



**Trailblazer Foundation Ltd.**  
**Registration Number: 200208130H**

(Limited by Guarantee and not having a Share Capital)

**Annual Report**  
**Year ended 31 December 2011**

## **Directors' report**

We are pleased to submit this annual report to the members of Trailblazer Foundation Ltd. (the Foundation) together with the audited financial statements for the financial year ended 31 December 2011.

### **Directors**

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

Ho Ching (Chairman)  
Low Sek Fun (Executive Director)  
Christina Hon Kwee Fong  
Goh Yew Lin  
Freddy Soon Hock Choong  
Lee Bee Wah  
Benedict Tan Chi Loong  
James Leo Chin Lian  
Mavis Chionh Sze Chyi  
Tan Chian Khong  
Chua Su Li

### **Directors' interests in shares, debentures, warrants and share options**

The Foundation has no shares; its liability is limited by guarantee.

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 acquisition of shares in or debentures of any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 15 to the financial statements, 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.

**Auditors**

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

On behalf of the Board of Directors



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**Ho Ching**  
*Director*



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**Low Sek Fun**  
*Director*

4 May 2012

## **Statement by Directors**

In our opinion:

- (a) the financial statements set out on pages FS1 to FS15 are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 31 December 2011 and the surplus and deficit 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 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.

On behalf of the Board of Directors



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**Ho Ching**  
*Director*



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**Low Sek Fun**  
*Director*

4 May 2012



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## Independent auditors' report

Members of the Foundation  
Trailblazer Foundation Ltd.

### Report on the financial statements

We have audited the accompanying financial statements of Trailblazer Foundation Ltd. (the Foundation), which comprise the balance sheet as at 31 December 2011, the income and expenditure statement 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 FS15.

#### *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) and Singapore Financial Reporting Standards.

Management has acknowledged that its responsibility includes 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 the 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 of the Foundation are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Foundation as at 31 December 2011 and the surplus and deficit and cash flows of the Foundation 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 Foundation have been properly kept in accordance with the provisions of the Act.

**KPMG LLP**  
*Public Accountants and*  
*Certified Public Accountants*

**Singapore**  
4 May 2012

**Balance sheet**  
**As at 31 December 2011**

	Note	2011 \$	2010 \$
<b>Non-current assets</b>			
Held-to-maturity financial assets	4	5,514,399	–
<b>Current assets</b>			
Financial assets designated at fair value through profit or loss	5	14,622,887	14,909,430
Interest receivable		60,532	–
Cash and cash equivalents	6	3,450,975	9,611,485
		18,134,394	24,520,915
<b>Total assets</b>		23,648,793	24,520,915
<b>Funds</b>			
Trailblazer – General Fund	7	100,829	358,552
Trailblazer – Wong Kok Siew Fund	8	217,720	401,430
Trailblazer – Chan Chiew Ping Fund	9	557,388	472,837
Howe Yoon Chong PSA Endowment Fund	10	14,921,351	15,491,349
T-Touch Fund	11	7,839,533	7,684,376
<b>Total funds</b>		23,636,821	24,408,544
<b>Current liabilities</b>			
Payables and accruals	12	11,972	112,371
<b>Total liabilities</b>		11,972	112,371
<b>Total funds and liabilities</b>		23,648,793	24,520,915

