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### **MISSION**

The Media Development Authority of Singapore (MDA) (www.mda.gov.sg), a statutory board under the Ministry of Information, Communications and the Arts (MICA) (www.mica.gov.sg), promotes and regulates the media sector so as to contribute towards economic growth and help foster a cohesive and inclusive society.

To ensure a globally competitive Singapore media sector, MDA invests in:

- · Enhancing the innovative capacity of the media sector;
- · Developing competitive media infrastructure;
- · Nurturing quality manpower;
- · Supporting sustainable enterprise development; and
- Enabling Singapore media to go global.

At the same time, MDA formulates clear and consistent regulatory policies, based on these guiding principles:

- To foster a pro-business environment for industry players;
- To ensure fair market conduct and effective competition;
- To safeguard consumers' interests;
- To increase media choices for consumers;
- · To uphold social values in tandem with societal expectations; and
- To foster a cohesive and inclusive society through quality content with wide reach and impact while promoting nation-building.



### **UISION**

In developing the media sector, MDA is guided by our vision "Compelling Content, Connected Society, Caring Organisation" where the power of stories, well told, will move our spirit to connect with one another to create an industry that is able to hold its own against the world's best.

### **CORE UALUES**

These core values shape MDA's culture and guide us in our work.

- Integrity
- · Care & Respect
- Professionalism
- Innovativeness

## CHAIRMAN'S MESSAGE



Mr NIAM CHIANG MENG

Chairman Media Development Authority Singapore The media sector grew at a brisk pace in the year of review. This was in spite of an uncertain economic climate.

In 2010, the media sector¹ contributed \$6.6 billion² in nominal value-added, an increase of 4.8 per cent from 2009. Employment in the media sector grew 4.4 per cent in the same year, to reach 68,300, while nominal value-added per worker increased by 0.4 per cent to \$96,600.

While all signs appear positive for now, the rapidly-changing technological landscape and the ensuing impact on the media consumption patterns mean there is no room for complacency. The industry must keep pace, and MDA must evolve our regulatory and industry development approach to stay relevant.

In this regard, MDA rewrote the script in 2011 by overhauling our support schemes to make it easier for media companies to get the help they need to produce quality content.

From 46 disparate funding schemes previously, the number has been streamlined to just five – Development Assistance; Production Assistance; Marketing Assistance; Talent Assistance and Enterprise Assistance.

The response to the change has been encouraging. Since their introduction in September 2011, MDA has supported 300 projects with nearly \$6.6 million in grants across the spectrum of the five new schemes.

While we have fundamentally revamped the way we go about supporting the media industry, MDA's focus on protecting consumers, as well as building a connected and inclusive society through the media, remains unchanged.

Although the Radio and TV licence has been scrapped, MDA continues its support for Public Service Broadcast programmes (PSB), which are now funded by the government's tax revenue.

12 13

ENABLING

Besides promoting social values and helping to foster a more informed citizenry, PSB programming on Singapore's free-to-air broadcast channels gives local media professionals a platform to showcase their talent.

Last year, MDA funded over 2400 hours of locally-produced PSB programming. Besides entertaining and informing local audiences, some of these programmes are also garnering accolades overseas.



- 1 The media sector comprises seven subsectors, namely, Film and Video (including Animation production), Broadcasting, Publishing, Printing, Music, Online Media and Games and Software.
- 2 Source: The Economic Development Board (EDB) and Department of Statistics (DOS)'s preliminary data.

Our focus now is on spurring media companies to develop and own their intellectual property, to create engaging and desirable content that will ultimately help the sector move up the value chain and open up a new chapter of growth for Singapore's media sector.

For example, August Pictures Pte Ltd's *The Activist's Journey – Japan's Homeless*, a look at the poor and destitute in Japan, was a finalist in the Community Portrait category at the New York Festivals – World's Best TV & Films 2012.

On the consumer protection front, MDA also put in place new rules in November 2011 to prevent consumers from being locked in to excessively long paytelevision contracts.

With these rules, the maximum permissible lock-in period is now two years and early-termination charges are also graduated for consumers who have served more than three months of their contracts.

With the explosion of new offerings across mobile, Internet and pay-TV platforms, it is equally important that the MDA continues to give consumers the tools they need to make informed media choices, and help parents protect their children from undesirable content.

In July 2011, MDA announced plans to make it compulsory for service providers to promote Internet filters when consumers renew or sign up for new broadband contracts. In addition, mobile filters have been introduced as more and more children are now surfing on their smart phones.



The Activist's Journey – Japan's Homeless by August Pictures was a finalist in the Community Portrait category at the New York Festivals – World's Best TV & Films 2012.

The introduction of a new PG13 film rating and the harmonisation of classification guidelines across films, videos and broadcast are among other 2011 milestones for the MDA in the area of consumer protection and empowerment.

This is not the full story of course.

There were many other initiatives that
MDA embarked on last year beyond its
regulatory and industry development
charter. On the corporate front, MDA made
concerted efforts towards business and
service excellence.

In 2011, MDA successfully renewed its Singapore Quality Class (SQC) certification, and continued to leverage on the Singapore Service Class (S-Class) framework and processes to offer relevant and pro-enterprise service to its customers.



Care Connexion, a volunteer group formed by MDA staff, focuses on activities involving the elderly, underprivileged youth and children, animal welfare and the environment.

MDA also facilitated lively exchange of views and updates of its initiatives and policies over social media platforms such as Facebook, Twitter and YouTube. Through *Care Connexion*, a volunteer group formed by its staff, MDA participated in over 2000 hours of community service activities from 2009 to 2011.

In all, the year in review was a good one; with significant and meaningful changes made in the way we used media to better our lives, society and businesses.

I am confident that these positive changes will become even more impactful come 1 November 2012, when the Ministry of Information, Communications and the Arts sharpens its focus on the media, design and infocomm sectors under a new name – Ministry of Communications and Information.

I would like to take this opportunity to thank MDA's board members, industry partners and especially our hardworking staff for their dedication and support in helping to create a brighter future for Singapore's media sector.



Chairman

Media Development Authority

Singapore

# BOARD OF DIRECTORS

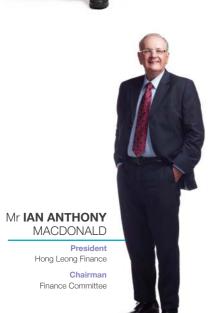




#### Mr NIAM CHIANG MENG

**Chairman** Media Development Authority Singapore

Chairman Establishment Committee



#### Mr **HRI KUMAR** NAIR

Director Drew & Napier LLC

Chairman Audit Committee





### Associate Professor **ADRIAN DAVID** CHEOK

Associate Professor (ECE Department) IDMI Institute National University of Singapore



#### Mr AUBECK KAM

Chief Executive Officer
Media Development Authority
Singapore



#### Mr **BASSKARAN** NAIR

Adjunct Associate Professor (Lee Kuan Yew School of Public Policy) National University of Singapore



# BOARD OF DIRECTORS









Mr WAYNE CHOU

Director

Popular Holdings Limited



# SENIOR MANAGEMENT





Mr AUBECK KAM
Chief Executive Officer



Mr MICHAEL YAP

Deputy Chief Executive
(Regulatory)

Executive Director
Interactive Digital
Media Programme Office



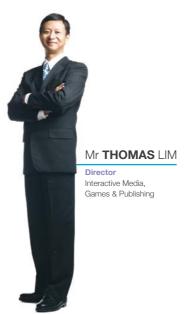




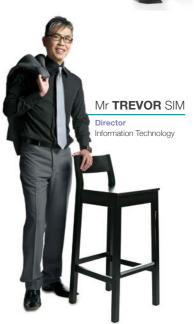
# **SENIOR**











In the year of review, 1 April 2011 to 31 March 2012, Singapore's media sector was marked by a vibrancy that produced globally-competitive content across films, TV, animation, music, games, books and interactive media.

Singapore-made media content continued to engage local and international audiences, while a number of the world's best media houses and agencies have found the country an ideal place to develop quality content, manpower and jobs.

The various subsectors in the local media industry took important steps forward by moving from being contractors for hire to co-owners of original, award-winning content, facilitated by a revamp of grant schemes.

The revamp, which streamlined 46 schemes to just five, boosted the development of local talent and ideas, while helping to showcase and export Singapore content. It also boosted the training and upskilling of media professionals; in all, contributing to the development of a world-class cluster.

In 2010, based on Singapore's Economic Development Board and Department of Statistics' preliminary data, the media sector<sup>3</sup> contributed \$6.6 billion<sup>4</sup> in nominal value-added (VA), an increase of 4.8 per cent from 2009. Employment in the media sector grew 4.4 per cent to reach 68,300, while nominal value-added per worker increased by 0.4 per cent to \$96,600.

#### SIMPLIFIED INDUSTRY GRANT SCHEMES

In September 2011, MDA streamlined its 46 funding schemes to just five grant schemes to cater to the changing needs of the media industry.

Five new schemes – Development Assistance, Production Assistance, Marketing Assistance, Talent Assistance and Enterprise Assistance – now support the different stages of a project across all media sectors. Media companies are encouraged to create engaging and compelling content and to develop and own their intellectual property.

By the end of March 2012, MDA had funded 300 projects, cutting across broadcast, animation, film, music, interactive media, games and publishing. The industry benefited from some \$6.6 million in funding.



MDA enabled 44 projects with funding of more than \$2.8 million to help companies develop an idea into a script, game design, manuscript or storyboard.

Among the recipients were local companies developing learning content for smart TVs. One of them, Oak 3 Films, developed an app *Yummy Science* that teaches science via a series of cooking tasks.



Development Assistance enables singers like me to kickstart our careers and gain exposure. It also helps me be more project-focused, by having a clear vision and being hands on, in executing an EP or album during production.

Trisno Ishak, local musician

<sup>3</sup> The media sector comprises seven subsectors, namely, Film and Video (including Animation), Broadcasting, Publishing, Printing, Music, Online Media and Games and Software.

<sup>4</sup> Source: The Economic Development Board (EDB) and the Department of Statistics (DOS).



Yummy Science by Oak 3 Films, a project supported by Development Assistance, is an app that teaches science via a series of cooking tasks.

Support from the MDA has been crucial in realising our business plans and giving us the ability to hire talented locals who have a passion to learn and the potential to grow as skilled professionals

Matt Aldrich, Director, Chorus Games Pte Ltd

within our company.

The grant scheme also enabled the TV reality show The Biggest Loser Asia to be developed into a Facebook game. Built by Chorus Games, the game lets a player take on the role of a trainer.



For companies already working on a media project, Production Assistance helps accelerate its development into commercial fruition. As at March 2012, MDA provided grants of more than \$1.8 million under Production Assistance.



