statements of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as loans and receivables and financial liabilities are not disclosed in the tables below unless they are offset in the statement of financial position.

The Company's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) Master Agreements. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions. Under the agreements signed, the Company and its counterparties neither have a legal obligation nor intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Accordingly, the ISDA agreements do not meet the criteria for offsetting in the statement of financial position.

Financial assets and liabilities subject to offsetting and enforceable master netting arrangement under credit default events

	Gross amounts of recognised financial asset/ (liability) \$	Gross amount of recognised financial asset/ (liability) offset in the statement of financial position \$	Net amounts of financial asset/ (liability) presented in the statement of financial position \$	Related amounts not offset in the statement of financial statement \$	Net amounts \$
31 May 2014					
Financial assets					
FX Swap	49,284	—	49,284	—	49,284
Total	49,284	—	49,284	—	49,284
31 May 2013					
Financial liabilities					
FX Swap	(137,018)	—	(137,018)	—	(137,018)
Total	(137,018)	—	(137,018)	—	(137,018)

The gross amount of financial liability and its net amounts as presented in the statement of financial position that are disclosed in the above table are measured based on fair value in the statement of financial position.

Reserves management

The reserves of the Company comprise the general fund and restricted funds. Disbursement and usage of restricted funds are restricted to the specific charitable purposes specified by donors. The Company aims to safeguard these funds through conservative investments and operating policies.

There were no changes in the Company's approach to reserves management during the year. The Company is not subject to externally imposed capital reserve management.

13 Share options held in custody

SymAsia Foundation Limited received donations from some corporations (“donors”) in the form of share options to purchase 50,000,000 shares of another company (“entity”). These share options received are held in custody of SymAsia Foundation Limited. Pursuant to agreements entered between SymAsia Foundation Limited and the donors, SymAsia Foundation Limited covenants and undertakes to transfer and assign to the Charitable Foundation specified by the entity, by way of grant and without consideration, all its interests and rights in and relating to the share options as soon as practicable after the entity has informed SymAsia Foundation of the details of the Charitable Foundation in writing. As SymAsia Foundation Limited is legally bound to transfer these options to the Charitable Foundation and has limited rights to determine the future application of the options, these options are not reflected in the Balance Sheet and Statement of Comprehensive Income of SymAsia Foundation Limited.

14 New accounting standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for annual periods beginning on or after 1 June 2014, have not been applied in preparing these financial statements. None of these is expected to have a significant impact on the financial statements. The Company has not assessed the impact of accounting standards issued after the balance sheet date.