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

**Income and expenditure statement**  
**Year ended 31 December 2011**

	Trailblazer – General Fund	Trailblazer – Wong Kok Siew Fund	Trailblazer – Chan Chiew Ping Fund	Howe Yoon Chong PSA Endowment Fund	T-Touch Fund	2011 \$	2010 \$
<b>Income</b>							
Donations	491,000	–	205,000	–	872,277	1,568,277	5,668,424
Interest income	–	182	334	142	16,233	16,891	23,585
Gain on fair value of financial assets designated at fair value through profit or loss	–	–	–	–	–	–	422,188
	<u>491,000</u>	<u>182</u>	<u>205,334</u>	<u>142</u>	<u>888,510</u>	<u>1,585,168</u>	<u>6,114,197</u>
<b>Expenditure</b>							
Loss on fair value of financial assets designated at fair value through profit or loss	–	–	–	(286,543)	–	(286,543)	–
Sponsorship	(652,666)	(183,862)	(111,978)	(231,052)	(700,369)	(1,879,927)	(1,844,182)
Other expenses	(96,057)	(30)	(8,805)	(52,545)	(32,984)	(190,421)	(184,004)
	<u>(748,723)</u>	<u>(183,892)</u>	<u>(120,783)</u>	<u>(570,140)</u>	<u>(733,353)</u>	<u>(2,356,891)</u>	<u>(2,028,186)</u>
(Deficit)/Surplus for the year, representing total comprehensive income for the year	15	(257,723)	84,551	(569,998)	155,157	(771,723)	4,086,011
Balance at 1 January		358,552	472,837	15,491,349	7,684,376	24,408,544	20,322,533
<b>Balance at 31 December</b>		<u>100,829</u>	<u>557,388</u>	<u>14,921,351</u>	<u>7,839,533</u>	<u>23,636,821</u>	<u>24,408,544</u>

No separate statement of changes in fund accounts has been prepared as the (deficit)/surplus for the year would be the only component of this statement.

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



**Cash flow statement**  
**Year ended 31 December 2011**

	Note	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
(Deficit)/Surplus for the year		(771,723)	4,086,011
Adjustments for:			
Interest income		(16,891)	(23,585)
Loss/(Gain) on fair value of financial assets designated at fair value through profit or loss		286,543	(422,188)
		<u>(502,071)</u>	<u>3,640,238</u>
Change in receivables		–	2,081
Change in payables and accruals		(100,399)	104,521
<b>Net cash (used in)/from operating activities</b>		<u>(602,470)</u>	<u>3,746,840</u>
 <b>Cash flows from investing activities</b>			
Bonds purchased		(5,521,000)	–
Interest paid on bonds		(39,896)	–
Interest received		2,856	23,585
<b>Net cash (used in)/from investing activities</b>		<u>(5,558,040)</u>	<u>23,585</u>
 <b>Net (decrease)/increase in cash and cash equivalents</b>		(6,160,510)	3,770,425
Cash and cash equivalents at 1 January		9,611,485	5,841,060
<b>Cash and cash equivalents at 31 December</b>	6	<u>3,450,975</u>	<u>9,611,485</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 4 May 2012.

### **1 Domicile and activities**

Trailblazer Foundation Ltd. (the Foundation) is a foundation incorporated in the Republic of Singapore. The address of the Foundation's registered office is 3 Lim Teck Kim Road, #01-03 Genting Centre, Singapore 088934.

The Foundation is a company limited by guarantee (see note 13) and is registered as a charity under the Charities Act, 1982.

The principal activities of the Foundation are those relating to that of a charitable organisation providing sponsorship in the areas of education, sports, medicine, arts and related areas which meet its social and charitable objectives.

The Foundation has been approved as an Institution of a Public Character (IPC) under Section 37(2)(c) of the Income Tax Act for a period of 5 years with effect from 15 October 2005. Renewal has been approved on 4 November 2010 for a period of 3 years with effect from 15 October 2010.

### **2 Basis of preparation**

#### **2.1 Statement of compliance**

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

#### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise described below.

#### **2.3 Functional and presentation currency**

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

#### **2.4 Use of estimates and judgements**

The preparation of the financial statements in conformity with FRSs 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

### *Identification of related party relationships and related party disclosures*

From 1 January 2011, the Foundation has applied the revised FRS 24 *Related Party Disclosures* (2010) to identify parties that are related to the Foundation and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Foundation and its related parties. FRS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

The adoption of FRS 24 (2010) has no material effect on the disclosures made in the financial statements for the current and previous financial years.

## 3 Significant accounting policies

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

### 3.1 Financial instruments

#### *Non-derivative financial assets*

The Foundation initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Foundation becomes a party to the contractual provisions of the instrument.

