



Trailblazer Foundation Ltd.
Registration Number: 200208130H

(Limited by Guarantee and not having a Share Capital)

Annual Report
Year ended 31 December 2015

Directors' statement

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 2015.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS17 are drawn up so as to give a true and fair view of the financial position of the Foundation as at 31 December 2015 and the financial performance, changes in fund accounts 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.

Directors

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

Ho Ching (Chairman)
Low Sek Fun (Executive Director)
Christina Hon Kwee Fong
Goh Yew Lin
Lee Bee Wah
Benedict Tan Chi Loong
James Leo Chin Lian
Lee Yoke Sim Penny
Tan Chian Khong
Chua Su Li
Kwek Buck Chye (Appointed on 26 April 2016)

Directors' interests

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.

Auditors

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

On behalf of the Board of Directors



Ho Ching
Director



Low Sek Fun
Director

13 May 2016



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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 2015, 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 FS17.

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 financial statements 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 so as to give a true and fair view of the financial position of the Foundation as at 31 December 2015 and the financial performance, changes in fund accounts 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.

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 Foundation as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Foundation has not complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

KANG LP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
13 May 2016

Balance sheet
As at 31 December 2015

	Note	2015 \$	2014 \$
Non-current asset			
Held-to-maturity financial assets	4	5,278,913	5,340,208
Current assets			
Financial assets designated at fair value through profit or loss	5	16,613,430	16,295,911
Other receivables	6	71,189	68,336
Cash and cash equivalents	7	4,103,058	3,263,322
		<u>20,787,677</u>	<u>19,627,569</u>
Total assets		<u>26,066,590</u>	<u>24,967,777</u>
Funds			
Trailblazer – General Fund	8	354,889	208,767
Trailblazer – Chan Chiew Ping Fund	9	257,060	434,466
Howe Yoon Chong PSA Endowment Fund	10	17,671,290	16,386,677
T-Touch Fund	11	7,142,786	7,841,082
Total funds		<u>25,426,025</u>	<u>24,870,992</u>
Current liability			
Other payables and accruals	12	640,565	96,785
Total liabilities		<u>640,565</u>	<u>96,785</u>
Total funds and liabilities		<u>26,066,590</u>	<u>24,967,777</u>

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

Income and expenditure statement
Year ended 31 December 2015

	Trailblazer – General Fund	Trailblazer – Chan Chiew Ping Fund	Howe Yoon Chong PSA Endowment Fund	T-Touch Fund	2015	2014
Note	\$	\$	\$	\$	\$	\$
Income						
Donations	631,500	410,000	1,000,000	34,040	2,075,540	819,133
Interest income	–	100	6,016	122,113	128,229	85,106
Other income	–	–	198,543	–	198,543	134,456
Gain on fair value of financial assets designated at fair value through profit or loss	–	–	317,519	–	317,519	431,707
	<u>631,500</u>	<u>410,100</u>	<u>1,522,078</u>	<u>156,153</u>	<u>2,719,831</u>	<u>1,470,402</u>
Expenditure						
Sponsorship expenses	(407,123)	(581,464)	(140,651)	(814,976)	(1,944,214)	(1,020,027)
Other expenses	(78,255)	(6,042)	(96,814)	(39,473)	(220,584)	(223,693)
	<u>(485,378)</u>	<u>(587,506)</u>	<u>(237,465)</u>	<u>(854,449)</u>	<u>(2,164,798)</u>	<u>(1,243,720)</u>
Surplus/(Deficit) for the year, representing total comprehensive income for the year	15 146,122	(177,406)	1,284,613	(698,296)	555,033	226,682
Balance at 1 January	208,767	434,466	16,386,677	7,841,082	24,870,992	24,644,310
Balance at 31 December	<u>354,889</u>	<u>257,060</u>	<u>17,671,290</u>	<u>7,142,786</u>	<u>25,426,025</u>	<u>24,870,992</u>

No separate statement of changes in fund accounts has been prepared as the surplus/(deficit) 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 2015

