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As of 1 October 2016, MDA and IDA are
#EmpoweringPossibilities as IMDA.

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TOWARDS A NEW CHAPTER

ANNUAL REPORT 2016



**MEDIA DEVELOPMENT AUTHORITY
ANNUAL REPORT FOR THE YEAR
ENDED 30 SEPTEMBER 2016**

FOREWORD

This report encapsulates MDA's milestones from April to September 2016, rounding off the final six months of activities before becoming Infocomm Media Development Authority (IMDA) on 1 October 2016.

Despite the hectic preparations for its expanded role as IMDA, the period in review saw MDA continuing to push ahead with a number of new initiatives to grow Singapore's media sector. From forging new content partnerships to supporting the development of more Public Service Broadcast programmes, Singaporeans can look forward to more exciting content across different media platforms from these efforts.

On the regulatory front, MDA also continued to uphold content standards and service quality, while ramping up efforts to help Singaporeans tune in to digital TV. We also took new strides by introducing parental safeguards for over-the-top content services and introducing an enhanced online licensing system for licensees.

With the closing of the MDA chapter, we look forward to working hand-in-hand with all our stakeholders, from industry partners to community and staff, to pen a new and more exciting future for Singapore's infocomm media sector as IMDA.

BOARD MEMBERS



Mr. Niam Chiang Meng
Chairman,
Media Development
Authority Singapore



Mr. Gabriel Lim
Chief Executive Officer,
Media Development Authority,
Chief Executive Officer
(Designate), Infocomm Media
Development Authority,
Co-Managing Director,
Infocomm Development
Authority



Mr. Bassaran Nair
Adjunct Associate Professor,
Lee Kuan Yew School
of Public Policy,
National University
of Singapore



Mr. Chey Chor Wai
Former Assurance Partner,
PricewaterhouseCoopers
LLP



BG David Koh Tee Hian
Deputy Secretary
(Technology),
Ministry of Defence



Mr. Ganesh Rajaram
General Manager, EVP Sales
– Asia, FremantleMedia
International



Ms. Jacqueline Poh
Managing Director,
Infocomm
Development Authority
Chief Executive Officer
(Designate), Government
Technology Agency



Ms. Thien Kwee Eng
Assistant Managing Director,
Singapore Economic
Development Board



Ms. Tham Loke Kheng
Executive Vice President
(Pay TV),
PCCW Media Limited



Mrs. Mildred Tan
Managing Director,
Ernst & Young Advisory
Pte Ltd



Mr. Han Neng Hsiu
Deputy Secretary
(Performance),
Ministry of Finance



Mr. Ong Peng Tsin
Managing Director,
Monk's Hill Ventures Pte Ltd



Mr. Robert Gilby
Managing Director,
The Walt Disney Company
(Southeast Asia)



Mr. Ryan Lim
Principal Consultant and
Founding Partner,
QED Consulting Pte Ltd

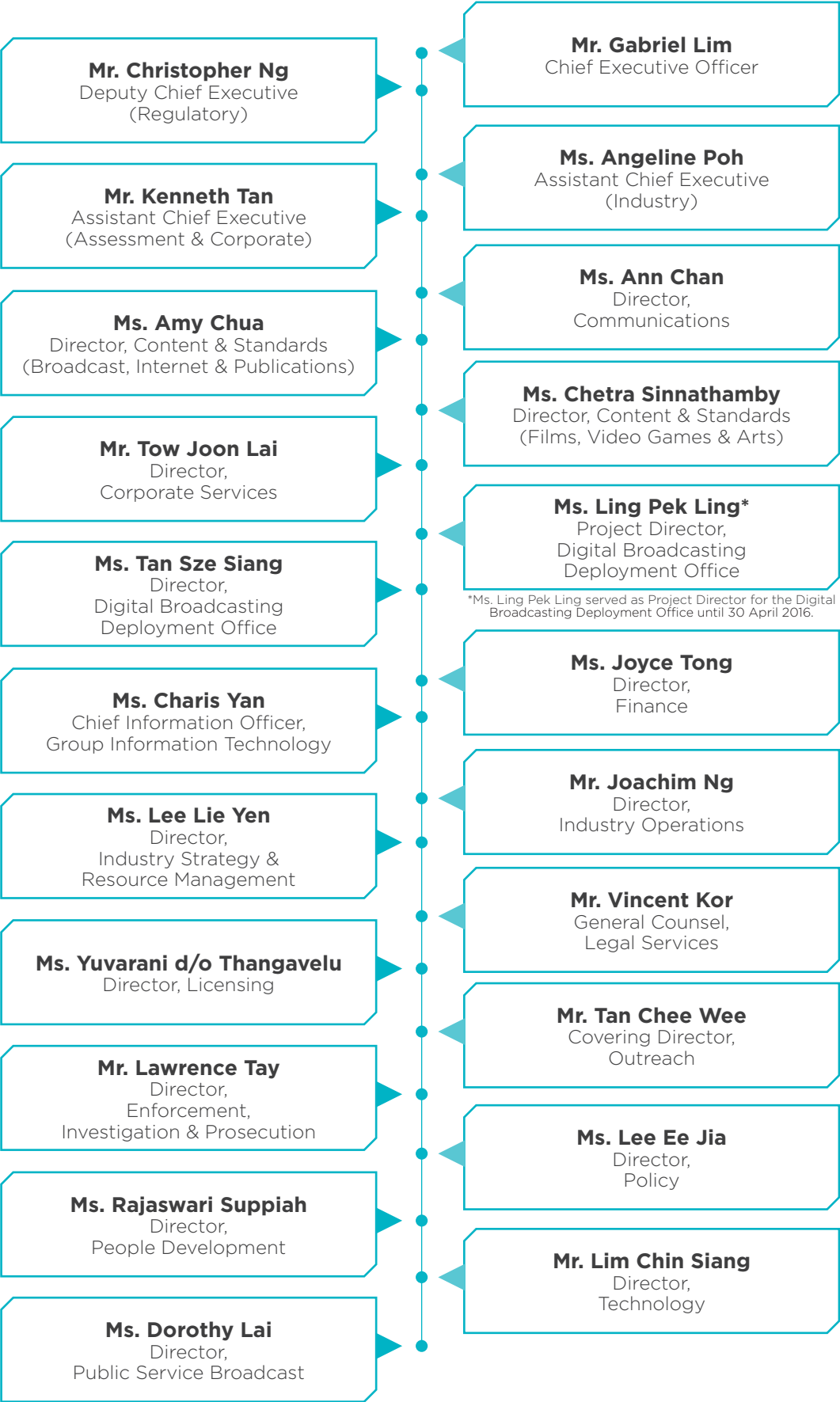


Mr. Vivek Kumar
Director, U Associates /
U Future Leaders
& Secretary,
NTUC Membership Council,
National Trades Union
Congress



**Mr. Zahidi bin
Abdul Rahman**
Principal Architect,
Zahidi A.R Arkitek

SENIOR MANAGEMENT



Designations reflected here are as of 30 September 2016.

KEY ACCOMPLISHMENTS

1 April



Annual Content Standards Dialogue with Broadcasters

MDA hosted its annual content standards dialogue with content providers, free-to-air TV and radio broadcasters, and pay TV operators. The sharing of past content breaches fostered better understanding of how the guidelines can be applied and enabled the industry to co-regulate more effectively.

1 April



Outreach Efforts to Raise Public Awareness about Digital TV (DTV)

To ensure that no one is left behind in the transition to DTV, MDA partnered Lions Befrienders to reach out to seniors to prepare them for the digital switchover. MDA also reached out to the general public through a series of roadshows.

15 April



SkillsFuture Study Awards for the Infocomm and Media Sectors Open for Application

70 awards from MDA opened for applications as part of the 310 SkillsFuture Study Awards announced by Minister for Communications and Information Dr. Yaacob Ibrahim. These awards aim to encourage Singaporeans who are in the early to mid-stages of their careers to deepen specialist skills in the Infocomm, Media and Design sectors.

KEY ACCOMPLISHMENTS

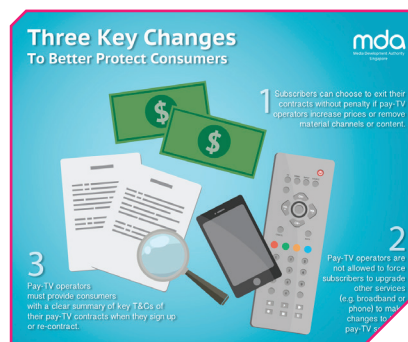
20 April



FOX Networks Group commissions Five Local Production Houses through FOX Formats Lab

FOX Networks Group commissioned local production houses Beach House Pictures, IFA Media, Sitting In Pictures, Third Floor Pictures and Xtreme Media to produce international content for FOX Networks Group's National Geographic channel. This was made possible through FOX Formats Lab, an initiative by FOX Networks Group and MDA.

29 April



Enhanced Consumer Protection Measures under the Media Market Conduct Code (MMCC)

MDA introduced a suite of new consumer protection measures for pay TV subscribers under the Media Market Conduct Code. The measures, which came into effect on 30 April 2016, address three key consumer concerns: unilateral contract variations; forced upgrade of non-pay TV services arising from changes in pay TV service; and lack of awareness of contract terms.