The Foundation 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 Foundation is recognised as a separate asset or liability.

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.

The Foundation classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets and loans and receivables.

*Financial assets at fair value through profit or loss*

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Foundation manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Foundation's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, with changes therein recognised in the income and expenditure statement.

*Held-to-maturity financial assets*

If the Foundation has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available for sale. It would also prevent the Foundation from classifying investment securities as held-to-maturity for the current and the following two financial years.

Held-to-maturity financial assets comprise bonds.

*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 impairment losses.

Loans and receivables comprise cash and cash equivalents, and interest receivable.

Cash and cash equivalents comprise cash balances and bank deposits.

*Non-derivative financial liabilities*

All financial liabilities are recognised initially on the trade date, which is the date that the Foundation becomes a party to the contractual provisions of the instrument.

The Foundation derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

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.

The Foundation 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.

Other financial liabilities comprise payables and accruals.

## 3.2 Impairment

### *Non-derivative 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 asset, and that the loss event has 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, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Foundation, economic conditions that correlate with defaults or the disappearance of an active market for a security.

### *Loans and receivables and held-to-maturity investment securities*

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

In assessing collective impairment, the Foundation uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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 the income and expenditure statement and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income and expenditure statement.

## 3.3 Funds

All income and expenditure are reflected in the income and expenditure statement.

Income and expenditure specifically relating to any of the funds separately set up by the Foundation is allocated to those funds.

3.4 Income recognition

Direct donations are recognised when received unless there are written confirmations of impending donations by donors.

Interest income from bank deposits is recognised as it accrues in the income and expenditure statement using the effective interest method.

3.5 Tax

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

3.6 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2011, 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.

**4 Held-to-maturity financial assets**

	2011	2010
	\$	\$
<i>Non-current investments</i>		
Held-to-maturity bonds	5,514,399	–

As at 31 December 2011, held-to-maturity investments bear interest at 3.265%, mature on 19 February 2020 and are attributable to the T-Touch fund.

**5 Financial assets designated at fair value through profit or loss**

Financial assets designated at fair value through profit or loss relate to the Unit Trust Investment managed by Fullerton Fund Management Company Ltd and comprise investments in the following:

	2011	2010
	\$	\$
Fullerton LUX Asian Equities – Class 1 (SGD)	1,009,495	1,535,754
Fullerton Asian Bond Fund – Class B (SGD)	1,534,680	1,483,842
Fullerton Short Term Interest Rate Fund – Class A (SGD)	6,308,315	5,923,275
Fullerton Absolute Returns Investment Strategies Fund Hedged Class A (SGD)	5,770,397	5,966,559
	14,622,887	14,909,430

Financial assets designated at fair value through profit or loss are attributable to the Howe Yoon Chong PSA Endowment Fund.

## 6 Cash and cash equivalents

	2011	2010
	\$	\$
Cash at bank and on hand	1,397,636	6,461,485
Fixed deposits	2,053,339	3,150,000
	<u>3,450,975</u>	<u>9,611,485</u>

Cash at bank and on hand are attributable to the respective funds as follow:

	2011	2010
	\$	\$
Trailblazer – General Fund	17,843	405,678
Trailblazer – Wong Kok Siew Fund	14,544	401,410
Trailblazer – Chan Chiew Ping Fund	387,855	494,571
Howe Yoon Chong PSA Endowment Fund	173,428	446,111
T-Touch Fund	803,966	4,713,715
	<u>1,397,636</u>	<u>6,461,485</u>

The fixed deposits are attributable to the respective funds as follow:

	2011	2010
	\$	\$
Trailblazer – Wong Kok Siew Fund	203,156	–
Trailblazer – Chan Chiew Ping Fund	200,041	–
Howe Yoon Chong PSA Endowment Fund	150,142	150,000
T-Touch Fund	1,500,000	3,000,000
	<u>2,053,339</u>	<u>3,150,000</u>

## 7 Trailblazer – General Fund

The Trailblazer – General Fund sponsors the education and development of individuals with unique talent or innovative ideas who may make a difference to the Singapore community.