Two projects to have benefited are *Rob the Robot* Season Two by One Animation, and a brand new Singapore film *My Dog Dou Dou.* 



A game made possible by this grant is *Mechwarrior: Tactical Command*, Personae Studio's AAA console-quality real-time strategy game for iPhone and iPad users, using the world-renowned Mechwarrior license as the backdrop.

Traditional publishers also benefited from MDA's Production Assistance grant scheme. One such recipient is Epigram Books, which is publishing five graphic novels, each to be written and illustrated by a different local graphic novelist.



The five grant schemes are very well thought out by MDA, providing financial assistance in the major key stages of bringing a production to fruition and providing increased support for local companies and talent. The new schemes are also an improvement from the old ones because previously, only the first season of any show was eligible for funds, unlike the present schemes which are not limited only to premieres. This has been of particular help to One Animation as we embark on the second season of *Rob the Robot*.

Rob the Robot is now shown in more than 75 countries. It has rated well worldwide. It is an example of how success can be achieved through a combination of government support and industry talent here in Singapore.

Jeremy Hall, Executive Producer and Director, One Animation



To help Singapore companies market their media products overseas, MDA helps defray travel costs to participate in international industry events. By March 2012, MDA had disbursed more than \$1.2 million through the Marketing Assistance grant scheme.

In the past year, MDA supported more than 100 companies to take part in international film, animation, TV and music markets such as the Hong Kong International Film and TV Market, MIPTV, MIPCOM and MIDEM in France, and the China International Film and TV Programs Exhibition. Marketing Assistance was also extended to more than 40 Singapore game developers and interactive digital media companies.



Participating in the China-Singapore Publishing Symposium enabled me to take the first step in bringing my content to the China market. The Symposium was also a good platform to connect with the right partners in China.

Edmund Chen, author of local children title Little Otters to the Rescue

MDA also supported local publishers to promote their titles at key markets for books, media, rights and licences such as the Frankfurt Book Fair in 2011 and the China-Singapore Publishing Symposium in Beijing in April 2012.

Local film director, Jack Neo, joined the Singapore delegation of 33 companies to promote his film *We Not Naughty* at the 2012 Hong Kong International Film and TV Market.



MDA understands that at the core of the media industry are talented individuals who are passionate and driven to help create the next big thing in animation, film, TV, games and more.



MDA awarded 21 scholarships to students and industry professionals, assisted 158 individuals in work attachments and supported another 346 through training programmes over the past year. All in, MDA disbursed more than \$647,000 in talent assistance by the end of March 2012.

One recipient of the Media Education Scheme (MES) Scholarship is Yap She Fong. The scholarship helped kick-start her career in Lucasfilm Singapore. She is currently working with the company's Industrial Light & Magic division, assisting with production of Hollywood movies such as *Battleship*.

Another beneficiary is Linus Koh, who was awarded the MES Scholarship in 2010. While pursuing a degree in film and television in Australia, he wrote, directed and produced the award-winning short film *Hath No Man*. It was selected as the Best Foreign Short Film at the 21st Arizona Film Festival in April 2012.



inus Koh, Media Education Scheme scholar.



Hath No Man, an award winning short film produced by Media Education Scheme scholar - Linus Koh.



Talent Assistance has helped Monstrou Studio to attract and recruit animators as well as production personnel into the company. Given the limited talent pool in Singapore, Talent Assistance has allowed us to attract new and fresh local talent into our company, which would have gone to more established players or left the industry.

Kenneth Goh, Business Development Director, Monstrou Studios

With the streamlining of the grant schemes, MDA also incorporated company matching in its revised scholarship scheme. This ensured job placements for scholarship recipients, while meeting the industry's demand for specific skill sets.

To boost media sector productivity,
Talent Assistance was enhanced with an
additional \$15 million in funding, from
1 July 2012. This boost is provided with the
support of the National Productivity and
Continuing Education Council (NPCEC).

The \$15 million covered two productivity measures – 'Training Allowance' and 'Enhanced Apprenticeship'.

Training Allowance encourages freelancers to upgrade and upskill without having to worry about loss of income when they attend courses to improve themselves.

Enhanced Apprenticeship seeks to raise the capabilities and skills of experienced media practitioners through local and overseas work attachments.



The Enterprise Assistance grant scheme aims to turn high-potential local media firms into sustainable enterprises. It helps move target companies to the next tier of revenue and profitability.

From 1 July 2012, Enterprise Assistance was enhanced with an additional \$5 million in funding, provided with the support of the NPCEC. It will help media companies raise efficiency through process improvements, particularly in content creation, content asset workflow management and automation.



# FILM AND ANIMATION FOR SINGAPORE AND BEYOND

In 2011, Singapore filmmakers kept cinema goers engaged with 10 new local feature films.

From comedy (It's A Great, Great World, directed by Kelvin Tong) to horror (23:59, directed by Gilbert Chan) to an animated feature (Tatsumi, directed by Eric Khoo), Singapore filmmakers produced an eclectic mix of film genres while continuing to present more depth in their craft.



Indeed, 2011 was a watershed year for the local box office. The top five grossing local films of 2011 pulled in approximately \$7.6 million at the box office, 64 per cent better than 2010.

Independent filmmakers also did well in 2011. Titles released included documentaries like *Ignore All Detour Signs*, directed by Helmi Ali and Razin Ramzi, and fictional films such as *Echoing Love*, directed by Edmund Chen. There were also films that blurred the line between documentary and fiction, like *Eclipses*, directed by Daniel Hui.

At international film festivals, Singapore directors made waves. For seven consecutive years, Singapore had been represented at the prestigious Cannes Film Festival. In 2011, Eric Khoo's *Tatsumi* premiered at the 64th Cannes Film Festival in the Un Certain Regard section. The renowned director was also at the Hong Kong International Film and TV Market in March 2012, as a Jury President for the 6th Asian Film Awards, where he led 11 judges in deciding the best of 32 films from 11 countries and regions.

#### **Support for local filmmakers**

MDA has consistently backed the development of Singapore films. Programmes such as the New Feature Film Fund enabled filmmakers to break through into new genres.

Started in 2008, the New Feature Film Fund was aimed at nurturing aspiring film talent looking for their first big break in feature film directing. Local filmmakers who have benefited from the scheme include Royston Tan (4:30), Boo Jun Feng (Sandcastle), and more recently, Ho Tzu Nyen (Endless Day), Anthony Chen (Ilo Ilo) and James Leong (Camera).

In line with MDA's efforts to streamline its schemes, the New Feature Film Fund was superseded by the New Talent Feature Grant in May 2012.

#### **Collaborating for success**

It was a busy year on the international front where MDA helped build ties with other countries and promoted Singaporemade films.

One such event was a business matching and networking session held by MDA and Malaysia's International Film Development Corporation in January 2012.





We do not have a huge market base like Hollywood, India or China. This makes the business dynamics of producing a movie in most Asian markets more challenging creatively and commercially. A unified cross-market co-operation platform like ScreenSingapore will allow for co-productions to break new grounds. I hope my participation can contribute and develop more synergies in this area of growth.

Melvin Ang, Executive Director, mm2 Entertainment; Member of the Board of ScreenSingapore

A delegation of 30 media and entertainment companies led by MDA, visited Kuala Lumpur's film studios and broadcasters and attended a series of workshops and matchmaking sessions. The trip was part of the two countries' efforts to pool together talents and resources to co-produce for the global market.

At the Hong Kong International Film and TV Market 2011, 33 Singapore companies housed under the 90 square-metre national pavilion provided a glimpse of the capabilities of homegrown filmmakers. Besides Jack Neo's heartwarming feature *We Not Naughty*, TV programmes on Asian cuisine, art and culture made a strong showing at the market.

MDA also took the opportunity to announce that ScreenSingapore, an MDA-supported film event, would be colocated with the Asia Television Forum in December 2012. The inaugural ScreenSingapore 2011 drew more than 1,100 attendees and strong international participation. In 2012, the revamped event will see the participation of six additional Board members. These additional board members from China, Hong Kong, Indonesia, Malaysia and Singapore bring with them considerable film expertise, and knowledge of Asia as a market.

#### Animation, a rising world class cluster

Singapore's animation industry gained further worldwide traction in the year of review, as local animation studios partnered established names in the business to co-produce long-form animated series for international broadcast.

Among these international partners was Turner Broadcast Asia Pacific, which worked with local animation studio Tiny Island Productions on the television movie *Ben 10: Destroy All Aliens*, as well as Japanese companies Bandai Visual, Baku Enterprise and Duckbill Entertainment which partnered homegrown company Sparky Animation on *One Stormy Night*.

MDA-supported animated series *Rob* the *Robot*, a co-production between Amberwood Entertainment (Canada) and Singapore's One Animation, made its way into Latin America through the Discovery channels in 2011. *Rob the Robot* was also sold to France, Korea, Norway, Sweden and the Middle East.

In June 2011, Cartoon Network announced a joint agreement with MDA to launch SNAPTOONS (Short New Asia Pacific Cartoons), which called for creative pitches for original series from professional and budding animators, connecting Cartoon Network with local creative talents.

Singapore animation series also won awards internationally. *Pizza Mayhem* by students of 3dsense Media School was one of the winning works at the 2012 CG Animation Awards in Tokyo.



Through an unlikely friendship between a goat and a wolf, *One Stormy Night* by Sparky Animation tells a heartwarming story that explores themes about acceptance and loyalty despite differences.

As local animation companies moved up the value chain, they also focused on exploiting IP rights through licensing and merchandising. Titles such as *Dinosaur Train*, *Mr Moon* and *Nanoboy* extended their popularity in the form of toys, apparel and other merchandises in Asia and the US.

In February 2012, local Web portal xinmsn partnered Singapore's Scrawls Studios to launch its first original animated web series, *Blk* 88. *Blk* 88 made its debut not on television but on a web portal, to positive reviews from viewers.

### MORE INTERACTION, CHOICES ON BROADCAST

On the broadcast front, MDA ramped up efforts to extend the reach of traditional television to multiple digital platforms such as the Web and mobile. These Content 360 efforts provided audiences with more than a sedentary, "lean back" TV experience. They offered viewers interactivity as well as online content that tied in with the main broadcast.

Many local Content 360 programmes, such as *Partners in Crime*, *Terrorville* and *Hidden Cities*, came with Web-exclusive content and interactive games integral to the TV broadcast.

Partners in Crime, a documentary featuring forensic scientists working on actual cases, had a website with games and "mini

episodes", while *Terrorville*, a drama, allowed audiences to solve mysteries through Facebook, Twitter and blogs. *Hidden Cities*, a documentary series produced by Beach House Pictures, enabled viewers to upload unknown facts about their cities on an online portal, attracting more than 1,500 entries and 12,000 fans on its Facebook page.