- To address unilateral contract variations:
 - Consumers can now exit their fixed term contracts without paying early termination charges if the pay TV operator makes certain changes to their existing subscription pack.
 - Pay TV operators are also required to provide the option for 12-month or shorter contract terms for all pay TV packages to give consumers the choice of shorter contracts if they are uncomfortable with a longer-term commitment.
- To address forced upgrade of non-pay TV services arising from changes in pay TV service:
 - Pay TV operators can no longer force subscribers to upgrade non-pay TV services in order to make changes to their pay TV services.
- To address the lack of awareness of contract terms:
 - Pay TV operators are now required to provide subscribers with a summary highlighting key terms and conditions prior to contracting. They are also required to obtain subscribers' consent before charging for the continuation of any service that was provided on a trial or complimentary basis.)

April - June



Improved Online Licensing Services

MDA enhanced its online licensing system as part of continuing efforts to achieve service excellence. New features include automatic notifications which inform licensees of upcoming renewals, reports and payments due.

12 May



MDA Partners mm2 Entertainment to Develop Local Chinese Language Scriptwriters

mm2 Entertainment developed programmes for local Chinese language scriptwriters for Singapore's film industry under a three-year partnership with MDA as part of MDA's Story Lab initiative.

16 May



Singapore Media Festival (SMF) 2016 to Celebrate Asian Storytelling

- Three new members joined the SMF Advisory Board to help chart the festival direction.
- Singapore International Film Festival (SGIFF) introduced a new initiative, which involves the commissioning of a new short film by a Singapore filmmaker every year that will make its world premiere at the festival. Gladys Ng, winner of SGIFF 2015's Best Singapore Short Film, is the first filmmaker to be commissioned under this initiative.
- Two past SGIFF winners made waves internationally, with their films selected for competition at this year's 69th Cannes Film Festival, a first for Singapore. Boo Junfeng's *Apprentice* is an Official Selection of the Un Certain Regard, while K. Rajagopal's *A Yellow Bird* was selected for the 55th La Semaine de la Critique (Critics' Week).

16 May



Casual Connect Asia

Singapore game companies, PD Design Studio, Witching Hour Studios and Springloaded won accolades at the gaming conference's Indie Prize Showcase, which was sponsored by MDA.

- PD Design Studio's "Dusty Revenge" won the "Best Game Audio" award
- Witching Hour Studios' "Romans in My Carpet" bagged the "Best Game Art" accolade
- Springloaded's "Tiny Dice Dungeon" brought home the "Best Free-to-Play Game" award

KEY ACCOMPLISHMENTS

30-31 May ,
5-6 September**Making ASEAN an Attractive Place for International Content Producers**

MDA hosted the 2nd ASEAN Senior Officials Responsible for Information (SOMRI) Working Group on ASEAN Digital Broadcasting (WG-ADB) and the 3rd SOMRI Working Group on Content and Production ("WG-CP") meetings on 30 - 31 May and 5 - 6 September respectively. Delegates from ASEAN countries discussed how to foster more collaboration between ASEAN Member States, improve the quality of ASEAN content and enhance the technical capabilities of the ASEAN talents in the information and media industries.

31 May

**Launch of Mediacorp's Toggle Red Button Service**

MDA approved Mediacorp's application to launch its Toggle Red Button service. The service allows viewers to access Toggle's video-on-demand content through a red button on the TV remote while viewing Mediacorp's free-to-air channels.

4-5, 11-12 June

**Brand New Media's Creator Collective Programme**

Brand New Media launched the Creator Collective, a new industry cross-media training platform to groom commercial online content creators, with support from MDA. A total of 170 participants went through training in areas of client engagement, storytelling, content amplification and production.

14 June

**HBO Asia's Halfworlds Commissioned for a Second Season**

HBO Asia announced the renewal of its dark action fantasy series, *Halfworlds*, produced as part of the MDA-HBO Asia partnership, which aims to develop the drama production capabilities of Singapore's media industry and talent.

22 June

**Extension of the Games Solution Centre Initiative**

MDA extended The Games Solution Centre initiative, a partnership with Nanyang Polytechnic, for another two years. Its scope was also expanded to provide more services to budding game developers.

June 2016

**PSB Contestable Funds Scheme (PCFS) for Toggle**

Run Rachel Run, a Toggle Original short form web series produced by Mediacorp Studios under the PCFS Scheme, was awarded the Bronze Telly in the Online Video-Video-Comedy category at the 37th Annual Telly Awards. It also received nominations at three other international web festivals namely, the 2016 Miami Web Fest, the 2016 Kwebfest and the 2016 Bilbao Web Fest.

KEY ACCOMPLISHMENTS

1 July


Industry Trial for the Singapore Television Audience Measurement System (SG-TAM)

A three-month industry trial for the SG-TAM service from 1 July – 30 September saw participation from all three local broadcasters, 15 international networks and 14 advertising agencies. This readied the system for its official launch on 1 October. SG-TAM is the first single-source, multi-platform television audience measurement in Singapore and captures viewership data across traditional and digital platforms to deliver valuable insights.

1 July


Engaging Stakeholders and Members of the Public in Our Work

MDA continued to engage committees made up of individuals from all walks of life, whose views inform our work. The tenure of MDA's Films Appeal Committee was renewed on 1 July and the tenures of the Malay Programmes Advisory Committee, the Advisory Committee on Chinese Programmes and the Arts Consultative Panel were likewise renewed on 1 August. There are more than 200 advisory committee members supporting various parts of MDA's work.

8 July


Facilitating a Wider Range of Over-the-top (OTT) Content Services

MDA set out baseline safeguards for over-the-top ("OTT") content services which intend to offer R21 content. These include age verification measures at point of subscription, access controls and provision of age ratings and advice. With these safeguards in place, OTT content services will be able to offer a wider range of content to their users while protecting the under-aged from exposure to R21 content on their services.

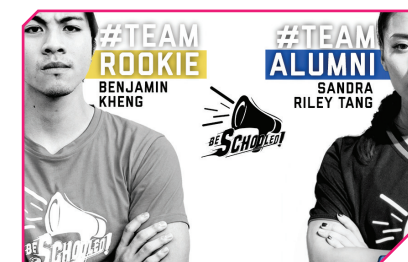
14 July


Key Takeaways from Surveys on Media Consumption

MDA released its key findings from three surveys conducted on media consumption. The 2015 Media Consumer Experience Study found that media consumption habits remained consistent and that consumers were generally satisfied with local media services and content classification. Results from the 2015 Zero-to-Fourteen Consumer Experience Study showed that watching Mediacorp TV channels remained the top media activity for children and that more children were going online at a younger age.

Meanwhile, key findings from MDA's inaugural OTT Video Study to measure viewing habits revealed that more than half of consumers interviewed (54%) have watched online videos. Online videos were most frequently consumed on mobile phones for adults (41%), while the most frequently used device varied for children according to their age.

August 2016


More Programmes Commissioned under the PSB Contestable Funds Scheme

For its second slate of projects supported under the PCFS, StarHub commissioned 21 titles, both long form and short form, for telecast on E City, SuperSports Arena and StarHub Go. The first programme, *Be Schooled*, an info-ed series produced by CreativesAtWork for SuperSports Arena, debuted in August 2016.

1 August


Renewal of the Media Literacy Council (MLC)

The MLC welcomed 17 new members as it commenced its third two-year term on 1 August. In the same month, the Safer Internet Campaign headed for its second run on various platforms, including television, radio and digital, reaching a total of 2.8 million people. Supported by MDA, the MLC also continued its school engagement sessions by 987FM deejays to 12 schools from the primary to tertiary level as part of the campaign.

KEY ACCOMPLISHMENTS

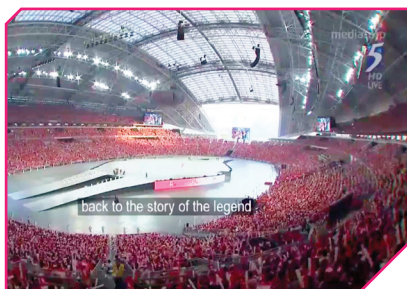
8 August



National Day Awards for Outstanding MDA Officers

Seven MDA officers received the National Day Awards (NDA) in recognition of their commendable performance.

9 August



Live Captioning of the National Day Parade

MDA supported the provision of live captions by Mediacorp for the National Day Parade for the first time on Channel 5 (HD) and Toggle so that the hearing impaired community could better enjoy the programme.

22 September



Endorsement of the Media Industry Manpower Plan (IMP)

The Council for Skills, Innovation and Productivity (CSIP), chaired by Deputy Prime Minister Tharman Shanmugaratnam, endorsed the IMP. The IMP outlines the media manpower landscape and the strategies to address the current and future manpower needs of the media industry until 2020.

26 September



Programme Advisory Committees Commend Improvements to Public Service Broadcast Programmes (PSB)

MDA's Programme Advisory Committees (PACs) issued a report consolidating their observations and feedback on content standards and the quality of broadcast content in Singapore's four official languages, particularly local PSB productions. In the report, the PACs observed improvements in the production quality of dramas, infotainment and PSB programmes as well as strides taken by broadcasters to engage audiences through social media and enhanced mobile viewing experiences.

30 September



Empowering Informed Media Choices, Upholding Content Standards

Between 1 April to September 2016, MDA handled around 700 arts entertainment licence and classification applications. We classified 2,800 films and 120 video games for release in the local market. MDA also hosted 20 consultation sessions with the Arts Consultative Panel and Films Consultative Panel to arrive at appropriate ratings for more contentious content. MDA also investigated a total of 21 content breaches.