	Note	2015	2014
		\$	\$
Cash flows from operating activities			
Surplus for the year		555,033	226,682
Adjustments for:			
Interest income		(128,229)	(85,106)
Net gain on fair value of financial assets designated at fair value through profit or loss		(317,519)	(431,707)
Dividend income from financial assets designated at fair value through profit or loss		(180,279)	(116,357)
Other income		-	(12,214)
		(70,994)	(418,702)
Changes in:			
- other receivables		850	(850)
- other payables and accruals		543,780	(62,568)
Net cash from/(used in) operating activities		473,636	(482,120)
Cash flows from investing activities			
Proceeds from redemption of investments		660,000	-
Acquisitions of investments		(660,000)	-
Dividend received		180,279	65,991
Interest received		185,821	190,393
Net cash from investing activities		366,100	256,384
Net increase/(decrease) in cash and cash equivalents		839,736	(225,736)
Cash and cash equivalents at 1 January		3,263,322	3,489,058
Cash and cash equivalents at 31 December	7	4,103,058	3,263,322

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 13 May 2016.

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, #01-01 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 under Section 37(2)(c) of the Income Tax Act with effect since 15 October 2005. Renewal had been approved for a period of another 3 years with effect from 15 October 2013.

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 in the notes 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.

Measurement of fair values

A number of the Foundation's accounting policies and disclosures require the measurement of fair values for financial assets.

If third party information, such as broker quotes, is used to measure fair value, then management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

2.5 Changes in accounting policies

On 1 January 2015, the Foundation adopted new or amended FRS and interpretations to FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new or amended FRS and INT FRS did not result in changes to the Foundation's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

3 Significant accounting policies

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

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, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. 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, and changes therein, which takes into account any dividend income, are 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.

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 other receivables.

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 expire.

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 other 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(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact 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 the Foundation considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised 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 is recognised as it accrues in the income and expenditure statement using the effective interest method.

Dividend income is recognised in profit or loss on the date that the Foundation's right to receive payment is established.

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 2015, and have not been applied in preparing these financial statements. The Foundation is currently assessing the potential impact of adopting these new standards and interpretations on the financial statements of the Foundation.

These new standards include, among others, FRS 109 *Financial Instruments* which is mandatory for adoption by the Foundation on 1 January 2018.

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments and a new expected credit loss model for calculation impairment on financial assets.

As FRS 109, when effective, will change the existing accounting standards and guidance applied by the Foundation in accounting for financial instruments, these standards are expected to be relevant to the Foundation. The Foundation does not plan to adopt these standards early.

4 Held-to-maturity financial assets

	2015	2014
	\$	\$
<i>Non-current investment</i>		
Held-to-maturity bonds	5,278,913	5,340,208

As at 31 December 2015, held-to-maturity bonds bear interest at 3.265% (2014: 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:

	2015	2014
	\$	\$
Fullerton LUX Asian Equities – Class 1 (SGD)	4,107,469	3,419,398
Fullerton Short Term Interest Rate Fund – Class A (SGD)	4,542,054	7,625,437
Fullerton Absolute Returns Investment Strategies Fund Hedged Class A (SGD)	2,089,527	1,943,764
Fullerton SGD Income Fund Class C (SGD)	5,874,380	3,307,312
	<u>16,613,430</u>	<u>16,295,911</u>

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

6 Other receivables

	2015	2014
	\$	\$
Interest receivable	71,189	67,486
Other receivables	–	850
	<u>71,189</u>	<u>68,336</u>

7 Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank and on hand	1,600,546	1,162,980
Fixed deposits	2,502,512	2,100,342
	4,103,058	3,263,322

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

	2015	2014
	\$	\$
Trailblazer – General Fund	178,052	90,571
Trailblazer – Chan Chiew Ping Fund	586,126	260,244
Howe Yoon Chong PSA Endowment Fund	317,606	136,735
T-Touch Fund	518,762	675,430
	1,600,546	1,162,980

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

	2015	2014
	\$	\$
Trailblazer – Chan Chiew Ping Fund	200,443	200,342
Howe Yoon Chong PSA Endowment Fund	800,000	–
T-Touch Fund	1,502,069	1,900,000
	2,502,512	2,100,342

8 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.