Audience participation was another key feature of live Content 360 programmes, such as *Angel's Gate* and MediaCorp's *Let's Play Love*.

Angel's Gate, a 360 programme coproduced by Interactive SG and Channel NewsAsia, allows viewers to simultaneously watch videos, participate in online crowd sourcing and crowd funding activities, and network with entrepreneurs while on the move. It had garnered more than 51,000 Facebook 'likes' and 50,000 Twitter followers. MediaCorp's Let's Play Love



As the media landscape is changing so rapidly, we believe it is vital for Beach House Pictures to make the transition from a television production company to a 360 content media company in the next five years. By cutting across all sectors, the MDA grant schemes are perfectly tailored to assist us as a company to not only make the transition but continue to grow and expand our capabilities as a quality producer of international content.

**Jocelyn Little, Managing Director, Beach House Pictures** 



Content 360 programmes, such as *Partners in Crime*, *Angel's Gate and Hidden Cities*, offered viewers interactivity as well as online content that tied in with the main broadcast.



was an interactive Web drama where audiences watching on the xinmsn portal could contribute opinions and shape the outcome of the show.

# Singapore-made TV programmes in the spotlight

The year in review also saw a number of local TV programmes supported by MDA gaining international recognition, pointing the way to higher quality content from the country.

Beach House Pictures' Stressbuster won the Best Lifestyle Programme in the 2011 Asian TV Awards. At the same event, Xtreme Productions' China's Extreme Skywalker won the Best Infotainment Programme while Infocus Asia was awarded Best Editing for its *Into the Future: Transport* feature.

At the New York Festivals 2011, *Partners in Crime* by local company, Very!, won the Gold Medal Award for Best Camerawork and Silver World Medal for Best Direction. TV news parody show, *The Noose*, which has produced memorable characters such as Barbarella, Leticia Bongnino, and B.B See, was nominated for Best Comedy at the 2011 International Emmy Awards.

At MIPCOM in Cannes in October 2011, 17 Singapore companies marketed a total of 48 titles, a 40 per cent increase in industry participation over 2010. Later in December 2011, at the Asian Television Forum (ATF), MDA showcased 55 Singapore companies with over 400 hours in factual, lifestyle, drama and animation content, a five-fold increase from 2010. Efforts at the ATF were centred on the industry's 360 and interactive content capabilities.

Back home, local TV programmes made an important impact on Singapore audiences as well. One example was We Are Singaporeans, a variety game show that tested contestants' knowledge of Singapore. The show rated well with a viewership of 306,000.

#### More choices on pay TV

The pay-TV market continued to be vibrant, offering consumers many programming choices in the year of review.



The number of Nationwide and Niche TV service providers in Singapore increased from seven in 2007 to 12 in 2011, bringing the number of TV channels from 240 to over 400 over the same period. In 2011, two pay-TV retailers, M1 and IMMG<sup>5</sup>, entered the market, while the number of linear TV channels on SCV and mioTV increased by 40 between 2010 and 2011.

SingNet launched its first 3D VOD services in December 2010, and subsequently brought "live" sports programming like the Barclays Premier League in 3D to subscribers in May 2011.

Consumers also saw the initial benefits of new regulations. More common channels have become available across different pay-TV retailers as a result of the cross-carriage measure<sup>6</sup> from March 2010.

Common channels available on both SCV and mioTV increased from seven to 15.

In the 2011 Asian Television Forum, MDA showcased over 400 hours in factual, lifestyle, drama and animation content, a five-fold increase from 2010.

<sup>5</sup> M1's 1box offers Video-on-Demand (VOD) services, providing movies through its set-top box, while IMMG offers animation to PC users over its VOD services.

<sup>6</sup> The cross-carriage measure requires designated Nationwide Subscription TV licensees to cross-carry exclusively acquired content and channels, so as to address the high degree of content fragmentation in the local pay TV market, resulting from retailers' use of exclusive carriage agreements as their main competition strategy. The measure reduces the inconvenience incurred by consumers to access exclusive content.

#### 38 39 ENABLING YOUR STORIES

# CREATING OPPORTUNITIES TO SHOWCASE OUR MUSIC

During the year in review, MDA focused on featuring Singapore music talents locally and internationally.

MDA put together the first Singapore Music Showcase at the ATF, enabling emerging talents to present their music to a network of producers and broadcasters. Local music production houses like Stereo Image Productions also exhibited under the national pavilion at the market.

MDA also supported a number of local music events, including Singapore's very own Malay Music Awards, the *Anugerah Planet Muzik (APM)*, and the Singapore Entertainment Awards, a platform to present regional talents in Chinese music.

With support from MDA's Marketing Assistance, Singaporean musicians and artistes travelled overseas to showcase their abilities at international music events.

In 2011, local artiste The Cheating Sons performed at the 2011 Strawberry Festival in China while I am David Sparkle and Monster Cat participated at the International Japan Music Week. MDA led 12 local musicians and companies, including The Professionals (Klass International), Tay KeWei (Sense Music), SIXX (Bedsty Group) and multi-faceted guitarist, Randolf Arriola, to participate in the 2012 MIDEM in France. At the world renowned event, MDA put together a Singapore Music Showcase, providing the audience a quick audition of Singapore music.

It's a huge undertaking to develop musical talents and the support from MDA has been crucial to overcome initial barriers. The grant schemes assist us in marketing and touring, which help unlock the potential for our artistes.

Mohamed Shahid Isahak (Syaheed).

**Director, The Bedsty Group** 



Ricky Ho (right), awardwinning Singaporean music composer.

Works by
Singapore's
music community
were recognised
regionally in 2011.
Award-winning
Singaporean
composer, Ricky
Ho. was awarded

Best Original Music Score for his work as composer and music producer for the highly acclaimed Taiwanese action saga, *Warriors of the Rainbow: Seediq Bale*, at the 48th Golden Horse Film Awards (2011).

# PUBLISHING DIGITALLY OR TRADITIONALLY

With increasing connectivity and changes in consumer lifestyle, the publishing industry is quickly moving from print to digital, presenting new opportunities.

MDA introduced initiatives to encourage publishers to venture into digital publishing and distribution in the year of review.

With the revamped industry grant schemes, MDA encouraged publishers to pick up local authors' works and channel them through their pool of editors, illustrators, and other creative talents, giving local books better packaging and an international outlook.



The opportunity to enter China was made possible with MDA's support. It allowed us to adapt a ready-made Singapore content written in English, for the Chinese market in both print and digital formats. *The Diary of Amos Lee* taps on the unique selling point: a little boy's toilet musings reflecting the quirky life of being Singaporean. It's local humour with a universal appeal.

Adeline Foo, author of The Diary of Amos Lee



Dream Walker

Epicure by local publisher, Magazines Integrated.

The Diary of Amos Lee by local author, Adeline Foo.

More Singapore titles broke into the China market. Five hundred Singapore titles offered by four publishers – Pan Asia Publishing, People Trends, Experiences and Experiments and EonBoo Publishing – would be digitised and distributed in China, starting from end 2013. The titles ranged from children's fiction, investment, travel, language, lifestyle to entertainment.

A popular Singapore title that would be localised and distributed to key Chinese cities from 2013 is *The Diary of Amos Lee* by Singaporean author and MES scholar, Adeline Foo. In early 2012, *The Diary of Amos Lee* was also made into a TV series for the OKTO channel.



Besides supporting content development, MDA also created opportunities for publishers to distribute their works through various online channels, such as supporting companies' efforts to list their titles in e-bookstores ranging from Amazon (US) to MPH e-bookstore (Malaysia).

#### GAME ON, SINGAPORE

Storytelling is a crucial element in games. MDA engaged partners such as Big Fish Games, institutes of higher learning, and the Independent Game Developers Association (IGDA) Singapore Chapter to build critical skills for game developers. Singapore is also host to world renowned game developers such as LucasArts and Ubisoft.

Singapore games achieved several firsts in the year of review and were enjoyed by gamers worldwide.

In October 2011, Ratloop Asia launched the first Singapore-made 3D stereoscopic game *Rocketbirds: Hardboiled Chicken* on the PlayStation network. Ratloop would be working to launch the game on PlayStation VITA portable game console by end-2012.

At the British Educational Training and Technology (BETT) show in January 2012, Ingenio became one of the first local serious game company to penetrate the British market by inking deals with three award-winning schools in the United Kingdom.

In the highly competitive app market, Witching Hour's turn-based strategy game, *Ravenmark: Scourge of Estellion*, was the top paid iPhone strategy and role playing game in Singapore shortly after it was released on the AppStore in November 2011.









The Games Solution Centre (GSC) at Mediapolis Phase 0.

#### Play local, support local

More than 50 games received support from MDA in the year of review. In October 2011, MDA launched the Games Solution Centre (GSC) at Mediapolis Phase 0, a one-stop resource centre to incubate budding local game developers.

Targeting to reach out to over 500 game developers in the next three years, the GSC has benefited 40 game companies since its inception and there are now 15 tenants at the centre. Also home to Southeast Asia's first PlayStation Incubation Studio, the GSC provides game developers in Singapore ready access to development tools such as Sony game consoles.

The Singapore Game Box portal (www.singaporegamebox.com), a game portal offered by the GSC, went "live" in June 2012 to raise awareness and appreciation of Singapore-made games.

A Chinese version of the Singapore Game Box was set up at the 2011 China Digital Entertainment Expo & Conference, ChinaJoy, to further promote Singaporemade games to overseas markets.

#### INTERACTILIE DIGITAL MEDIA

Set up in 2006, the Interactive Digital Media Programme Office (IDMPO) supports Singapore efforts to become a vibrant Interactive Digital Media (IDM) hub.

According to a 2011 study by Deloitte Consulting, the IDM sector's value-added doubled within three years and grew at a compound average growth rate (CAGR) of 26 per cent between 2007 and 2010 to \$1.2 billion.



In December 2011, Deloitte's Technology Fast 500 Asia Pacific Programme, a yearly ranking of the region's fastest growing technology firms, ranked Singapore's KAI Square at number 62. Thirteen local companies made it to the list, with two of the top three Singapore winners being IDMPO supported entities.

The sector's increasingly global and vibrant growth was also evident through the inaugural Demo Asia 2012, a premier tech startup event with roots in Silicon Valley. Twenty Singapore companies and startups that pitched to investors at the event were supported by IDMPO.

Plug-In@Blk71 at Mediapolis Phase 0, a joint initiative by IDMPO, NUS Enterprise, and SingTel Innov8, also created much buzz, with a total of 39 events hosted for startups and investors between September and December 2011.