30 September



IMDA Launched to Empower Businesses, Workers and Communities to Seize Opportunities in a Digital Future

The Info-communications Media Development Authority (IMDA) was officially launched following the restructuring of the Info-communications Development Authority (IDA) and the MDA. Minister for Communications and Information Dr. Yaacob Ibrahim announced IMDA's strategies to spearhead Singapore's transition into a digital future by helping businesses, workers and the community to harness the opportunities from Infocomm Media (ICM) convergence and technological change. These strategies include

- developing a strong ICM sector to power and transform our economy;
- building an environment of trust through regulations; and
- improving Singaporeans' lives through ICM.



FINANCIAL STATEMENTS



Media Development Authority of Singapore

Annual Report

Period from 1 April 2016 to 30 September 2016


Statement by Media Development Authority of Singapore

In the opinion of Media Development Authority of Singapore (the “Authority”),

- (a) the accompanying financial statements of the Authority as set out on pages FS1 to FS41 are drawn up in accordance with the provisions of the Media Development Authority of Singapore Act (Chapter 172) (the “Act”) and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the financial position of the Authority as at 30 September 2016, the financial performance and changes in equity of the Authority, and cash flows of the Authority for the period from 1 April 2016 to 30 September 2016; and
- (b) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise; and
- (c) the receipts, expenditure and investment of moneys and the acquisition and disposal of assets by the Authority during the financial period have been in accordance with the provisions of the Act.

The Board of the Media Development Authority of Singapore as constituted on 30 September 2016 has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Authority



Niam Chiang Meng
Chairman of MDA



Gabriel Lim
Chief Executive Officer of MDA

8 March 2017

Independent Auditors' Report to the Members of Media Development Authority of Singapore

Report on the Financial Statements

We have audited the accompanying financial statements of Media Development Authority of Singapore (the "Authority"), which comprise the statement of financial position as at 30 September 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 1 April 2016 to 30 September 2016, and a summary of significant accounting policies and other explanatory information, set out on pages FS1 to FS41.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Media Development Authority of Singapore Act, Chapter 172 (the "Act") and Statutory Board Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 judgment, 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 and fair presentation of financial statements 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 and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Authority as at 30 September 2016 and the results, changes in equity and cash flows of the Authority for the period from 1 April 2016 to 30 September 2016.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which states that the Authority and Info-communications Development Authority of Singapore were restructured to form Info-communications Media Development Authority and Government Technology Agency. Following the formation of Info-communications Media Development Authority on 1 October 2016, all business and undertakings and all rights and obligations of the Authority were transferred to, and will continue to exist under, the Info-communications Media Development Authority and the Authority ceased to exist as a separate statutory board.

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

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



Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the period are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 March 2017

Statement of financial position
As at 30 September 2016

	Note	30 September 2016 \$'000	31 March 2016 \$'000
Assets			
Property, plant and equipment	4	977	1,304
Intangible assets	5	1,116	1,297
Available-for-sale financial assets	6	2,999	4,099
Non-current assets		<u>5,092</u>	<u>6,700</u>
Cash and cash equivalents	7	123,400	161,785
Financial assets at fair value through profit or loss	8	121,343	73,284
Trade and other receivables	9	4,633	12,035
Available-for-sale financial assets	6	99	—
Current assets		<u>249,475</u>	<u>247,104</u>
Total assets		<u>254,567</u>	<u>253,804</u>
Equity			
Share capital	10	1,201	1,201
Capital account	11	131,614	131,614
Fair value reserve		2,134	1,387
Accumulated surplus		54,751	57,928
Total equity		<u>189,700</u>	<u>192,130</u>
Liabilities			
Provision of unclaimed moneys		2,153	2,215
Provision for pension and gratuities	12	14,628	15,244
Provision for ex-gratia payments		183	183
Provision for reinstatement of property, plant and equipment		1,711	1,711
Non-current liabilities		<u>18,675</u>	<u>19,353</u>
Trade and other payables	13	16,214	25,151
Advances and deposits	14	9,265	7,698
Grants received in advance	15	16,054	2,341
Deferred capital grants	16	2,041	2,554
Other deferred grants	17	964	2,712
Provision for pension and gratuities	12	1,654	1,865
Current liabilities		<u>46,192</u>	<u>42,321</u>
Total liabilities		<u>64,867</u>	<u>61,674</u>
Total equity and liabilities		<u>254,567</u>	<u>253,804</u>
Net assets of Trust and agency funds	18	<u>75,977</u>	<u>15,676</u>

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

Statement of comprehensive income
Period from 1 April 2016 to 30 September 2016

		1 April 2016 to 30 September 2016			1 April 2015 to 31 March 2016		
	Note	General Fund \$'000	Restricted Funds \$'000	Total \$'000	General Fund \$'000	Restricted Funds \$'000	Total \$'000
Income							
Broadcast licence fees		13,537	—	13,537	28,310	—	28,310
Film and video fees		710	—	710	1,564	—	1,564
Revenue from completed films		29	—	29	19	—	19
		14,276	—	14,276	29,893	—	29,893
Net gain/(loss) on financial assets at fair value through profit or loss	8	3,057	—	3,057	(135)	—	(135)
Other income	19	1,136	—	1,136	2,476	—	2,476
Expenses							
Employee compensation	20	(17,297)	—	(17,297)	(34,453)	—	(34,453)
Information technology expenses		(7,595)	—	(7,595)	(10,692)	—	(10,692)
Rental on operating leases		(1,605)	—	(1,605)	(3,174)	—	(3,174)
Professional and consultancy fees		(2,051)	—	(2,051)	(2,512)	—	(2,512)
Irrecoverable Goods and Services Tax		(736)	—	(736)	(1,830)	—	(1,830)
Depreciation and amortisation expenses	4 & 5	(782)	(11)	(793)	(1,421)	(22)	(1,443)
Regulatory and licensing expenses		(234)	—	(234)	(491)	—	(491)
Write-back for impairment of trade receivables		—	—	—	1	—	1
Other operating expenses		(4,152)	—	(4,152)	(12,873)	—	(12,873)
Total operating expenditure		(34,452)	(11)	(34,463)	(67,445)	(22)	(67,467)
Deficit before industry development expenses		(15,983)	(11)	(15,994)	(35,211)	(22)	(35,233)
Industry development expenses							
Industry promotional expenses	21	—	(6,572)	(6,572)	—	(19,434)	(19,434)
Write-back for industry loans and interest receivable		48	—	48	380	—	380
Impairment loss on financial assets available-for-sale	6	—	(1,748)	(1,748)	—	(1,761)	(1,761)
Total industry development expenses		48	(8,320)	(8,272)	380	(21,195)	(20,815)
Deficit before grants		(15,935)	(8,331)	(24,266)	(34,831)	(21,217)	(56,048)

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

Statement of comprehensive income (cont'd)
Period from 1 April 2016 to 30 September 2016

	Note	1 April 2016 to 30 September 2016			1 April 2015 to 31 March 2016		
		General Fund \$'000	Restricted Funds \$'000	Total \$'000	General Fund \$'000	Restricted Funds \$'000	Total \$'000
Government grants							
Government grants	15	17,382	2,889	20,271	36,623	17,396	54,019
Deferred capital grants amortised	16	807	11	818	1,418	22	1,440
Total government grants		18,189	2,900	21,089	38,041	17,418	55,459
Net surplus/(deficit)		2,254	(5,431)	(3,177)	3,210	(3,799)	(589)
Other comprehensive income							
Items that will not be reclassified to income or expenditure							
Actuarial gain recognised on provision for pension and gratuities	12	—	—	—	1	—	1
Items that are or may be reclassified subsequently to income or expenditure							
Net change in fair value of financial assets available-for-sale		—	554	554	—	672	672
Net change in fair value of financial assets available-for-sale reclassified to income or expenditure		—	193	193	—	177	177
Total other comprehensive income	6	—	747	747	1	849	850
Total comprehensive income		2,254	(4,684)	(2,430)	3,211	(2,950)	261

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

Statement of changes in equity
Period from 1 April 2016 to 30 September 2016

		Share capital \$'000	Capital account \$'000	Fair value reserve (Restricted Funds) \$'000	<----- Accumulated surplus ----->			Total \$'000
	Note				General Fund \$'000	Restricted Funds \$'000	Subtotal \$'000	
At 1 April 2015		1,201	131,614	538	42,927	20,479	63,406	196,759
Net surplus/(deficit)		—	—	—	3,210	(3,799)	(589)	(589)
Other comprehensive income								
Actuarial loss recognised on provision for pension and gratuities	12	—	—	—	1	—	1	1
Net change in fair value of financial assets available-for-sale		—	—	672	—	—	—	672
Net change in fair value of financial assets available-for-sale reclassified to income or expenditure		—	—	177	—	—	—	177
Total other comprehensive income	6	—	—	849	1	—	1	850
Total comprehensive income		—	—	849	3,211	(3,799)	(588)	261
Transactions with owners of the Authority, recognised directly in equity								
Distributions to owners of the Authority								
Dividend paid	26	—	—	—	(4,890)	—	(4,890)	(4,890)
Total distributions to owners of the Authority		—	—	—	(4,890)	—	(4,890)	(4,890)
Transfer from general fund to restricted funds	23	—	—	—	(23,787)	23,787	—	—
At 31 March 2016		1,201	131,614	1,387	17,461	40,467	57,928	192,130

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

Statement of changes in equity (cont'd)
Period from 1 April 2016 to 30 September 2016