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 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 **Other payables and accruals**

Other payables and accruals are attributable to the respective funds as follows:

	2015	2014
	\$	\$
<i>Other payables</i>		
Trailblazer – Chan Chiew Ping Fund	455,396	–
<i>Accruals</i>		
Trailblazer – General Fund	–	8,350
Trailblazer – Chan Chiew Ping Fund	42,000	–
Howe Yoon Chong PSA Endowment Fund	3,240	3,450
T-Touch Fund	139,929	84,985
	185,169	96,785
	640,565	96,785

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

Financial risk management

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 counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Foundation's investments.

The carrying amounts of financial assets in the balance sheet represent 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.

Other receivables

As at 31 December 2015 and 2014, other receivables are not past due nor impaired.

The Foundation believes that no impairment allowance is necessary.

Investments

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 2015 (2014: Nil).

Cash and cash equivalents

The Foundation held cash and cash equivalents of \$4,103,058 at 31 December 2015 (2014: \$3,263,322), 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 contractual cash outflows of other payables and accruals approximate its 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 and fund 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

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Foundation's interest-bearing financial instruments was as follows:

	Nominal amount	
	2015	2014
	\$	\$
Fixed rate instruments		
Fixed deposits	2,502,512	2,100,342
Held-to-maturity financial assets	5,000,000	5,000,000
	7,502,512	7,100,342

The Foundation does not account for any fixed rate financial assets 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

Risk management policy

Equity and fund 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. In accordance with this strategy, certain investments are designated at fair value through profit or loss because their performance is actively monitored and they are managed on a fair value basis.

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 increased the Foundation's surplus for the year by \$1,661,343 (2014: \$1,629,591); an equal change in the opposite direction would have decreased the Foundation's surplus for the year by \$1,661,343 (2014: \$1,629,591).

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 – 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 carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount				Total	Fair value			
		Designated at fair value	Held-to-maturity	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$	\$	\$	\$	
31 December 2015										
<i>Financial assets measured at fair value</i>										
<i>Financial assets designated at fair value through profit or loss</i>										
	5	16,613,430	–	–	–	16,613,430	–	16,613,430	–	16,613,430
<i>Financial assets not measured at fair value</i>										
Bonds	4	–	5,278,913	–	–	5,278,913	–	5,164,900	–	5,164,900
Other receivables	6	–	–	71,189	–	71,189	–	–	–	–
Cash and cash equivalents	7	–	–	4,103,058	–	4,103,058	–	–	–	–
		–	5,278,913	4,174,247	–	9,453,160	–	–	–	–
<i>Financial liability not measured at fair value</i>										
Other payables and accruals	12	–	–	–	(640,565)	(640,565)	–	–	–	–

	Note	Carrying amount				Fair value				
		Designated at fair value	Held-to- maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$
31 December 2014										
<i>Financial assets measured at fair value</i>										
Financial assets designated at fair value through profit or loss	5	16,295,911	–	–	–	16,295,911	–	16,295,911	–	16,295,911
<i>Financial assets not measured at fair value</i>										
Bonds	4	–	5,340,208	–	–	5,340,208	–	5,255,300	–	5,255,300
Other receivables	6	–	–	68,336	–	68,336	–	–	–	–
Cash and cash equivalents	7	–	–	3,263,322	–	3,263,322	–	–	–	–
		–	5,340,208	3,331,658	–	8,671,866	–	–	–	–
<i>Financial liability not measured at fair value</i>										
Other payables and accruals	12	–	–	–	(96,785)	(96,785)	–	–	–	–

The fair values of financial assets designated at fair value through profit or loss and held-to-maturity bonds are based on broker quotes at the reporting date.

Financial assets and financial liabilities whose carrying amounts are measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

15 Surplus/(Deficit) for the year

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

	2015	2014
	\$	\$
Dividend income from financial assets designated at fair value through profit or loss (included in other income)	180,279	116,357
Amortisation of held-to-maturity bonds (included in interest income)	(61,295)	(95,702)
Professional fee paid to a firm in which a director is a member	(87,740)	(87,740)
Consultancy fee paid to a director	(29,000)	(29,000)
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