IDMPO runs four strategic initiatives, namely, i.ROCK (IDM Research Oriented Centres of Knowledge), Futurescape, i.JAM (IDM Jumpstart and Mentor) and IDM in Education.

## i.ROCK (IDM Research Oriented Centres of Knowledge)

i.ROCK seeks to deepen R&D capacity at local institutes of higher learning through partnership with the best in the world.

It has funded some 300 researchers and attracted universities including Carnegie Mellon University (CMU), Tsinghua University, Keio University, the Indian Institute of Technology, Bombay, ETH (Zurich) and Fraunhofer Gesellschaft to set up joint centres in Singapore.

While the international research centres (IRC) have garnered significant industry interest, Public Call Projects have also resulted in six spin-off companies and 15 local and international organisations using the technologies developed. One of them is Portege, which developed a Portable Interactive Human Machine Interaction Engine for education, wellness and entertainment. Its *SmartCare* sensor was commercially deployed at 20 childcare branches to capture and store vital information for childcare.

#### **Futurescape**

Futurescape covers industry funding initiatives to develop the IDM sector through innovation. It also spearheads

the establishment of test beds. As at end 2011, Futurescape is committed to 92 projects with an investment of \$265.6 million and the creation of 1,302 jobs in Singapore.

Razer, a funded entity under Futurescape, unveiled its game concept *Project Fiona* PC Gaming Tablet at the Consumer Electronics Show in the US in January 2012. *Project Fiona* is designed to play popular PC games with an intuitive control setup for a mobile gaming experience.

Other successful companies include Mozat and Kai Square. Like Kai Square, Mozat was a Deloitte Technology Fast 500 company. It had about 16 million subscribers from 15 telco partners from the Middle East to Southeast Asia in early 2012.



KAI Square was number 62 in Deloitte's Technology Fast Track 500 ranking in 2011. Dr Neo Shi Yong, CEO and co-founder of KAI Square receiving the award from John Goeres, Managing Director (Principal) of Deloitte Consulting SEA.

#### i.JAM (IDM Jumpstart and Mentor)

The i.JAM programme seeks to ignite grassroots innovation and entrepreneurship. Since its inception in 2007, over 200 projects, 700 entrepreneurs and nine incubators have benefited from some \$11.3 million of funding. In addition, an estimated \$21.2 million in follow-on funding was raised. To date, more than 30 projects have successfully secured external funding.

The Mobile Gamer (TMG), GameMaki and Anafore are examples of i.JAM funded projects. TMG is a mobile social games company with operations in Southeast Asia and India, while GameMaki is a social discovery application available on web and mobile platforms. Anafore created a customer referral service Referral Candy that has gained traction commercially.

Under i.Jam Reload, the second phase of i.JAM, funding quantum was increased from \$50,000 per project to \$250,000. Startups that are able to raise funding of up to \$100,000 will be matched dollar for dollar by the IDMPO. New incubators have also been appointed to provide startups better resources and access to markets in the US, Europe, China, Russia and ASEAN.



#### **IDM** in education

This programme works with institutes of higher learning (IHL) and companies to create new education models, pedagogies and IDM applications that enhance learning and teaching.

Out of 13 projects started at IHLs, five were completed in 2011. An estimated 75 per cent of FutureSchools technologies have been beta-tested in local schools such as School of Science & Technology, Hwa Chong Institution and Canberra Primary School, while 30 per cent are ready to go "live". Forty-two applications were co-developed with the industry and some products have been commercialised locally and internationally.

#### **MEDIAPOLIS RISING**

Work at Mediapolis@one-north continued on schedule during the year of review. Envisioned as a Living Laboratory – where one can 'live-work-learn-play' – Mediapolis seeks to be Singapore's first digital media hub, where emerging media technologies, content, services and applications will be developed, produced, financed and distributed to the world.

To be fully developed by 2020, it has seen two parcels of land committed so far.

The first development was the Infinite Studios, a joint venture by Ascendas and Citramas. The Temporary Occupation Permit for this 1.2 hectare site is expected



Artist impression of the Infinite Studios at Mediapolis. Photograph courtesy of Ascendas Pte Ltd.

to be ready by October 2012. It will see homegrown media company, Infinite Studios, managing Singapore's largest soundstages measuring 18,000 square feet and 10,000 square feet. Globecast, another major tenant in the Infinite Studios, will provide content management and delivery to broadcasters worldwide.

The other land parcel would be occupied by MediaCorp. The national broadcaster broke ground at the new site in November 2011. Its 1.5-hectare site will house three main blocks and a state-of-the-art theatre seating 1,600. MediaCorp is targeted to move in by 2015.

Before the completion of the Mediapolis@ one-north, a clustering of media companies has already begun at Mediapolis Phase 0, an incubation centre,



MediaCorp groundbreaking at Mediapolis with Mr Aubeck Kam, MDA CEO; Mr Teo Ming Kian, Chairman, MediaCorp; Dr Yaacob Ibrahim, Minister for Information, Communications and the Arts; Mr Cedric Foo, Chairman JTC and; Mr Shaun Seow, CEO MediaCorp.

Photograph courtesy of MediaCorp

which achieved 100 per cent occupancy by February 2012. It is now home to about 58 media-related companies that included start-ups, venture capitalists and international companies.



# CONSUMER PROTECTION AND EMPOWERMENT

As the media regulator for Singapore, MDA develops and implements policies that protect and empower consumers in a fast-changing media environment.

MDA assists the public in making more informed decisions when it comes to consuming media content on different platforms, ranging from print to film, arts, broadcast and radio.

Through careful consideration, arts performances, film and other media content are classified in accordance with community standards and norms. Classification enables individuals to make more informed decisions on media consumption.

Promoting media literacy and awareness of topics such as cyber wellness is also a key component of MDA's consumer empowerment efforts. With Singapore's high level of Internet penetration, MDA is committed to help cultivate a media-savvy population and enable parents to better guide their children in consuming media content.

# PAY-TU RULES TO PROTECT CONSUMERS

In the year of review, MDA introduced new rules that protected consumers from being locked into excessively long contracts, and allowed for greater clarity on what would constitute fair and reasonable early termination charges.

Effected in March 2012, the new rules limit the maximum lock-in period in the pay-TV

sector to two years. For contracts that are longer than three months, the termination charges are to be graduated, at a minimum, on a month-by-month basis.

Pay-TV retailers are also required to explain the terms and conditions of early termination and provide details of the penalties at the point of sale or upon contract renewal.

With the guidelines in place, consumers will less likely be locked into long-term contracts

that stifle choice and reduce competition in the increasingly vibrant market.

With the rollout of the Next Generation Nationwide Broadband Network, MDA expects new players to enter the market, creating more opportunities for consumers to switch to pay-TV operators. The new rules will ensure that consumers can better take advantage of the increased market vibrancy.

Pay-TV consumers also enjoyed more convenience and choice through the cross-carriage measure introduced by MDA in March 2010. The UEFA Euro 2012 football matches were the first qualified content to be cross-carried under the measure. StarHub had in October 2011 informed MDA of its exclusive acquisition of the UEFA Euro 2012 broadcast.

In June and July 2012, live UEFA Euro 2012 matches were broadcast on StarHub and SingNet's mioTV, so subscribers of either pay-TV operator's service could use their set-top boxes to tune in to the matches.

Licensing conditions were also strengthened in the year of review. Licensees are required to publish prices, contract terms and conditions to better protect consumer interests.

# EMPOWERING CONSUMERS THROUGH MEDIA CLASSIFICATION

Singaporeans have a wide choice of media content. As a global city, Singapore is an exciting hub for media created from the world over, such as games, film or arts performances.

As a regulator, MDA's role is to expand media choices for consumers while simultaneously creating a pro-business environment. In 2011, MDA facilitated the introduction of over 70 new TV channels, 233 new local publications and processed 831 imported publications. Today, consumers enjoy a choice of more than 400 TV channels across multiple transmission platforms and 18 radio stations.

#### CONSUMER PROTECTION AND EMPOWERMENT



MDA also provides information on media content so that the public can make more informed decisions for themselves and their families.

#### **Arts entertainment**

In 2011, 1,1427 arts entertainment licences were given out, including stage plays, musicals, dance performances, art exhibitions, variety shows and pop/ rock concerts.

From February 2010, MDA also made available, through its online arts classification database (https://app.mda. gov.sg/classification/Search/Arts), information on all arts entertainment events licensed by it for public reference.

#### Film and video

As recommended by the Censorship Review Committee 2010, the PG13 rating was introduced in July 2011. This advisory rating is not age-restrictive, but enables parents to exercise greater discretion on whether to allow their younger children to watch certain films.



To make classification ratings more intuitive and easier to understand. MDA also streamlined the rating symbols with a common set of new symbols for film, video and broadcast in 2011.

These new rating symbols provide greater clarity and consistency, and are also more easily identifiable, with green circles for advisory ratings and orange rectangles for age-restricted ratings.

With the harmonisation of classification quidelines for films, video and broadcast. PG13 is now the highest rating on free-to-air TV, and PG13-rated programmes may be scheduled between 10pm and 6am daily.

Pay TV has also adopted film ratings from PG to M18, including PG13. This means that there is now a common set of ratings across films, video, pay TV and free-to-air TV.

> In 2011, over 1,600 films and 12,000 videos were classified under the appropriate ratings. The film classification database is available online. (https://app.mda.gov.sg/ classification/Search/Film/ default.aspx?sType=Feature)

To raise awareness and educate the public on film classification. MDA continued to reach out to the public through 'A Day with the Classifiers' workshops. More than 2000 took part in the 23 workshops held in 2011.



Movie-goers stepped into the shoes of a film classifier and learned more about how film classification is done at 'A Day with the Classifiers' workshop at Shaw Theatres Nex in 2011.

MDA believes in working with the industry and took first steps in 2011 towards coclassification with the video industry by training industry representatives to classify films under G, PG and PG13 ratings.

Training began in June 2011, with the first batch of representatives from video distributors and retailers being trained to assess films and interpret the classification guidelines. Twenty-three representatives were certified as content assessors at the end of 2011.

#### Video games

Through its classification of 1,150 game titles in 2011, some 50% increase from the year before, MDA played a part in informing consumers of the content included in video games.

#### PROMOTING MEDIA LITERACY

MDA actively promotes media literacy to ensure that the public is equipped with skills to be discerning about content on various media platforms.

In 2011, MDA promoted empowerment tools that parents can use to guide their children towards safer use of the media and the Internet. MDA launched an online portal (www.mda.gov.sg/Public/Parents/

Pages/Parents.aspx) and distributed handbooks for parents on classification tools and cyber wellness, and even introduced a hotline number with experts on call for advice.