				Fair value reserve (Restricted Funds)	<----- Accumulated surplus ----->			
	Note	Share capital \$'000	Capital account \$'000	\$'000	General Fund \$'000	Restricted Funds \$'000	Subtotal \$'000	Total \$'000
At 1 April 2016		1,201	131,614	1,387	17,461	40,467	57,928	192,130
Net surplus/(deficit)		—	—	—	2,254	(5,431)	(3,177)	(3,177)
Other comprehensive income								
Net change in fair value of financial assets available-for-sale		—	—	554	—	—	—	554
Net change in fair value of financial assets available-for-sale reclassified to income or expenditure		—	—	193	—	—	—	193
Total other comprehensive income	6	—	—	747	—	—	—	747
Total comprehensive income		—	—	747	2,254	(5,431)	(3,177)	(2,430)
At 30 September 2016		1,201	131,614	2,134	19,715	35,036	54,751	189,700

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

Statement of cash flows
Period from 1 April 2016 to 30 September 2016

		1 April 2016 to 30 September 2016 \$'000	1 April 2015 to 31 March 2016 \$'000
Cash flows from operating activities			
Deficit before grants		(24,266)	(56,048)
Adjustments for:			
Depreciation and amortisation expense	4 & 5	793	1,443
Net (gain)/loss on financial assets at fair value through profit or loss	8	(3,057)	135
Interest income	19	(889)	(2,035)
Loss on disposal of intangible assets		25	–
Write-back for impairment of trade receivables		–	(1)
Impairment loss on financial assets available-for-sale	6	1,748	1,761
		<u>(25,646)</u>	<u>(54,745)</u>
Changes in:			
- trade and other receivables		7,189	(556)
- trade and other payables		(8,937)	2,248
- advances and deposits		1,567	3,902
- provision for unclaimed moneys		(62)	(119)
- provision for pension and gratuities		–	403
- provision for ex-gratia		–	42
Cash used in operations		<u>(25,889)</u>	<u>(48,825)</u>
Payment of pension and gratuities	12	(827)	(1,865)
Net cash used in operating activities		<u>(26,716)</u>	<u>(50,690)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	4	(15)	(419)
Purchases of intangible assets	5	(295)	(835)
Purchases of unit trusts	8	(45,002)	–
Repayment from financial assets available-for-sale		–	737
Interest received		1,102	1,429
Net cash (used in)/from investing activities		<u>(44,210)</u>	<u>912</u>
Cash flows from financing activities			
Payment of dividends		–	(4,890)
Government grants received	15	32,541	51,741
Net cash from financing activities		<u>32,541</u>	<u>46,851</u>
Net decrease in cash and cash equivalents		<u>(38,385)</u>	<u>(2,927)</u>
Cash and cash equivalents at beginning of the period/year		161,785	164,712
Cash and cash equivalents at end of the period/year	7	<u><u>123,400</u></u>	<u><u>161,785</u></u>

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

Notes to the financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements. The financial statements were authorised for issue by the Board on [date of signing].

1 Domicile and activities

Media Development Authority of Singapore (the “Authority”), a statutory board under the Ministry of Communications and Information (“MCI”), formerly the Ministry of Information, Communications and the Arts (“MICA”), was established in The Republic of Singapore under the Media Development Authority of Singapore Act (Chapter 172) on 1 January 2003.

The establishment of the Authority was by way of a merger of the Singapore Broadcasting Authority, the Singapore Film Commission and the Films and Publications Department from the then Ministry of Information, Communications and the Arts (“MICA”).

As a statutory board, the Authority is subjected to the control of its supervisory Ministry, MCI, and is required to follow the policies and instructions issued from time to time by MCI and other government ministries and departments such as the Ministry of Finance (“MOF”).

The registered office and principal place of operations of the Authority is located at 3 Fusionopolis Way, #16-22, Symbiosis, Singapore 138633.

The Authority is the national regulatory authority for media in Singapore and its principal activities are:

- (a) to exercise licensing and regulatory functions in respect of media services in Singapore, including the establishment of guidelines and standards relating to the content of media services, and any equipment or facility used in connection with the provision of media services;
- (b) to encourage, promote and facilitate the development of the media industries in Singapore;
- (c) to advise and make recommendations to the Government of Singapore on matters, measures and regulations related to or connected with the media;
- (d) to facilitate the provision of an adequate range of media services in Singapore which serve the interests of the general public;
- (e) to maintain fair and efficient market conduct and effective competition in the media industries in Singapore or, in the absence of a competitive market, to prevent the misuse of monopoly or market power;
- (f) to ensure that media services in Singapore are maintained at a high standard in all respects and, in particular, in respect of the quality, balance and range of subject-matter of their content;
- (g) to encourage and regulate public service broadcast programming by broadcasting licences under the Broadcasting Act (Cap. 28);

- (h) to ensure that nothing is included in the content of any media service which is against public interest or order, or national harmony, or which offends against good taste or decency; and
- (i) to exercise any other function or duty conferred on the Authority by or under this Act, the Broadcasting Act, the Films Act (Cap. 107), the Newspaper and Printing Press Act (Cap. 206), the Undesirable Publications Act (Cap. 338) or any other written law.

The Authority and Info-communications Development Authority of Singapore were restructured to form Info-communications Media Development Authority (“IMDA”) and Government Technology Agency. Following the formation of IMDA on 1 October 2016 pursuant to Part 9 of the Info-communications Media Development Authority Act 2016, all the business and undertakings and all rights and obligations of the Authority were transferred to, and will continue to exist under the IMDA, being the restructured statutory board. On this same date, the Authority ceased to exist as a separate statutory board.

After the restructuring, the operations and activities of the Authority continue to exist under the IMDA. As such, it is still appropriate for the Authority to continue to prepare this last set of financial statements on a going concern basis. Accordingly, assets and liabilities are recognised, measured and presented on the basis that the Authority will be able to realise its assets and discharge its liabilities in the normal course of business. Disclosures about commitments, financial instruments, trust and agency funds and any other off-balance sheet transactions are made on the basis that the Authority will undertake these transactions in the normal course of business.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provision of the Media Development Authority of Singapore Act (Chapter 172) and Statutory Board Financial Reporting Standards (“SB-FRS”), including Interpretations of SB-FRS (“INT SB-FRS”) and SB-FRS Guidance Notes as promulgated by the Accountant-General.

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 Authority’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SB-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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relate to the classification of investments at fair value through profit or loss and available-for-sale investments, and are disclosed in note 3.2.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial period are as follows:

Provision for pension and gratuities

Provision for pension and gratuities is estimated by management based on the most recent valuation by professional actuaries. Changes to assumptions and estimates used in the valuation would result in changes to the provision for pension and gratuities amounts estimated.

Valuation of investments

The determination of fair value for financial assets for which there are no observable market price requires the use of valuation techniques as described in note 27. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Deferred benefits on contribution to Consolidated Fund

Deferred benefits have not been recognised on unrecognised deficits carried forward as the Authority expects to continue to be in operating deficit, excluding any investment income and fair value gains or losses from its financial assets held at fair value through profit or loss. Management believes that the probability of utilising the carried forward deficits is dependent on market performance and does not expect significant gains in its investments and financial assets held at fair value through profit or loss to fully offset the unrecognised deficits. Accordingly, the Authority has not recognised any deferred benefits for contribution to Consolidated Fund.

Broadcast licence fees

Broadcast licence fees are billed in advance based on a percentage of the broadcasters' total qualifying income recognised evenly over the licence period and are subsequently adjusted based on the latest available information. Changes to the estimates used in the determination of broadcast licence fee would result in changes to the broadcast licence fee revenue recognised for the financial period.

2.5 Changes in accounting policies

On 1 April 2016, the Authority has adopted all the new and revised SB-FRSs, INT SB-FRSs and Guidance Notes that are mandatory for application on that date. The adoption of these new or revised SB-FRSs, INT SB-FRSs and Guidance Notes does not have any significant impact on the financial statements.

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 the changes in accounting policies.

3.1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Authority at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated 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 period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated 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 translation are recognised in income or expenditure, except for the following differences which are recognised in other comprehensive income arising on the translation 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 income or expenditure).

3.2 Financial instruments

(i) Non-derivative financial assets

The Authority 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 Authority becomes a party to the contractual provisions of the instrument.

The Authority 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 Authority 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 Authority 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 Authority classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

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 Authority manages and evaluates the performance of such investments based on their fair value in accordance with the Authority's documented risk management or investment strategy. Attributable transaction costs are recognised in income or expenditure 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 income and expenditure.

Financial assets designated at fair value through profit or loss comprise unit trusts.

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 initially measured 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 trade and other receivables (excluding prepayments).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and cash held with Accountant-General's Department ("AGD").

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. Financial assets available-for-sale are initially measured 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 (see note 3.1), 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 income or expenditure.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost.

Financial assets available-for-sale comprise investment in media funds. The Authority designated available-for-sale investments for long term investments in media funds with an expected investment period of 10 years. The financial assets are presented as non-current unless management intends to dispose the assets within 12 months after the reporting date.

(ii) Non-derivative financial liabilities

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Authority becomes a party to the contractual provisions of the instrument.

The Authority 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 statement of financial position when, and only when, the Authority has a legally enforceable 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 Authority's other non-derivative financial liabilities are classified into the other financial liabilities category. Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

These financial liabilities comprise trade and other payables, advances and deposits, and grants received in advance.

3.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;

- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Authority has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in income or expenditure.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Authority, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in income or expenditure as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in income or expenditure on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset, and is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current period and comparative year are as follows:

Vehicles	5 years
Furniture, fittings and equipment	5 years
Computers	3 years
Leasehold improvements	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets

Computer systems including software development costs are capitalised on the basis of the costs incurred to bring to use or develop the specific system. Direct expenditures including employee costs, which enhances or extends the performance of computer or application system beyond its specifications and which can be reliably measured, is added to the original cost of the system. Costs associated with maintaining the computer system are recognised as expenses when incurred.