## 8 Trailblazer – Wong Kok Siew Fund

The Trailblazer – Wong Kok Siew Fund focuses on education and causes benefitting children. The Fund plans to extend its support from education to key areas of research in education, extra-curricular activities, medical research on strokes as well as support and outreach to needy stroke patients.

Contributions to this Fund come from Sembcorp Industries Ltd (Sembcorp) group of companies, their employees as well as members of the public.

## **9 Trailblazer – Chan Chiew Ping Fund**

The Trailblazer – Chan Chiew Ping Fund offers sponsorship in these main areas as follows:

(a) Education

The Fund helps bright young women from Singapore and other ASEAN countries to realise their potential by providing financial assistance for their studies in Singapore.

(b) Medicine

The Fund sponsors research, treatment and care for lung cancer patients.

The Fund also supports needy children, as well as the elderly and other needy. The family of the late Madam Chan Chiew Ping is the principal sponsor of this Fund.

## **10 Howe Yoon Chong PSA Endowment Fund**

The Howe Yoon Chong PSA Endowment Fund was set up with an initial donation of \$15 million in 2008 to honour the late Mr. Howe Yoon Chong.

The fund awards bond-free scholarships to Singapore citizens.

## **11 T-Touch Fund**

The T-Touch Fund (formerly known as Trailblazer – Touch Fund) focuses on the following objectives:

- (a) Vocational training of youth from broken, single parent or low income families, or youth with disabilities;
- (b) Tuition and mentoring programmes for abused youths;
- (c) Pre-school education for children from poor and disadvantaged families;
- (d) Special education for children with disabilities but with the potential to support themselves financially and live meaningful lives; and
- (e) Support towards any other charitable causes in any manner it deems suitable, including but not limited to: the poor and needy who by reason of ill-health, misfortune, or infirmity are wholly or in part unable to maintain themselves, or have no one to maintain them, in particular, those in need of moral or social rehabilitation, welfare and vocational support.



## 12 Payables and accruals

	2011	2010
	\$	\$
Other creditors	4,494	107,021
Accruals	7,478	5,350
	11,972	112,371

The Foundation's exposure to liquidity risk related to payables and accruals is disclosed in note 14.

## 13 Members' guarantee

Each member of the Foundation undertakes to contribute to the assets of the Foundation in the event of the Foundation being wound up or within one year after the member ceases to be a member, for payment of the debts and liabilities of the Foundation contracted before the member ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one hundred dollars.

## 14 Financial instruments

### Overview

The Foundation has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Foundation's exposure to each of the above risks, the Foundation's objectives, policies and processes for measuring and managing risk, and the Foundation's management of capital.

### Risk management framework

Risk management is carried out under policies approved by the Board of Directors. The Board provides guidelines for overall risk management, as well as policies covering specific areas.

### 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 investment in securities.

The carrying amount of financial assets in the balance sheet represents the Foundation's maximum exposure to credit risk, before taking into account any collateral held. The Foundation does not hold any collateral in respect of its financial assets.

As at 31 December 2011, interest receivable is not past due.

## ***Investments***

### ***Exposure to credit risk***

Management actively monitors credit ratings and given that the Foundation has only invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

The Foundation did not have any held-to-maturity investments that were past due but not impaired at 31 December 2011.

The allowance accounts in respect of receivables and held-to-maturity investments are used to record impairment losses unless the Foundation is satisfied that no recovery of the amount owing is possible; at that point, the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 December 2011, the Foundation did not have any collective impairments on its loans and receivables or its held-to-maturity investments (2010: nil).

### ***Cash and cash equivalents***

The Foundation held cash and cash equivalents of \$3,450,975 at 31 December 2011 (2010: \$9,611,485), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with banks and financial institutions which are regulated.