A Parents' Handbook was distributed in 2011 to give parents more information of how they can help their children make more informed and discerning decisions about the media content they consume.

Number of art entertainment licences, film and video, and video games classification are reported based on the calendar year.

### CONSUMER PROTECTION AND EMPOWERMENT







More than 58,000 participants had hopped onto the roving cyber wellness bus at more than 100 schools and public venues, while the Digital Diary competition attracted 575 entries from 21 primary schools.

In February 2011, MDA launched a nationwide cyber wellness campaign to promote the discerning and responsible use of digital media.

Targeted at parents and students, this campaign included a roving cyber wellness bus, the online Digital Diary competition for primary school students to share their online experiences, as well as the launch of a cyber wellness resource portal, Cyberwellness@SG (www.cyberwellness.org.sg).

All three proved to be hits. By end of March 2012, more than 58,000 participants had hopped onto the roving bus at more than 100 schools and public venues, while the Digital Diary competition attracted 575 entries from 21 primary schools, with many sharing their experiences of being exposed to Internet risks.

Meanwhile, the Cyberwellness@SG portal, garnered more than 213,000 page views from more than 43,000 unique visitors, who were mostly from Singapore.

MDA is also a co-secretariat of the Inter-Ministry Cyber Wellness Steering Committee (ICSC). In the year of review, ICSC supported campaigns and programmes which reached out to 93,000 students, parents and teachers in public education on cyber wellness.

To further protect children from unsuitable content, MDA started promoting Internet filters and parental-lock systems for pay-TV services in March 2011. It also made it compulsory for Internet service providers to promote such filters at the point of sale or when customers are renewing their broadband contracts.

In addition, MDA supported industryled events like "StarHub Smart Security Carnival", which aimed to create a safer online experience for Singaporeans by promoting the adoption of Internet filtering software. The event was held in July 2011 and attracted about 2,000 people.

# OUERALL COMPLIANCE AND ENFORCEMENT

In 2011, there were 120 licensing breaches, out of which, 21 were content related.

Licensing breaches in the year of review included MediaCorp's failure to comply with the Nationwide Radio Multiplex Service Licence conditions when it ceased transmission of its five DAB-only radio stations with effect from 1 April 2011 without prior approval from MDA. MediaCorp was fined for the noncompliance of licence conditions.

PacNet was found to be in breach of the Class Licence conditions after a compliance check conducted on 15 July 2011. PacNet failed to block users with residential access accounts from the 100 blocked Internet sites and did not take prompt action to correct the contravention. PacNet was issued with a financial penalty and a notice to prohibit subscribers' access to the 100 blocked Internet sites.

In the area of content related licensing breaches, the movie, *Jacob's Ladder*, which was aired on StarHub Cable Vision's (SCV) Thrill Channel, was found to contain scenes with frontal nudity and the use of expletives. The film was broadcast twenty times between 22 January 2011 and 12 June 2011. SCV was issued with a financial penalty for the non-compliance of the Subscription Television Programme Code.

Arising from public feedback, 11 sexthemed games offered on SingTel's IDEAS website were found to contain scantilyclad or nude women, and two of these games also featured themes of rape and bestiality. As these materials were offensive to good taste and decency and constituted materials prohibited under the Internet Code of Practice, SingNet was imposed a fine.

As a media regulator that seeks to protect consumer interest, MDA will not hesitate to take firm regulatory action against companies that contravene licensing conditions or content guidelines that are consistent with community standards and mores.

# COHESIUE AND INCLUSIUE SOCIETY

MDA works closely with the public by tapping on the expertise and perspectives of a wide spectrum of society.

Through consultation with citizen-based committees, MDA ensures that our policies and guidelines are in line with community standards and mores.

Going beyond consultation, MDA's efforts at fostering a cohesive and inclusive

society include supporting Public Service Broadcast programmes that connect, inform and entertain the public.

By tapping on various media platforms, from broadcast, films, to social media, MDA helps local content creators develop and tell unique Singapore stories that are drawn from the country's multi-racial and multi-faceted society.

# COMMITTEES AND CONSULTATIONS

MDA has eight consultative committees and two appeal committees which advise on content-regulatory matters across the areas of films, video, video games, broadcast, publications and arts entertainment.

As of 31 Dec 2011, there are 252 volunteer members, with 217 members on consultative panels and 35 on appeal committees. Members are drawn from a cross section of Singapore society and

represent different age groups. They include social workers, professionals, academics, homemakers and retirees, and reflect Singapore's diverse cultural, racial, religious and social make-up.

Films submitted to MDA are classified based on film classification guidelines drawn up in consultation with the community. For titles that may be controversial, MDA consults the Films Consultative Panel (FCP) to seek community views prior to making a decision. In 2011, there were 20 consultations with the FCP for advice on films, video and video games.

The Publications Consultative Panel held five meetings with publishers, including one with the Magazine Publishers
Association of Singapore to discuss a review of the guidelines for local lifestyle magazines.

In 2011, the Arts Consultative Panel was consulted over 10 occasions on suitable rating and consumer advice for performances.

On the broadcast front, MDA sought the advisory committees' advice on content standards and the range and quality of programming over 33 occasions. The four broadcast advisory committees, one for each of the four official languages, also conducted a total of 14 dialogue sessions with broadcasters and industry players to gain a better understanding of their upcoming programming plans and strategies.

In the year of review, the Programme Advisory Committee for English Programmes (PACE) and the Indian Programmes Advisory Committee (IPAC) were renewed for another two-year term and issued their biennial reports.

PACE urged broadcasters to protect the young from inappropriate content and to develop more quality local content to attract and engage viewers. While commending several programmes on children, sports, the arts and cultural affairs, it also suggested that broadcasters should engage youths more with programmes which addressed relevant topics such as gang involvement and the use of social networking and its implications.

IPAC advised Indian language free-to-air TV and radio stations to innovate in order to stay relevant. Oli was urged to revamp the content and structure of some regular programmes which have become predictable in concept and execution. Vasantham was also encouraged to invest more resources in producing its entertainment and variety programmes so that they can better face competition from their pay-TV counterparts.



# PUBLIC SERUICE BROADCAST IN SINGAPORE

Over the years, public service broadcast (PSB) programmes have connected the Singapore public, informing and engaging audiences with a wide genre of programmes.

These include news, current affairs, documentaries, sports, dramas, children's programmes and arts programmes. Informative PSB programmes have also presented, via a Singapore perspective, world events and cultures.

In the year of review, MDA's PSB funding to MediaCorp resulted in the provision of about 2,400 hours of original, local PSB programmes in four languages over the seven free-to-air TV channels. These local productions represented the creative

efforts of over 57 independent production companies as well as MediaCorp's inhouse production teams.

Collectively, these programmes were watched by about 4.3 million Singapore viewers. Web-only content and PSB programmes made available for online viewing garnered some 4.4 million views.

Some well-received and notable PSB programmes were Channel 5's "live" coverage and in-house produced daily highlights of the 2011 SEA Games featuring Singapore athletes, which drew 1.95 million viewers<sup>8</sup>, and *The Oath* (行医), a Channel 8 drama produced by local TV production company WaWa Pictures which reached 915,000 viewers with its well-developed characters and high production values. *Theerpugal* was a popular Tamil PSB programme. It is an information



Based on anecdotal evidence and online feedback, we found out that viewers could relate to the universal themes in both productions. To the local audience, the stories are close to home and close to their hearts. The stories set the viewers thinking. Feedback from local broadcasters was also encouraging.

Molby Low, Chief Creative Director, WaWa Pictures, shared his views on audience response to Channel 8 dramas *The Oath* (行医) and *Perfect Cut* (一切完美).



series that explains the background and details of notable Singapore court cases. The programme contained dramatised segments interspersed with interviews of lawyers that handled the cases.

The year also saw the remake of the popular 1980s children's series, *Mat Yoyo*.

The children's series was previously only aired in Malay but MediaCorp redeveloped and adapted the pre-school series into the other main languages.

Mat Yoyo was not only commended for its lively song and dance, and storytelling segments that appealed to

### COHESIUE AND INCLUSIVE SOCIETY





What PSB funding allows us to do, is to look for real stories, real people, real heroes – right here in Singapore, and tell compelling stories without thinking too much about the "international" reach of the programme. For example, we have done a series *Marubadiya* for Vasantham about people who have met with serious tragedies in their lives and have picked up the threads and learnt to live (and smile) again. Our Channel 5 drama *Keong Saik Street*, a print to screen initiative featured TV artistes across channels. We filmed it on the latest equipment and with an experienced production team that gave us the cinematic results to complement the story that started off in 1940 in Singapore to culminate in present-day Singapore.

Rehina Pereira, Executive Producer, Verite Productions

pre-schoolers, it also struck a chord with parents who enjoyed its nostalgic value. With the creation of related online content, publishing and merchandising, a transmedia approach was adopted to build up the revamped programme's audience following and brand appeal.

PSB productions and talents from local TV production companies were also recognised overseas. August Pictures' *The Activist's Journey – Japan's Homeless*, a poignant look at the poor and destitute

in Japan, won a Finalist Certificate in the Community Portrait at the New York Festivals – World's Best TV & Films 2012.

At the same event, local production company, Very! won the Gold World Medal in the History and Society category with the feature *The End/Beginning – Cambodia*. The show, about the Khmer Rouge, took a different angle in telling the story through the use of illustrations and graphics instead of archived footage.

## Singapore, a host to international public broadcasters

Being an important meeting place for public broadcast organisations, Singapore hosted the 20th Public Broadcasters International Conference for the first time in October 2011.

Organised by MediaCorp and supported by MDA, the conference attracted more than 200 participants from 20 public broadcasting networks worldwide. It addressed common challenges and highlighted future opportunities faced by public service broadcasters.

Ms Grace Fu, then Senior Minister of State (Information, Communications and the Arts, and Environment and Water Resources), opened the conference by urging public service broadcasters to ride on the opportunities presented by various



The Public Service Broadcasting & the World Media session at the 20th Public Broadcasters International Conference. Panellists (left to right) - Paula A. Kerger, President & CEO, PBS (USA), Chang Long Jong, Deputy CEO, MediaCorp (Singapore), Dr Maurice L Newman AC, Chairman, ABC (Australia), Matteo Maggiore, Controller of International Policy, BBC (UK).

Photograph courtesy of MediaCorp

content delivery platforms to expand their reach. She also emphasised that public broadcasters had to invest in the "fundamentals" of content and talent.