Computer systems are measured at cost less accumulated amortisation and accumulated impairment losses. These costs less residual values, are amortised and recognised to income or expenditure using the straight-line method over their estimated useful lives of 3 years.

In respect of internally constructed intangible assets, amortisation is recognised from the date that the asset is completed and ready for use. Systems under development are not amortised.

The amortisation period and amortisation method of intangible assets are reviewed at least at each reporting date.

3.5 Impairment

(i) 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 an effect 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 Authority on terms that the Authority would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, 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 Authority 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.

In assessing collective impairment, the Authority 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 income or expenditure and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Authority 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 income or expenditure.

Financial assets available-for-sale

Impairment losses on financial assets available-for-sale are recognised by reclassifying the losses accumulated in the fair value reserve in equity to income or expenditure. The cumulative loss that is reclassified from equity to income or expenditure 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 income or expenditure. Changes in cumulative 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, then the impairment loss is reversed. The amount of the reversal is recognised in income or expenditure. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Authority's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in income or expenditure. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in income or expenditure in the periods during which related services are rendered by employees.

Contributions on the employees' salaries are made to the Central Provident Fund ("CPF") as required by law. CPF contributions are recognised as employee compensation expenses in the period when the employees rendered their services.

(ii) Defined benefit plans

The Authority operates a defined benefit pension plan that provides for certain post-employment pension benefits for eligible employees.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Authority's net obligation in respect of the defined benefit pension plans is calculated by estimating the future benefit that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield of a government bond rate that has maturity dates approximating the terms of the Authority's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. Under the method, a "projected accrued benefit" is calculated for each benefit. For all active members of the scheme, the "projected accrued benefit" is based on the scheme's accrual formula and upon service as of the valuation date, but using the employee's scheme salary, projected to the age at which the employee is assumed to leave active service. For inactive members, it is the total benefit. The defined benefit obligation/project benefit obligation/plan liability is the discounted present value of the "projected accrued benefits". The service cost is the corresponding value of benefits earned by active members over the year as a result of 1 more year of service.

The Authority recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in income or expenditure.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Authority is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Authority has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(iv) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Authority has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(v) Provision for ex-gratia payments

This amount is provided for payments to be made to former Singapore Broadcasting Corporation (“SBC”) staff transferred from Singapore Broadcasting Authority to the Authority. The provision is computed based on the guidelines contained in the Ministry of Finance (Revenue) Circular No. 4/94 dated 10 August 1994.

3.7 Provisions

Provisions are recognised if, as a result of a past event, the Authority has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and the risks specific to the liability.

3.8 Share capital

Ordinary shares issued in accordance with FCM 26/2008 - Capital Management Framework for Statutory Boards, are classified as equity. The shares issued are held by the Minister for Finance, incorporated by the Minister for Finance (Incorporation) Act.

3.9 Dividends

Dividends payable to the Ministry of Finance, the ultimate shareholder, are recognised when the Authority approves the dividends for payment.

3.10 Trust and agency funds

Moneys received from the Government of Singapore and other organisations where the Authority is not the owner and beneficiary, are accounted for as trust and agency funds.

The total net assets and liabilities of the trust and agency funds of the Authority – Public Service Broadcast (“PSB”), the Interactive Digital Media Research and Development (“IDM R&D”), as well as other trust and agency funds are shown as a separate line in the statement of financial position. Trust and agency funds are accounted for on an accruals basis. The receipts and expenditures of these funds are directly taken to the fund accounts.

3.11 Restricted funds

These are funds set aside for specific purposes and for which separate disclosure is made as these funds are material and subject to restrictions on the ability of the Authority to distribute or otherwise apply its funds. Restricted funds are accounted for on an accrual basis.

3.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured. The following recognition criteria must also be met before revenue is recognised:

(a) Broadcast licence fees

Broadcast licence fees are billed in advance based on a percentage of the broadcasters' total qualifying income recognised evenly over the licence period and are subsequently adjusted based on the latest available information. Any adjustments to the broadcast licence fees based on the actual audited qualifying income provided by the broadcasters are recognised in the following financial period.

(b) Film and video licence fees

Film and video licence fees are recognised when the licences are granted and recognised on a straight-line basis over the licence period.

(c) Film and video classification fees

Film and video classification fees are recognised when services are rendered.

(d) Revenue from completed films

Under the Authority's industry developments schemes, the share of returns from the marketing and sale of the completed films, television programmes, digital media and publishing projects are recognised as revenue when sold by the production companies to their customers.

(e) Interest income

Interest income is accrued on a time-proportion basis by reference to the principal outstanding using the effective interest method.

(f) Unclaimed moneys

Unclaimed moneys held by the Authority which are not claimed within 6 years of its receipt are recognised in income or expenditure as “Other income”.

3.13 Government grants

Government grants and contributions from other organisations are recognised initially as Grants received in advance at their fair value where there is reasonable assurance that they will be received and the Authority will comply with the conditions associated with the grants and contributions.

Government grants received to meet the Authority’s operating expenditure are recognised in the income or expenditure as income on a systematic basis in the same financial period when the expenses are recognised.

Government grants utilised for the purchase or the construction of depreciable tangible and intangible assets are recorded in the deferred capital grants account. The deferred capital grants are amortised to income or expenditure over the period necessary to match the annual depreciation and amortisation charge of these assets purchased with the related grants. On disposal of these assets, the balance of the related deferred capital grant is recognised in income or expenditure to match the net book value of the assets disposed.

Government grants utilised for investment in financial assets available-for-sale are recorded in the other deferred grants account. The other deferred grants are amortised to income or expenditure to match the impairment of these financial assets. On disposal of these financial assets available-for-sale, the balance of the related other deferred grants is recognised in income or expenditure to match any net impairment relating to the disposed investments.

3.14 Operating lease payments

When entities within the Authority are lessees of an operating lease

Where the Authority has the use of assets under operating leases, payments made under the leases are recognised in income or expenditure on a straight-line basis over the term of the lease. Lease incentives received are recognised in income or expenditure as an integral part of the total lease payments made. Leased assets are not recognised in the Authority’s statement of financial position.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Authority determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specified asset or assets; and
- the arrangement contains a right to use the asset.

At inception or upon reassessment of the arrangement, the Authority separates payments and other considerations required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Authority concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Authority’s incremental borrowing rate.

3.15 Donation

Donations, other than those specified below, are recognised in income in the period of receipt.

Property, plant and equipment obtained through donations that can be reliably measured are taken to deferred capital grants at their fair value in the period of receipt. The deferred capital grants are amortised to income or expenditure over the period necessary to match the annual depreciation and amortisation charge of these assets.

3.16 Contribution to Consolidated Fund

The Authority is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidation Funds) Act, Chapter 319A. The provision is based on guidelines specified by the Ministry of Finance. It is computed based on a percentage pegged at the prevailing corporate tax rate for the period of assessment on the net surplus of the Authority and after deducting prior year's accumulated deficits in accordance with FCM 5/2005 – Framework for Contribution to Consolidated Fund by Statutory boards. Contribution is provided for on an accrual basis.

The Authority is allowed to carry forward its deficits to offset its future surplus. The deficits have no expiry date.

The benefits associated with the deficits are recognised as deferred income tax asset to the extent that realisation of the related benefits through future surplus is probable.

3.17 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2016, and earlier application is permitted; however, the Authority have not early applied the following new standards and interpretations in preparing these statements. The Management is currently assessing the potential impact of adopting these new standards and interpretations on how its operations will be accounted for.

These new standards include, among others, SB-FRS 109 *Financial Instruments*, which are mandatory for adoption by the Authority on 1 January 2018. SB-FRS 109 replaces most of the existing guidance in SB-FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As SB-FRS 109, when effective, will change the existing accounting standards and guidance applied by the Authority in accounting for financial instruments, this standard is expected to be relevant to the Authority.

4 Property, plant and equipment

	Vehicles	Furniture, fittings and equipment	Computers	Leasehold improvements	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
At 1 April 2015	371	11,080	9,722	9,934	31,107
Additions	–	185	207	27	419
Disposals	–	(71)	(89)	–	(160)
At 31 March 2016	371	11,194	9,840	9,961	31,366
Additions	–	15	–	–	15
Disposals	–	(15)	(24)	–	(39)
At 30 September 2016	371	11,194	9,816	9,961	31,342
Accumulated depreciation					
At 1 April 2015	260	10,639	9,011	9,504	29,414
Depreciation for the year	27	115	432	234	808
Disposals	–	(71)	(89)	–	(160)
At 31 March 2016	287	10,683	9,354	9,738	30,062
Depreciation for the period	13	69	150	110	342
Disposals	–	(15)	(24)	–	(39)
At 30 September 2016	300	10,737	9,480	9,848	30,365
Carrying amounts					
At 1 April 2015	111	441	711	430	1,693
At 31 March 2016	84	511	486	223	1,304
At 30 September 2016	71	457	336	113	977

5 Intangible assets

	Computer systems \$'000	Systems under development \$'000	Total \$'000
Cost			
At 1 April 2015	19,525	545	20,070
Additions	718	117	835
Reclassification	620	(620)	–
Disposals	(159)	–	(159)
At 31 March 2016	20,704	42	20,746
Additions	279	16	295
Disposals	(5,456)	–	(5,456)
At 30 September 2016	15,527	58	15,585
Accumulated amortisation			
At 1 April 2015	18,973	–	18,973
Amortisation for the year	635	–	635
Disposals	(159)	–	(159)
At 31 March 2016	19,449	–	19,449
Amortisation for the period	451	–	451
Disposals	(5,431)	–	(5,431)
At 30 September 2016	14,469	–	14,469
Carrying amounts			
At 1 April 2015	552	545	1,097
At 31 March 2016	1,255	42	1,297
At 30 September 2016	1,058	58	1,116

6 Available-for-sale financial assets

	30 September 2016 \$'000	31 March 2016 \$'000
At 1 April	4,099	5,748
Divestment	–	(737)
Net impairment loss recognised in income or expenditure	(1,748)	(1,761)
Net fair value change recognised in other comprehensive income	747	849
At 30 September/31 March	3,098	4,099
Non-current	2,999	4,099
Current	99	–
	3,098	4,099

Investment in media funds relates to collaboration with other investors to finance the development of media companies. These investments last for 10 years and repayment terms vary according to the terms of the agreements.