### **Liquidity risk**

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

The Foundation monitors its liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by management to finance the Foundation's operations and to mitigate the effects of fluctuations in cash flows.

The expected contractual cash outflows of payables and accruals approximate the carrying amount and fall within one year.

### **Market risk**

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Foundation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Foundation does not have any exposure to foreign exchange risk as its assets and liabilities are in Singapore dollars.

***Interest rate risk***

*Profile*

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	<b>Carrying amount</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Fixed rate instruments</b>		
Fixed deposits	2,053,339	3,150,000
Held-to-maturity financial assets	5,514,399	–
	<u>7,567,738</u>	<u>3,150,000</u>

The Foundation does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

***Other market price risk***

Equity price risk arises from investments at fair value through profit or loss. Management monitors the mix of securities in its investment portfolio. Material investments within the portfolio are managed on an individual basis.

The primary goal of the Foundation's investment strategy is to maximise investment returns in order to fund scholarships awarded under Howe Yoon Chong PSA Endowment Fund; management is assisted by external advisors in this regard.

***Sensitivity analysis***

For investments classified as fair value through profit or loss, a 10% increase of the unit prices of the unit trust investments at the reporting date would have decreased the Foundation's deficit for the year by \$1,462,289 (2010: increased the Foundation's surplus for the year by \$1,490,943); an equal change in the opposite direction would have increased the Foundation's deficit for the year by \$1,462,289 (2010: decreased the Foundation's surplus for the year by \$1,490,943). The analysis is performed on the same basis for 2010 and assumes that all other variables remain the same.

***Capital management***

The Board's policy is to maintain sufficient funds so as to sustain future activities of the Foundation. Capital consists of Trailblazer – General Fund, Trailblazer – Wong Kok Siew Fund, Trailblazer – Chan Chiew Ping Fund, Howe Yoon Chong PSA Endowment Fund and T-Touch Fund.

There were no changes in the Foundation's approach to capital management during the year.

The Foundation is not subject to externally imposed capital requirements.

**Accounting classifications and fair values**

*Fair values versus carrying amounts*

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

	Note	Designated at fair value \$	Held-to-maturity \$	Loans and receivables \$	Other financial liabilities within the scope of FRS 39 \$	Total carrying amount \$	Fair value \$
<b>31 December 2011</b>							
Bonds	4	-	5,514,399	-	-	5,514,399	5,327,550
Financial assets designated at fair value through profit or loss							
Interest receivable	5	14,622,887	-	-	-	14,622,887	14,622,887
Cash and cash equivalents	6	-	-	60,532	-	60,532	60,532
				3,450,975	-	3,450,975	3,450,975
		14,622,887	5,514,399	3,511,507	-	23,648,793	23,461,944
Payables and accruals	12	-	-	-	(11,972)	(11,972)	(11,972)
<b>31 December 2010</b>							
Financial assets designated at fair value through profit or loss							
Cash and cash equivalents	5	14,909,430	-	-	-	14,909,430	14,909,430
	6	-	-	9,611,485	-	9,611,485	9,611,485
		14,909,430	-	9,611,485	-	24,520,915	24,520,915
Payables and accruals	12	-	-	-	(112,371)	(112,371)	(112,371)

*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).
- 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 \$
<b>31 December 2011</b>				
Financial assets designated at fair value through profit or loss	–	14,622,887	–	14,622,887
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<b>31 December 2010</b>				
Financial assets designated at fair value through profit or loss	–	14,909,430	–	14,909,430
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*Financial assets designated at fair value through profit or loss*

The fair value of financial assets designated at fair value through profit or loss was based on broker quotes at the reporting date.

## 15 (Deficit)/Surplus for the year

The following items have been included in arriving at (deficit)/surplus for the year:

	2011 \$	2010 \$
Professional fee paid to a firm in which a director is a member	89,880	92,876
Consultancy fee paid to a director	28,000	28,000
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## 16 Related parties

There were no other transactions with related parties during the year other than as disclosed elsewhere in the financial statements.