I believe the focus in creating quality programmes should be, as always, on strong concepts, compelling stories and interesting characters, as this is usually the first level of engagement with audiences. With the return of the rights of previous PSB programmes from MDA to content creators, it enables content creators to revisit the programmes in the context of today's market, both local and international, with the view to update, reimagine or repackage the original content. This opens up the programmes to potential new platforms and hopefully, a broader audience. Lee Thean Jeen, Managing Director, Weiyu Films Pte Ltd



Consumers and Industry to benefit from

### new PSB measures



#### **Reviewing Public Service Broadcast**

In October 2010, an eight-member PSB Review Panel was set up to review the improvements to the delivery of PSB and recommend ways to maximise the reach and impact of PSB in Singapore, in view of challenges brought about by media convergence.

In March 2012, Ms Grace Fu, Senior Minister of State, Ministry of Information, Communications and the Arts (MICA), and chairman of the Panel, announced that the Panel had submitted its recommendations to MICA. Dr Yaacob Ibrahim, Minister, MICA, announced in July 2012, that the Government had accepted most of the Panel's recommendations for implementation that focused on raising the quality of PSB productions and extending its reach to counter the impact of audience fragmentation.

Implementing the Panel's recommendations, MDA worked with MediaCorp to develop pilots for PSB to boost programme quality through audience-tested programme formats.

The PSB Contestable Funds Scheme, a revamp of the previous Public Service Content scheme, was introduced for MDA to identify and invite more eligible local broadcasters, including non-FTA broadcasters, to commission original PSB content.

In so doing, independent production houses benefit from an expanded playing field and consumers are better served with PSB programmes being made available on multiple local broadcast and new media platforms.

Taking a long-term view, MDA enhanced efforts to nurture creative talent such as TV producers, scriptwriters and directors through courses and overseas attachment programmes.

In the same vein, MDA also put in place a revised PSB intellectual property (IP) ownership framework that came into effect in July 2012 to accord such ownership to IP creators of original PSB programmes, while fundamental PSB objectives such as accessibility of programmes to the public continue to be met.

#### TU BROADCAST GOING DIGITAL

The story of Singapore's media development also reached a new chapter in the year of review, when plans for all-digital TV broadcasts were unveiled for free-to-air channels here.

By end-2013, all seven free-to-air channels will go digital. Channels 5, 8, Suria and Vasantham will be available in HD by 2013 while Channel U, okto and Channel News Asia will initially be available in SD, before being made available in HD by 2016.

From August to December 2011, MDA commissioned a DVB-T2 trial, run by MediaCorp and StarHub, to determine the suitability of DVB-T2, an advanced terrestrial broadcasting standard for adoption in Singapore. Five hundred households in Ang Mo Kio and Bedok HDB estates participated in the trial for indoor reception testing.

# Singapore TV is going Fully Digital



Better quality pictures

Superior surround sound

Electronic programme guides

The trial was successfully completed, with results showing that DVB-T2 yielded better coverage and reception than the first generation DVB-T standard. When fully implemented, DVB-T2 can provide a better viewing experience as well as new content and services such as electronic programme guides.

Singapore would be completing its digital switchover by 2020, in line with the ASEAN schedule. Like most other countries, Singapore has planned for a "simulcast" period, where free-to-air TV signals are transmitted in both digital and analogue formats to ensure that consumers have time to get accustomed to receiving their free-to-air TV signals digitally.

#### NEW RADIO STATION GOES ON AIR

The year of review also saw the inception of a new radio station in Singapore. SPH UnionWorks announced that it would be launching its new radio station, Kiss 92, on 3 September 2012, after MDA awarded it

a licence to operate a woman and family radio station on FM92.0.

The new radio station would serve a segment of the market previously not catered to by existing radio stations. The addition of this station brought the total number of local FM stations to 19.

# MORE SINGAPORE STORIES TO HIT THE BIG SCREEN

MDA actively supports Singapore's budding filmmakers, who continue to show the multi-faceted aspects of Singapore society and minority interests through their works.

MDA launched the New Talent Feature Grant in May 2012, enabling first- and second-time filmmakers to explore different genres, including those of artistic and cultural value, such as documentaries, festival-oriented works, and films in non-English languages. The scheme also supports films meant for theatrical release, festivals and broadcast.



The scheme provides a grant, instead of a co-investment amount. Recipients of the grant own their intellectual property, and they are free to form teams with other individuals including freelancers. Administered by the Singapore Film Commission, a part of the MDA, the funding is up to \$250,000 or 100 per cent of the production budget for each project (whichever is lower).



It's wonderful that the New Talent Feature Grant is finally set up. For years I have been pushing for such a scheme because I was convinced it was what our industry needed. To begin with, it would help talented short-film makers realize that dream of a debut feature. More importantly, it would also allow them to concentrate on the task of crafting their works.

Having to source for investors can be a nightmare especially if the work is special and unique. As the likes of Royston Tan and Boo Junfeng have proved, it is possible in this digital age to film an entire feature on a tight budget, one which can go on to win festival awards and receive international distribution.

This move by the MDA will be a boon to our young creative talents and hopefully also a crucible for incredible new works from Singapore.

Eric Khoo, Singaporean film director; owner of Zhao Wei Films

# ENGAGING EMPLOYEES AND THE COMMUNITY

MDA values its engagement with its people and the community, as it effects its regulatory and promotional roles.

Guided by its core values of integrity, professionalism, care and respect and innovativeness, MDA strives to uphold firm principles and standards and instil pride and a sense of belonging among its employees.

#### **Engagement through social media**

Engaging our netizens through social media platforms, such as Facebook (www.facebook.com/MDASingapore), Twitter (www.twitter.com/MDASingapore)

and YouTube (www.youtube.com/ MDASingapore), has resulted in a lively exchange of views and updates of MDA's initiatives and policies that concern the man-in-the-street.

In reaching out to netizens, MDA also invited its Facebook fans to MDA hosted events, starting with *A Day with the Classifier* in November 2011. The Facebook page now has close to 1500 fans.

MDA's YouTube channel contains latest updates of local content across TV, film, music, games and animation, providing a showcase of Singapore's best.



Lively exchange of views and updates of MDA's initiatives and policies that concern the man-in-the-street on social media platforms such as Facebook (www.facebook.com/MDASingapore).

#### **Employee engagement**

MDA values employee engagement and this was further strengthened with several initiatives introduced in 2011.

MDA continued to focus on creating more open dialogue between staff and management, resulting in a more informed environment on MDA corporate policies and initiatives. On a more personal level, iTalk sessions were introduced where staff can meet members of the senior management face-to-face.

In 2011, MDA also introduced *One*Learning Hour, a platform for different divisions to showcase their work to the rest of their colleagues. It provides an opportunity for knowledge sharing and offers officers a more holistic view of MDA's varied roles.

#### Caring for the community

Since 2009, MDA has given to communities through *Care Connexion*, a volunteer group formed by its staff. Partnering non-profit and other organisations, *Care Connexion* focuses on a range of activities involving the elderly,

underprivileged youth and children, animal welfare and the environment.

The goal is to connect its people with the community and make a positive difference. Between 2009 and 2011, MDA participated in over 2,160 hours of community service activities.

### Responsibility towards the environment

MDA also strives to be an environmentallyfriendly agency and does its part towards protection of the environment. MDA received the Green Office Label Certification in 2010 and was recently recertified in May 2012.

MDA encourages its employees to go green in everyday activities. These include providing recycling bins for



paper, plastic and cups in the office, encouraging staff to print on both sides of papers and replacing disposable paper cups with reusable mugs at drink

### ENGAGING EMPLOYEES AND THE COMMUNITY

dispensers. MDA also encourages vendors to propose environmentally-friendly materials in tenders such as for office housekeeping.

#### **Promoting work-life integration**

As part of MDA's effort in promoting work-life balance, MDA introduced a telecommuting scheme which allows staff to work outside of the office up to twice a month.

This, in addition to the flexible work arrangement scheme, work-life talks and outings, has placed MDA second in a recent Public Service Division survey on the supportiveness of a flexible work-life culture out of 43 participating statutory boards.

#### **Delivering the service promise**

MDA values the quality of work in the various roles it plays and continually strives for business excellence. Efforts



The purpose of this email is to show my appreciation to Valerie Tan for her kindness and excellent service in assisting with the refund of my TV license fee. I am actually very sorry that because of my long term business trip in Shanghai, there is a need for MDA to re-issue the cheque to me. But Valerie really offers me an excellent service and attends to my matter in a prompt and efficient manner which really warms my heart in this cold season in Shanghai.

Liu Xiu (30 December 2011)



As Director of the Festival, I would like to say thank you at this juncture, for your kind assistance and patience in helping us out with our film festival. I have observed the correspondence between our offices, and perceive that MDA is most helpful and co-operative - well done!

Pierre Perrett, Managing Director, ZoMedia Pte Ltd (27 April 2012)





I am a UK based film producer/director considering establishing a new company in Singapore and working extensively over a long period with Singapore filmmakers. Recently I had the pleasure to visit Singapore's MDA and meet with Chee Wee Tan and Rebecca Chee, both of whom were perfectly charming, well informed and extremely helpful. This was a fact finding and familiarization trip for my current feature length 3D documentary "Dr. Guttmann's Paralympics" (now in production) and my future feature projects in development. Chee Wee and Rebecca set up for me, at very short notice, a meeting with the Singapore Sports Council and Sports Disability Council, as well as putting me in touch with the excellent Widescreen 3D company with which I intend to work in the near future.

Paul Moody (24 February 2012)

put in place to disseminate knowledge, engage customers and work with suppliers and partners have enabled MDA to renew its Singapore Quality Class (SQC) certification in August 2011.

Key to a smooth-running organisation that improves its processes over time is the disseminating of knowledge and gathering of feedback. To this end, MDA held regular dialogues and networking sessions, participated in overseas missions and study missions, and also gathered information from consultative committees.

MDA also worked closely with its suppliers and partners by providing training on MDA's standard operating procedures to suppliers, through visits to industry partners and with joint planning and consultation to help the industry to grow.

At MDA, there is a focus on engaging customers to understand their needs. These needs are then incorporated into the design of the system, processes and offerings. A comprehensive customer relationship management (CRM) system is in place to collate and analyse various sources of customer feedback.

MDA also actively engaged its stakeholders to ensure that its policies are relevant and pro-enterprise. During the year of review, MDA provided a range of e-services such as online submission of G and PG-rated video titles by video distributors as part of its co-classification initiative.