7 Cash and cash equivalents

	Note	30 September 2016 \$'000	31 March 2016 \$'000
General Fund		78,599	115,856
Restricted Funds	23	44,801	45,929
		<u>123,400</u>	<u>161,785</u>
Cash at bank and on hand			
- held by the Authority		3	37
- deposits held with Accountant-General's Department ("AGD")		267,593	256,943
- deposits held with AGD managed by the Authority on behalf of other ministries	18	(144,196)	(95,195)
		<u>123,400</u>	<u>161,785</u>

The Authority participates in the AGD's Centralised Liquidity Management Scheme ("CLM") whereby the Authority's cash is pooled together and managed centrally by AGD, a related party, in fixed deposits. Individual accounts are still maintained for daily transaction purpose and funds are transferred from deposits held with AGD whenever there are insufficient funds for transactional purpose. AGD pays interest on the Authority's cash balances participating in AGD's CLM. The effective interest rate was 1.42% (31 March 2016: 1.26%).

Cash and cash equivalents of the Authority include an amount of \$16,282,000 (31 March 2016: \$17,109,000) earmarked for payment of pension and gratuities to pensioners.

8 Financial assets at fair value through profit or loss

	30 September 2016 \$'000	31 March 2016 \$'000
At 1 April	73,284	73,419
Addition	45,002	—
Fair value change recognised in income or expenditure	3,057	(135)
At 30 September/31 March	<u>121,343</u>	<u>73,284</u>
Financial assets at fair value through profit or loss		
- Quoted unit trusts	46,388	—
- Unquoted unit trusts	74,955	73,284
	<u>121,343</u>	<u>73,284</u>

The unit trusts are in diversified portfolios of various asset classes managed by professional fund managers awarded by AGD under the Demand Aggregation II and III Schemes.

9 Trade and other receivables

	30 September 2016 \$'000	31 March 2016 \$'000
Trade receivables		
- Film, video and classification licence	7	16
- Others	383	340
	<u>390</u>	<u>356</u>
Less: Allowance for impairment of trade receivables	(330)	(330)
	<u>60</u>	<u>26</u>
Other receivables		
- Amount due from MCI	—	5,606
- Interest receivable	1,322	1,535
- Others	774	3,319
	<u>2,096</u>	<u>10,460</u>
Less: Allowance for impairment of other receivables	(401)	(449)
	<u>1,695</u>	<u>10,011</u>
Deposits	1,370	846
Loans and receivables	3,125	10,883
Prepayments	1,508	1,152
	<u>4,633</u>	<u>12,035</u>

10 Share capital

	30 September 2016 \$'000	31 March 2016 \$'000	<u>Number of shares</u> 30 September 2016 '000	<u>31 March 2016 '000</u>
At 1 April and 30 September/ 31 March	<u>1,201</u>	<u>1,201</u>	<u>1,201</u>	<u>1,201</u>

During the financial period ended 31 March 2009, in accordance with FCM 26/2008 - Capital Management Framework, there was a capital injection of \$1,201,000 into the Authority, comprising 1,000 shares from Ministry of Finance, and 1,200,000 shares for Minor Development Funds from the Ministry of Communications and Information, in the form of equity injection. Share certificates amounting to \$1,201,000 had been issued. The shares issued are held by the Minister for Finance, incorporated by the Minister for Finance (Incorporation) Act. The holders of these shares are entitled to receive dividends as and when declared by the Authority. The shares carry no voting rights and have no par value.

There were no shares issued in the current financial period.

11 Capital account

The capital account comprises the capitalisation of net assets/(liabilities) transferred from the Singapore Broadcasting Authority and the Singapore Film Commission on 1 January 2003, the date of establishment of the Authority.

12 Provision for pension and gratuities

The provision for pension and gratuities relates to benefits payable upon retirement of officers who were transferred to the Authority from the Singapore Broadcasting Authority upon the establishment of the Authority on 1 January 2003. The provision for pension and gratuities as at 30 September 2016 is estimated by management based on the most recent valuation by professional actuaries as at 31 March 2016, adjusted for any material change in assumptions used based on information as at 30 September 2016 well as benefits paid for the period from 1 April 2016 to 30 September 2016.

(a) The amount recognised in the statement of financial position is determined as follows:

	30 September 2016 \$'000	31 March 2016 \$'000
Present value of obligations	16,282	17,109
Comprising:		
- Current	1,654	1,865
- Non-current	14,628	15,244
	<u>16,282</u>	<u>17,109</u>

(b) The amounts recognised in income or expenditure are as follows:

		1 April 2016 to 30 September 2016 \$'000	1 April 2015 to 31 March 2016 \$'000
Current service cost		—	3
Interest cost		—	400
Expenses recognised in income or expenditure	20	<u>—</u>	<u>403</u>

(c) Movement in the fair value of pension and gratuities is as follows:

	30 September 2016 \$'000	31 March 2016 \$'000
At 1 April	17,109	18,572
Current service cost	—	3
Interest cost	—	400
Actuarial gain recognised in other comprehensive income	—	(1)
Benefits paid	(827)	(1,865)
At 30 September/31 March	<u>16,282</u>	<u>17,109</u>

The principal assumption used in determining the Authority's pension obligations is:

	30 September 2016	31 March 2016
Discount rate	<u>2.36%</u>	<u>2.36%</u>

The discount rate used is based on the interpolated yield rate of Singapore Government Bond with duration of 8 years, which is the weighted duration of future benefit payments (31 March 2016: 8 years). The Singapore Mortality Table S2004-08M/F was used for purpose of the latest valuation of pension liabilities.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumption set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the assumption by 0.25 percent.

	Defined benefit obligation	
	0.25 percent increase \$'000	0.25 percent decrease \$'000
30 September 2016		
Discount rate	<u>(315)</u>	<u>321</u>
31 March 2016		
Discount rate	<u>(320)</u>	<u>332</u>

The above sensitivity is based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation as at 31 March 2016 and is applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

13 Trade and other payables

	30 September 2016 \$'000	31 March 2016 \$'000
Trade and other payables	–	3,477
Accrued operating expenses	16,214	21,674
	<u>16,214</u>	<u>25,151</u>

14 Advances and deposits

	30 September 2016 \$'000	31 March 2016 \$'000
Deposits	2,291	597
Receipts in advance	6,974	7,101
	<u>9,265</u>	<u>7,698</u>

15 Grants received in advance

		General Fund		Restricted Funds		Total	
	Note	30 September 2016 \$'000	31 March 2016 \$'000	30 September 2016 \$'000	31 March 2016 \$'000	30 September 2016 \$'000	31 March 2016 \$'000
At 1 April		32	408	2,309	3,511	2,341	3,919
Received during the period		25,041	38,044	7,500	13,697	32,541	51,741
Transfer to deferred capital grants	16	(305)	(1,797)	–	–	(305)	(1,797)
Transfer from other deferred grants	17	–	–	1,748	2,497	1,748	2,497
Transfer to income or expenditure - government grants		(17,382)	(36,623)	(2,889)	(17,396)	(20,271)	(54,019)
At 30 September/31 March		<u>7,386</u>	<u>32</u>	<u>8,668</u>	<u>2,309</u>	<u>16,054</u>	<u>2,341</u>

16 Deferred capital grants

		General Fund		Restricted Funds		Total	
	Note	30 September 2016 \$'000	31 March 2016 \$'000	30 September 2016 \$'000	31 March 2016 \$'000	30 September 2016 \$'000	31 March 2016 \$'000
At 1 April		2,533	2,154	21	43	2,554	2,197
Transfer from grants received in advance	15	305	1,797	–	–	305	1,797
Transfer to income or expenditure - deferred capital grants amortised		(807)	(1,418)	(11)	(22)	(818)	(1,440)
At 30 September/31 March		<u>2,031</u>	<u>2,533</u>	<u>10</u>	<u>21</u>	<u>2,041</u>	<u>2,554</u>

17 Other deferred grants

	Note	Restricted Funds	
		30 September 2016 \$'000	31 March 2016 \$'000
At 1 April		2,712	5,209
Transfer to grants received in advance	15	(1,748)	(2,497)
At 30 September/31 March		<u>964</u>	<u>2,712</u>

18 Trust and agency funds

This represents funds received from the Government and other Statutory Boards that are held by the Authority as an agent.