## MDA ADUISORY COMMITTEES

# ADUISORY COMMITTEE ON CHINESE PROGRAMMES (ACCESS)

1 July 2010 to 30 June 2012

#### **CHAIRPERSON**

#### **Associate Professor Lee Cheuk Yin**

**Department of Chinese Studies** 

National University of Singapore

#### **VICE-CHAIRPERSON**

#### Mr Leng Chin Fai

**Executive Director** 

Family Services Division Fei Yue Community Services

#### **MEMBERS**

#### Mr Chia Ti Yu

**Divisional Director** 

Finance

Institute of Technical Education

#### Ms Peggie Chua

**President** 

The Teochew Drama Association

**Events Project Director / PR Consultant** 

PEG-COMM Pte Ltd

#### **Dr Foo Tee Tuan**

**Deputy Director** 

UniSIM Centre for Chinese Studies

#### Mr Gui Kai Chong

#### Instructor

Communications & New Media Programme Faculty of Arts and Social Sciences National University of Singapore

#### **Mrs Hwang-Lee Poh See**

Retiree

**Part-Time Counsellor** 

Raffles Girls' Primary School

#### Ms Samantha Loh Seow May

**Assistant Director** 

Comms Development Team & HROD (IPAM) Civil Service College

#### Mr Ray Ng

Lecturer

School of Humanities Ngee Ann Polytechnic

#### Ms Tan Miao Ling

**Educationist** 

Principal

Guangyang Secondary School

#### **Mr Tay Tze Siong**

**Assistant Manager** 

Business Communication Unit Singapore Pools Pte Ltd

#### Ms Shirleen Toh Shi Ling

**Educationist** 

Teacher

Anglo Chinese School (Independent)



#### **Mr Wan Shung Ming**

**Executive Director** 

Tin Sing Goldsmiths Pte Ltd

#### **Mr Wong Lin Tam**

Managing Director / Principal

Consultant

Wang Media Consulting Pte Ltd

#### Ms Xie Hui Qun

Manager

Marketing, Cards and Unsecured Loans Consumer Banking Group DBS

#### **Mdm Heng Boey Hong**

Principal

Nanyang Girls' High School

#### **Mr Cheong Soon Keng**

**Director** 

SK Cheong Realty Service

#### **Mr Marcus Phuah**

Lawyer

Marcus Phuah & Co.

#### Ms Lee Siew Li

Manager

Corporate Communications
Business China

### PROGRAMME ADUISORY COMMITTEE FOR ENGLISH PROGRAMMES (PACE)

1 August 2011 to 31 July 2013

#### **CHAIRPERSON**

**Mr Raymond Lye** 

**Executive Director** 

CitiLegal LLC

#### **MEMBERS**

**Mr Adrian Quek** 

Director

Corporate Sales & Marketing SAFRA National Service Association

#### **Ms Annette Chong**

Homemaker

#### **Dr Caroline Bahetchet**

**Director** 

Youth Service Centre Singapore Children's Society

#### **Mr Edmund Leow**

**Deputy Manager (Stowage Planning)** 

**PSA Corporation Ltd** 

#### Ms Florence Oh Bao Jin

Director

Consulus Pte Ltd



Dr Gan Su-lin

**Director** 

Centre for Culture & Communication

Republic Polytechnic

**Ms Gurpreet Kaur** 

Graduate student

National University of Singapore

**Mr Gerald Chew** 

**General Counsel** 

Law & Corporate Affairs

Petra Foods Ltd

Mr Goh Chee Kong

**Vice President** 

Corporate Marketing and Communications

**SMRT Corporation Ltd** 

**Mr Johnny Ang Boon Chee** 

**Vice President** 

Sales

Card Alliance Pte Ltd

PaymentLink Pte Ltd

**Ms Maslina Malik** 

**Assistant Director** 

Registry of Designs

Intellectual Property Office of Singapore

Mr Muhd Fuadi Bin Rahmat

**Managing Director** 

Adigital Stream

Mr Mohd Jaleesudeen Jalal

**Assistant Director** 

Scenario Planning & Research Homefront Security Division

Ministry of Home Affairs

**Ms Nazlene Zainal** 

Homemaker

Ms Peggie Chua

**President** 

The Teochew Drama Association

**Events Project Director / PR Consultant** 

PEG-COMM Pte Ltd

Mr Phua Kok Tee

**Chief Executive Officer** 

Singapore Action Group of Elders (SAGE)

**Dr Shirley Ho** 

**Assistant Professor** 

Wee Kim Wee School of Communication

& Information

Nanyang Technological University

**Mrs Sita Singh** 

**Principal** 

Bedok Green Primary School

Assoc Prof Susheela A. Varghese

**Practice Associate Professor** 

Corporate Communication

Lee Kong Chian School of Business

Singapore Management University

Dr Tan Ern Ser

**Associate Professor of Sociology** 

Vice-Dean of Students

National University of Singapore

**Ms Tan Simin** 

**Research Associate** 

Institute of Policy Studies

Lee Kuan Yew School of Public Policy

Ms Tan Soo Yean

Head, Sociology Programme,

School of Arts and Social Sciences

SIM University

Ms Tay Hwei Chin

**Psychologist** 

Singapore Sports Council

**Mr Tony Chow** 

**Managing Director** 

Off the Fence Pte I td

**Mr Victor Lim** 

Director

Dharma in Action

**Mr Vinod Kumar M** 

Head

School of Media & Communication Management of Development Institute of Singapore

Ms Zaihirat Banu

**Chief Executive Officer** 

Oak3 Films Pte I td

ADUISORY COMMITTEE ON INDIAN
TU & RADIO PROGRAMMES (IPAC)

1 May 2011 to 30 April 2013

**CHAIRPERSON** 

Ms Indranee Rajah

Director

Drew & Napier

**Member of Parliament** 

Tanjong Pagar GRC

**VICE-CHAIRPERSON** 

Mr R Rajaram

Director

Office of Admissions

National University of Singapore

**MEMBERS** 

Mr Azhagiya Pandiyan

Senior Manager

Media Relations

Republic Polytechnic

Mr Bala Reddy

**Chief Prosecutor** 

State Prosecution Division Attorney-General's Chambers

Mr V Bimel Ram

**Managing Director** 

AIM Connections Pte I to



#### Dr Chitra Sankaran

**Associate Professor** 

Department of English Language and Literature

National University of Singapore

#### **Dr Chitra Varaprasad**

**Senior Lecturer** 

Centre for English Language

Communication

National University of Singapore

#### Mr M Harikrishnan

**Managing Director** 

International Business Management

Consultants Pte Ltd

#### Ms Jalelah Abu Baker

**Journalist** 

Singapore Press Holdings

#### **Ms Kunawathy**

**Vice Principal** 

Macpherson Secondary School

#### Mr Krishna Sadashiv

**Partner** 

Ernst & Young LLP

#### Mr V Maheantharan

Director

PACE Academy

Singapore Polytechnic

#### Mr Raja Mohamad Bin Maiden

**Managing Director** 

Five Pillars Pte Ltd

#### Dr Rajesh Rai

**Assistant Professor** 

South Asian Studies Programme

National University of Singapore

#### Mrs Sarojini Padmanathan

**Senior Director** 

Singapore Indian Development Association

#### Ms Sivakami Chinniah

**Senior Manager** 

Singapore Indian Development Association

#### Mrs Soundaranayaki Vairavan

Director

Navaso Pte Ltd

#### Mr R Yokanathan

**Senior Lecturer** 

School of Film & Media Studies

Ngee Ann Polytechnic

## MALAY PROGRAMMES ADUISORY COMMITTEE (MPAC)

1 August 2010 to 31 July 2012

#### **CHAIRPERSON**

Mr Maliki Osman

Senior Parliamentary Secretary

Ministry of National Development

#### **MEMBERS**

Mr Abdul Hamid Abdullah

**Auditor Director** 

Auditor-General's Office

#### **Ms Atiqah Halim**

Lecturer

National Community Leadership Institute

#### **Ms Fuziah Binte Muhamad Taha**

Principal

Fuhua Primary School

#### **Mdm Hanim Mohd Saleh**

Correspondent and Head of Entertainment & Lifestyle

Entertainment & Lifestyle

Berita Harian / Berita Minggu / Sutra

Magazine

Singapore Press Holdings

#### Ms Mariah Bte Mohd Zainal Abideen

Freelance Speech and Drama Teacher

#### Mr M Ma'mun Bin H M F Suheimi

Retiree

#### Mr Mohamed Faizal Ahmad

**Chief Executive** 

A-Spire Learning Academy

#### Mr Muhammad Ikram Bin Mohd Ariff

**Training Consultant** 

#### Mr Muhammad Nazri Muhd

**Group Managing Director (Asia-Pac)** 

Vector Scorecard (Asia-Pac) Pte Ltd

#### **Mdm Siti Haslinda Putri Harun**

Director

The Kids Dentist

#### Ms Suriati Bte Abdullah

Managing Director & Principal

Consultant

The SuChi Group

SuChi Success Initiatives Pte Ltd

SuChi Media Pte Ltd

#### **Dr Suzaina Kadir**

Assistant Dean (Student Affairs) /

**Senior Lecturer** 

Lee Kuan Yew School of Public Policy

#### **Ms Zarina Yusof**

**Deputy Director** 

Youth Health Division

Health Promotion Board



### ARTS CONSULTATIVE PANEL (ACP)

1 August 2010 to 31 July 2012

#### **CHAIRPERSON**

#### **Mrs Laura Hwang Cheng Lin**

**Managing Director** 

Memories of The East Pte Ltd

#### **VICE-CHAIRPERSON**

**Mr Toh Weng Cheong** 

Partner / Lawyer

Low Yeap Toh & Goon

#### **MEMBERS**

#### Ms Amatul Jameel Suhani Binte Sujari

**Educationist** 

## Mr Almahdi Al-Haj Bin Ibrahim (Nadiputra)

**Managing Director / Scriptwriter** 

Nadivision

#### **Dr Margaret Chan**

Assistant Professor of Theatre / Performance Studies (Practice)

School of Social Sciences
Singapore Management University

#### **Ms Lina Chong Lin Lin**

Manager (Leadership & Personal

Development)

Nanyang Polytechnic

#### Ms Chua Ai Liang

#### **Director**

Arts & Community
National Arts Council

#### Ms Fajaria Bte Muhammed Fajari

Homemaker

#### **Ms Yvinne Goh**

Freelance Project / Logistics Manager

Asylum Group Pte Ltd

#### Ms Lynn Heng Soo Lee

**Group Professional Leadership Officer** 

NTUC First Campus Co-operative Ltd

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Singapore Chinese Orchestra Co Ltd