- (a) PSB programmes are programmes that promote social objectives and national harmony as well as serve the interests of television viewers. Hence, broadcasters in Singapore are required to carry these programmes as specified in their licences. Being commercially less viable, there is a need to support these programmes through public service programming funding.
- (b) IDM R&D development funds supports the development of a strategic IDM research programme and the set-up of a multi-agency IDM R&D Programme Office within the Authority to spearhead the growth and development of Singapore's IDM sector. National Research Foundation ('NRF') took back the administration of IDM R&D Programme with effect from 1 April 2015. The remaining fund balances were returned to NRF thereafter.
- (c) Other trust and agency funds include support of productivity improvement of the media industry, funding of local feature film projects and co-productions, overseas promotion of Singapore films and promotion of Singapore as a location for film shots under the Singapore Film Commission ("SFC"), funding of national transition from analogue to digital broadcasting, as well as funding of local media productions in celebration of Singapore's 50 years of nation building.

The receipts and expenditure for the financial period are taken directly to the funds' accounts, and the net assets of these funds at the reporting date are as follows:

	30 September 2016 \$'000	31 March 2016 \$'000
Public Service Broadcast ("PSB")	75,319	14,624
Interactive and Digital Media Research and Development ("IDM R&D")	—	—
Others	658	1,052
	<u>75,977</u>	<u>15,676</u>

	PSB		IDM R&D		Others		Total	
	30 September 2016 \$'000	31 March 2016 \$'000	30 September 2016 \$'000	31 March 2016 \$'000	30 September 2016 \$'000	31 March 2016 \$'000	30 September 2016 \$'000	31 March 2016 \$'000
At 1 April	14,624	6,481	–	18,004	1,052	4,401	15,676	28,886
Receipts/receivables								
- Government grants	207,125	250,443	–	–	11,275	32,824	218,400	283,267
Deferred capital grants	–	–	–	–	20	–	20	–
Less:								
Funds utilised in the period	(146,430)	(242,300)	–	–	(11,689)	(36,173)	(158,119)	(278,473)
Funds returned to NRF	–	–	–	(18,004)	–	–	–	(18,004)
At 30 September/ 31 March	<u>75,319</u>	<u>14,624</u>	<u>–</u>	<u>–</u>	<u>658</u>	<u>1,052</u>	<u>75,977</u>	<u>15,676</u>
Represented by:								
Cash and cash equivalents	141,719	87,837	–	–	2,477	7,358	144,196	95,195
Other assets	–	5,515	–	–	51	11,608	51	17,123
Current liabilities	(66,400)	(78,728)	–	–	(1,870)	(17,914)	(68,270)	(96,642)
Net assets	<u>75,319</u>	<u>14,624</u>	<u>–</u>	<u>–</u>	<u>658</u>	<u>1,052</u>	<u>75,977</u>	<u>15,676</u>

19 Other income

	1 April 2016 to 30 September 2016 \$'000	1 April 2015 to 31 March 2016 \$'000
Interest income from short-term deposits and cash at bank	889	2,035
Unclaimed moneys	62	117
Others	185	324
	<u>1,136</u>	<u>2,476</u>

20 Employee compensation

	1 April 2016 to 30 September 2016 \$'000	1 April 2015 to 31 March 2016 \$'000
Wages and salaries	15,396	29,837
Employer's contribution to Central Provident Fund	1,738	3,523
Pension and gratuities	–	403
Other benefits	163	690
Employee compensation	<u>17,297</u>	<u>34,453</u>

21 Industry promotional expenses

	1 April 2016 to 30 September 2016 \$'000	1 April 2015 to 31 March 2016 \$'000
Restricted Funds	6,572	19,434

The Authority provides financial assistance in audio-visual production, digital media and publishing projects in the form of industry grants for idea development, content production, gaining access to international markets and talent development, to individuals and companies from all media sectors, namely Animation, Broadcast, Film, Games, Interactive Media and Publishing. Grants are disbursed based on milestones and key performance indicators (“KPIs”) achieved.

22 Provision for contribution to Consolidated Fund

The contribution to the Consolidated Fund is based on 17% (31 March 2016: 17%) of the net surplus of the Authority.

The Authority was in a net deficit position, hence, there was no contribution in current period (31 March 2016: nil).

With net deficit of \$3,177,000 (31 March 2016: deficit of \$589,000), the Authority has remaining unrecognised deficits of \$100,567,000 (31 March 2016: \$97,390,000) at the reporting date which can be carried forward and used to offset against future contributions to the Consolidated Fund.

23 Net assets of Restricted Funds

Restricted funds refer to the following:

- (a) Singapore Media Fusion Plan (“SMFP”)
- (b) IGNITE under Infocomm Media 2025 (“IGNITE”)

(a) SMFP

SMFP’s objective is to strengthen the building blocks of the media ecosystem and support the creation of innovative content, applications and services with global appeal. \$230,000,000 had been set aside to implement SMFP over 5 years commencing from the financial period ended 31 March 2010. In March 2014, the Authority was given an extension for the commitment of the aforementioned SMFP funds until 31 March 2016. In June 2015, a budget increase of \$7,000,000 was approved for the programme. The total amount set aside for SMFP was revised to \$237,000,000 to be committed by 31 March 2016.

(b) IGNITE

IGNITE aims to build a competitive media industry anchored by strong enterprises, quality talent, and developing high-value Intellectual Property (IP) appealing to a global fan base. A vibrant media sector producing compelling content in Singapore also contributes to a more connected society and enhances our standing as a global city. \$156,400,000 (31 March 2016: \$156,400,000) was approved to be set aside for the programme over 6 years commencing from the financial period ended 31 March 2016.

The statement shown below represents the net assets relating to SMFP and IGNITE.

	Note	30 September 2016 \$'000	31 March 2016 \$'000
Property, plant and equipment		10	21
Financial assets available-for-sale	6	2,999	4,099
Non-current assets		3,009	4,120
Cash and cash equivalents	7	44,801	45,929
Financial assets available-for-sale	6	99	–
Trade and other receivables		1,087	1,853
Current assets		45,987	47,782
Total assets		48,996	51,902
Trade and other payables		2,184	5,006
Grants received in advance	15	8,668	2,309
Deferred capital grants	16	10	21
Other deferred grants	17	964	2,712
Current liabilities		11,826	10,048
Total liabilities		11,826	10,048
Net assets		37,170	41,854
Represented by:			
Fair value reserves		2,134	1,387
Accumulated surplus		35,036	40,467
		37,170	41,854

In prior year, additional funds of \$23,787,000 were transferred to restricted funds as the funds are designated for the utilisation of commitment under SMFP from period commencing 1 April 2016 (note 24(c)).

24 Commitments

(a) Capital commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements are as follows:

	30 September 2016 \$'000	31 March 2016 \$'000
Property, plant and equipment	49	—
Intangible assets	799	540
	<u>848</u>	<u>540</u>

(b) Non-cancellable operating lease commitments

The Authority leases office premises under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payable under non-cancellable operating leases contracted with another statutory board at the reporting date but not recognised as liabilities, are as follows:

	30 September 2016 \$'000	31 March 2016 \$'000
Not later than one year	3,006	3,159
Between one and five years	1,049	527
	<u>4,055</u>	<u>3,686</u>

(c) Singapore Media Fusion Plan (“SMFP”) and IGNITE under InfoComm Media 2025 (“IGNITE”)

The statement shown below represents the amount committed against the \$237,000,000 that was allocated to SMFP.

	30 September 2016 \$'000	31 March 2016 \$'000
Amount allocated	237,000	237,000
Amount utilised		
- Industry development expenses	(180,268)	(174,837)
- Property, plant and equipment	(99)	(99)
- Investment in media funds	(17,713)	(17,713)
	<u>(198,080)</u>	<u>(192,649)</u>
Amount committed but yet to be utilised	(35,036)	(40,467)
Amount uncommitted	<u>3,884</u>	<u>3,884</u>

The statement shown below represents the amount committed against the \$156,400,000 that was allocated to IGNITE.

	30 September 2016 \$'000	31 March 2016 \$'000
Amount allocated	156,400	156,400
Amount utilised		
- Industry development expenses	(1,227)	(86)
	155,173	156,314
Amount committed but yet to be utilised	(1,763)	–
Amount uncommitted	153,410	156,314

(d) Financial assets available-for-sale

Commitments for financial assets available-for-sale managed by fund managers at reporting date are as follows:

	30 September 2016 \$'000	31 March 2016 \$'000
Amount unutilised	2,057	2,057

25 Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Authority if the Authority 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 Authority and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. In accordance with SB-FRS paragraph 27A, the Authority is exempted from disclosing transactions with government-related entities other than Ministries, Organs of State and other Statutory Boards, unless there are circumstances to indicate that these transactions are unusual and their disclosure would be of interest to readers of the financial statements.

(a) Significant related party transactions

Some of the Authority's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial period, other than disclosed elsewhere in the financial statements, the significant transactions with related parties which were carried out in the normal course of business are as follows:

	1 April 2016 to 30 September 2016 \$'000	1 April 2015 to 31 March 2016 \$'000
MCI		
Services and expenses paid to MCI	6,183	2,417
Computer and Info-technology related expenses	200	330
Expenses paid on behalf of MCI	-	2,356
Other Ministries and Statutory Boards		
Services and expenses paid to other Ministries	903	156
Services and expenses paid to other Statutory Boards	490	4,309
Operating lease expense	1,693	3,227

(b) Compensation of key management personnel

The remuneration of members of key management is as follows:

	1 April 2016 to 30 September 2016 \$'000	1 April 2015 to 31 March 2016 \$'000
Wages and salaries	705	2,005
Employer's contribution to Central Provident Fund	76	76
Board members' allowances	101	203
	<u>882</u>	<u>2,284</u>

26 Dividends

During the financial period ended 30 September 2016, there were no dividend declared by the Authority (31 March 2016: \$4,890,000 (\$4.07 per share)) on the ordinary shares issued to the Ministry of Finance.

27 Financial risk management

Overview

The Authority has exposure to market risk (including currency, price and interest rate risk), credit risk and liquidity risk from its use of financial instruments.

Risk management framework

The Management is responsible for setting the objectives and underlying principles of financial risk management for the Authority. The Finance Committee then establishes the detailed policies such as exposure limits, risk identification and measurement.

The Management measures actual exposure against the limits set and prepares regular reports for the review of the Finance Committee. The risk assessment presented below is based on information received by Management.

(a) Market risk

Market risk refers to the risk arising from uncertainty in the future values of a financial instrument, resulting from movements in factors such as equity prices, foreign exchange rates and market interest rates. The Authority's exposure to each of these factors is presented in the following paragraphs.

Currency risk

The Authority operates mainly in Singapore. The Authority's operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate arising from changes in market places (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting similar financial instruments traded in the market.

The Authority's exposure to price risk arises mainly from its investments in unit trusts (note 8). The risk is managed through fund diversification across different asset classes in various markets. The market risk associated with these investments is the potential loss in fair value resulting from the decrease in the net asset value of unit trusts.

Sensitivity analysis

A 10% decrease in the underlying market prices or net asset value of unit trusts at the reporting date, with all other variables remain constant, would decrease net surplus or deficit by the following amount:

	30 September 2016 \$'000	31 March 2016 \$'000
Quoted unit trusts	4,638	–
Unquoted unit trusts	7,496	7,328

A 10% increase in the net asset value of unit trusts would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Authority's exposure to interest rate risk for changes in interest rates arises primarily from deposits held with AGD.

The Authority periodically reviews and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable limits. Surplus funds are placed with AGD.

The table below set out the Authority's exposure to interest rate risks.

	Note	30 September 2016 \$'000	31 March 2016 \$'000
Variable rate instruments			
Deposits held with AGD	7	123,397	161,748

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) net surplus or deficit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as at 31 March 2016.

	Net surplus or deficit 100bp increase \$'000	100bp decrease \$'000
30 September 2016		
Variable rate instruments	1,234	(1,234)
31 March 2016		
Variable rate instruments	1,617	(1,617)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Authority. The carrying amounts of the Authority's major classes of financial assets such as cash at bank and on hand, deposits held with AGD, trade and other receivables (excluding prepayments), financial assets available-for-sale and financial assets at fair value through profit or loss represents the maximum exposure to credit risk.

Cash and cash equivalents are mainly deposits held with AGD and banks which have high credit-ratings as determined by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially entities with good collection track records with the Authority.

The Authority limits its credit risk exposure in respect of investments by placing its funds only with professional fund managers recommended by an investment consultant or awarded by AGD under the Demand Aggregation II Scheme.

An impairment loss of \$1,748,000 (31 March 2016: \$1,761,000) in respect of available-for-sale equity securities was recognised during the current period owing to significant decline in fair value of these securities. The Authority has no collateral in respect of these investments.

The Authority adopts the policy of dealing only with media and production companies of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk.

The ageing of loans and receivables are as follows:

	Gross	Impairment	Gross	Impairment
	30 September	loss	31 March	loss
	2016	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000
Not past due	3,486	(401)	11,330	(449)
Past due less than 3 months	40	—	2	—
Past due 3 to 6 months	—	—	—	—
Past due over 6 months	330	(330)	330	(330)
	<u>3,856</u>	<u>(731)</u>	<u>11,662</u>	<u>(779)</u>

The movement in allowance for impairment loss in respect of loans and receivables during the financial period is as follows:

	30 September	31 March
	2016	2016
	\$'000	\$'000
At 1 April	779	4,929
Write-back to income or expenditure	(48)	(380)
Utilised during the period	—	(3,770)
At 30 September/31 March	<u>731</u>	<u>779</u>

The impairment in trade and other receivables is due to several debtors who have not repaid their outstanding amounts despite reminders. The Authority wrote-off the balances which have been assessed as, and deemed uncollectible.

(c) Liquidity risk

The Authority monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Authority's operations.

The Authority receives its funds from the Ministry of Communications and Information, which are drawn down on a monthly basis to meet its funding requirements. The Authority's funds are mainly deposits held with AGD which have high liquidity.

At the end of the reporting period, the contractual cash flows of the Authority's current financial liabilities approximate the carrying values and they are expected to be settled within the next 12 months.

(d) Capital management

The Authority's objectives when managing capital are to ensure that the Authority is adequately capitalised and to fulfil objectives for which moneys of the Authority may be applied under the Media Development Authority of Singapore Act (Chapter 172). To achieve these objectives, the Authority may secure grants from the Government, return capital to shareholders, issue new shares, or obtain new borrowings.

The Authority is not subject to any capital requirements under the Media Development Authority of Singapore Act (Chapter 172) or any other externally imposed capital requirements, except for those mandated by the Ministry of Finance.

The Authority defines capital as share capital, capital account, fair value reserve and accumulated surplus. The Authority monitors its surplus/deficits. The Authority's approach to capital management remains unchanged from the financial period ended 30 September 2016.

(e) Accounting classifications and fair values

Determination of fair values

Financial assets at fair value through profit and loss and financial assets available-for-sale

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Authority is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Authority uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The determination of whether a fair value measurement is categorised into Level 2 or Level 3 depends on the observability of the inputs that are used in the valuation techniques and the significance of the inputs to the fair value measurement.

The fair value of the quoted unit trusts is based on the market bid price. As the fund is not listed in an active market, these instruments are included in Level 2.

The fair value of unquoted unit trusts is based on realisation price provided by the administrator of those unit trusts. These instruments are included in Level 3.

Other financial assets and liabilities

The carrying amounts of trade and other receivables, loan receivables, trade and other payables, advances and deposits and grants received in advance are assumed to approximate their fair values because of the short period to maturity.

Fair value hierarchy

The table below presents the fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques.

The different levels are defined as follows:

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

Valuation technique and key unobservable input

The following is a list of the valuation techniques and the key unobservable inputs used in the determination of fair value of the available-for-sale investments and financial assets at fair value through profit and loss.

Valuation technique	Inter-relationship between significant unobservable inputs and fair value measurement
----------------------------	--

The estimated fair value would decrease if:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Valuation of expected sale price • Valuation of redemption • Valuation of recent acquisition consideration • Valuation of realisation price | <ul style="list-style-type: none"> • valuation of expected sale price was lower; • valuation of redemption was lower; • valuation of recent acquisition consideration was lower; • valuation of realisation price was lower. |
|--|--|

Management considers that changing one or more of the significant unobservable inputs used to other reasonably possible alternative assumptions would not result in a significant change in the estimated fair value.

Key unobservable inputs

Key unobservable inputs correspond to:

- Fund manager's judgement with regard to the assumption that the expected sale price, estimated redemption value and recent acquisition consideration are reflective of fair value of investment.
- Fund manager's assessment that there are no major changes in the business and market environment that would impact the value of the investment materially.
- Fund manager's judgement with regard to the realisation price used in determining the value of unit trust.

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.

		Carrying amount					Fair value			
		Loans and	Other	Designated	Available	Total	Level 1	Level 2	Level 3	Total
		Note receivables	financial	at fair	-for-sale					
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 September 2016										
Assets										
<i>Financial assets measured at fair value</i>										
- Financial assets available-for-sale	6	—	—	—	3,098	3,098	—	120	2,978	3,098
- Financial assets at fair value through profit or loss	8	—	—	121,343	—	121,343	—	46,388	74,955	121,343
		—	—	121,343	3,098	124,441				
<i>Financial assets not measured at fair value</i>										
Cash and cash equivalents	7	123,400	—	—	—	123,400				
Trade and other receivables*	9	3,125	—	—	—	3,125				
		126,525	—	—	—	126,525				
Liabilities										
<i>Financial liabilities not measured at fair value</i>										
Trade and other payables	13	—	(16,214)	—	—	(16,214)				
Advances and deposits	14	—	(9,265)	—	—	(9,265)				
Grants received in advance	15	—	(16,054)	—	—	(16,054)				
		—	(41,533)	—	—	(41,533)				

* excludes prepayments

		Carrying amount					Fair value			
	Note	Loans and receivables \$'000	Other financial liabilities \$'000	Designated at fair value \$'000	Available -for-sale \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 March 2016										
Assets										
<i>Financial assets measured at fair value</i>										
- Financial assets available-for-sale	6	—	—	—	4,099	4,099	—	498	3,601	4,099
- Financial assets at fair value through profit or loss	8	—	—	73,284	—	73,284	—	—	73,284	73,284
		—	—	73,284	4,099	77,383				
<i>Financial assets not measured at fair value</i>										
Cash and cash equivalents	7	161,785	—	—	—	161,785				
Trade and other receivables*	9	10,883	—	—	—	10,883				
		172,668	—	—	—	172,668				
Liabilities										
<i>Financial liabilities not measured at fair value</i>										
Trade and other payables	13	—	(25,151)	—	—	(25,151)				
Advances and deposits	14	—	(7,698)	—	—	(7,698)				
Grants received in advance	15	—	(2,341)	—	—	(2,341)				
		—	(35,190)	—	—	(35,190)				

* excludes prepayments

28 Subsequent event

Subsequent to the period ended 30 September 2016, the Authority and Info-communications Development Authority of Singapore were restructured to form IMDA and Government Technology Agency.

IMDA commenced operations on 1 October 2016 as gazetted by the Info-communications Development Authority Act made on 22 September 2016.

As of 1 October 2016, all capital, accumulated surpluses, assets and liabilities of the Authority were transferred to IMDA.