#### Mdm Khoo Ming Fern

Vice-Principal

Tanjong Katong Girls' Secondary School

#### Prof (Ms) Koh Tai Ann

#### **Professor**

**English Literature** 

Division of English, School of Humanities

and Social Studies

Nanyang Technological University

#### **Dr Lee Chee Keng**

#### **Assistant Professor**

Visual & Performing Arts

National Institute of Education

Nanyang Technological University

#### Ms Lee Kuan Fung

#### **Associate Editor**

omg.sg

Singapore Press Holdings

#### Mr Simon Leong Kai Chong

#### **Vice President (Corporate Services)**

Singapore Turf Club

#### **Mr Liew Chin Choy**

**Vice President (Administration)** 

Nanyang Academy of Fine Arts

#### **Mr Robert Liew**

Director

**Arts Management Associates** 

#### Ms Mona Lim

Freelance Consultant / Educator

#### Mr Jim Lim Teck Hwee

#### **Founding Director**

meetheothers.org

meetileotilei3.org

**Principal Trainer** 

**REAL Academy** 

#### Mr James Ng

**Regional Director (Asia)** 

Integration – IMC

#### Mr Milenko Prvacki

**Senior Fellow** 

LASALLE College of the Arts

#### Ms Pushpalatha Devi Naidu

#### Associate II

NL Heritage

#### Mr Rosihan Dahim

**Professional artist** 

#### Mr Seng Yu Jin

**Senior Curator** 

The National Art Gallery, Singapore

#### Mr Suryakenchana Bin Omar

**Director / Principal Trainer (Culture** 

& Community)

By Definition Pte Ltd

#### Mr T Raja Segar

#### **Chief Executive Officer**

Singapore Indian Development Association

#### Mr Tan Boon Beng

#### Teacher

Hwa Chong Institution

#### Ms Amy Tan

#### **Managing Director**

The Pink Pencil

#### Mr Samuel Tang Yee Kit

#### Director

International Marketing

CTVision System



#### **Ms Annabelle Teo**

**Executive** 

Keppel Telecommunications and Transportation

#### Mr Thirunal Karasu Palaniappan

Director

Singcorp International Pte Ltd

#### Ms Vijaya D/O Nadesan

**Dance Instructor** 

#### Mrs Sheila Moira Wee

Founder, Storyteller, Storytelling Trainer, Story Consultant

Storywise

#### Ms Yap Foon Lyn

Vice-Principal

Paya Lebar Methodist Girls' School (Primary)

## PUBLICATIONS CONSULTATIVE PANEL (PCP)

1 December 2011 to 30 November 2013

#### **CHAIRPERSON**

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Architect / Senior Advisor SAA Architects Pte Ltd

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Mr Charles Ho Nai Chuen

Chief Executive Officer

On Cheong Co. Pte Ltd

#### 2nd VICE-CHAIRPERSON

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**President** 

Singapore Book Publishers & Managing Editor, Institute of Southeast Asian Studies (ISEAS)

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**Quality Assurance Manager** 

IBM Global Services, ASEAN

#### **Dr Chua Yang**

**Obstetrician & Gynaecologist** 

A Clinic for Women

#### Ms Athena D'Souza

Homemaker

#### Mr Gerard Ee Hock Kim

Retiree / Community Volunteer / Consultant

#### Mr Johnson Davasagayam S/O Paul T

Senior Associate Director
Institute of South Asian Studies

National University of Singapore

#### Mr Dean Koh

Post-graduate student (Sociology)

National University of Singapore

#### **Mdm Koh Teck Siew**

Principal

Yishun Junior College Ministry of Education

#### Mr Kenneth Kwok Siew Loong

**Deputy Director** 

National Arts Council

Ms Lai Shilin

Self-employed

#### Ms Madeleine Lee

**Founder & Director** 

Athenaeum Ltd

**Investment Manager** 

Poet

#### Ms Lee Kuan Fung

**Associate Editor** 

omy.sg

Singapore Press Holdings

#### Ms Lee Siew Gek

**Regulatory Affairs Manager** 

Regulatory Affairs

Haw Par Healthcare Limited

#### Ms Lee Yan Peng

**Assistant Manager (Internal Audit)** 

Singapore Power Ltd

#### Mrs Lim Siew Kim

**Retiree Librarian** 

Library Supply Centre

National Library Board

#### Mr Low Chee Meng

**Company Director** 

Autoacc Trading Pte Ltd

#### **Dr Kenneth Lven**

**Paediatrician** 

Lyen Children's Clinic

#### Mr Mohamed Faizal Bin Ahmad

**Chief Executive** 

A-Spire Learning Academy

#### Mr N K Rajarh

**Solicitor & Director** 

M Rama Law Corporation

Lecturer

SIM University

#### **Mdm Norzalina Mohd**

Director

Muse Group Pte Ltd



**Ms Nurul Ain Ramli** 

**Teacher** 

Ministry of Education

Ms Serene Pan

**Project Manager** 

Citi Singapore

**Dr Sinderpal Singh** 

**Research Fellow** 

Institute of South Asian Studies National University of Singapore

Ms Sreyashi Sengupta

Director

Singapore Organisation for Active learning

and Results (SOAR) Pte Ltd

President

**CReeed (Creative Expressions** 

**Empowering Dreams**)

**Adjunct lecturer** 

Curtin University Singapore

**Dr Tan Kok Siang** 

Lecturer

Chemical & Science Education

National Institute of Education

Nanyang Technological University

Ms Tan Yi Wen

**Senior Reporter** 

Ministry of Home Affairs

Mrs Yang Oon Hui Audrey nee Low

**Retired Lawyer** 

Ms Kym Yeo Yun Ling

Research Officer

Ministry of Defence

Mr Gilbert Yeoh Guan Hin

**Senior Lecturer** 

Department of English Language and

Literature

National University of Singapore

Ms Zaleha Bte Ahmad

**Centre Director** 

Association of Muslim Professionals

BROADCAST, PUBLICATIONS & ARTS APPEAL COMMITTEE (BPAAC)

1 November 2009 to 31 October 2012

**CHAIRPERSON** 

**Mr Choo Thiam Siew** 

**President** 

Nanyang Academy of Fine Arts

**VICE-CHAIRPERSONS** 

**Dr Hadijah Bte Rahmat** 

**Associate Professor** 

Asian Languages & Culture

National Institute of Education

Nanyang Technological University

**Mrs Belinda Charles** 

Retiree

**MEMBERS** 

**Mr Ong Sin Tiong** 

**Principal Industrial Relationship Officer** 

**National Trades Union Congress** 

Mdm Som Bte Mohammed Said

Founder / Artistic Director

Sri Warisan Som Said Performing Arts

**Dr Uma Rajan** 

Consultant

Health Care

Indian Arts, Culture & Heritage

**Mrs Tan Chee Koon** 

Retired

**Dr Tan Sze Wee** 

**Programme Director** 

Medical Technology Initiative

A\*Star

**Ms Tan Siew Piang** 

**Principal** 

Unity Secondary School

**Ms Wang Look Fung** 

**General Manager** 

Keppel Corporation Ltd

Mr Venka Purushothaman

**Vice President (Academic) & Provost** 

LASALLE College of the Arts

Ms Sabrina Goh

Consultant

Creating-me Consulting

**Mr David Wong Cheong Fook** 

Chairman

Ascendas Funds Management (S) Ltd

**Mrs Tan Seow Peer** 

Lawyer

Partner, Lee Bon Leong & Co

Ms Lay See Neufeld

Principal

Kheng Cheng School



#### **Dr Chan Lin Ho**

Educator / Senior Lecturer SIM University

#### Mr Andrew Ong Chin Lee

Lawyer

Rajah & Tann LLP

#### Mr Chng Kai Jin

**General Manager** 

Symphonia Co Ltd

### FILMS CONSULTATIVE PANEL (FCP)

1 January 2012 to 31 December 2013

#### **CHAIRPERSON**

**Mr Vijay Chandran** 

**Director** 

Elasticity Pte Ltd

#### 1st VICE-CHAIRPERSON

Ms Cheryl Ng

Director

Great Expectations Communications
Laboratory

Freelance Lecturer

#### 2nd VICE-CHAIRPERSON

Mr Albert Tan

Lecturer

Nanyang Polytechnic

#### **MEMBERS**

**Dr Christine Yap** 

Consultant, Obstetrician and

**Gynaecologist** 

#### **Dr Jasbir Singh**

**Research Scientist** 

A\*STAR

#### Mr Chia Ti Yu

**Divisional Director** 

Finance

Institute of Technical Education

#### Mr Alan Yeo Kong Leong

Staff Counsellor

Nanyang Technological University (part-time)

Counsellor / Psychotherapist /

**Psychologist** 

**Balanced Consulting** 

#### Mr Jackie Goh Wei Chin

Businessman / Company Director
Eclub Pte Ltd

#### **Dr Angeline Khoo**

**Associate Professor** 

Psychological Studies National Institute of Education Nanyang Technological University

#### Mr Jordan Woo Chi Yong

**Chief Operating Officer** 

Artfusion Media Pte Ltd

#### Ms Amy Gay Suan Choo

**Director** 

Fundraising and Development Singapore General Hospital

#### Mr Lee Tiong Peng

**Senior Vice President** 

CapitaLand and Institute of Management & Business (CLIMB)
CapitaLand Ltd

#### Mr Li Ching Liang

**Visual Producer** 

Resorts World Sentosa

#### Mr Adelbert Ngui Hin Liang

**Senior Executive Development Officer** 

**Building & Construction Authority** 

#### **Dr Oliver Seet Beng Hean**

Retiree

#### **Professor Tan Hun Tong**

**University Professor / Director** 

Centre for Accounting & Auditing Research Nanyang Technological University

## Mr Almahdi Al-Haj Bin Ibrahim (Nadiputra)

Managing Director / Scriptwriter
Nadivision

#### Mr Elamaaran Balakrishnan

**Deputy Director** 

Outward Bound Singapore c/o People's Association

#### Ms Anna Leong

Homemaker

#### Ms Ng Wei Chin

Independent Filmmaker (Documentary) / Producer

#### **Ms Joyz Tan Dunlin**

Senior Social Worker / Assistant

Manager

Project 180 (Youth Services) Fei Yue Community Services



**Mr V Bimel Ram** 

Director

AIM Connections Pte Ltd

Mr Lionel Wong Kok Mun

Lecturer

School of the Arts / Republic Polytechnic /

DigiPen Institute / PSB Academy

**Consultant - Director** 

Linburger & Wolfe

Mr Joseph Ong Hock Chye

**Technical Officer** 

Ministry of Defence

Mr Wu Wai Tuck

**Educational Technology Officer** 

Ministry of Education

Mr Ray Chua Swee Boon

**Psychologist** 

National University Hospital

Ms Siti Aidayantie Bte Ahmad

**Planner** 

Jurong Consultants Pte Ltd

**Mr Herald Bangras** 

Senior Lecturer & Internship Manager

Ngee Ann Polytechnic

Ms Ng Geok Lan

**Admin Officer** 

Ng Soh Construction Co Pte Ltd

Mr Koh Yiak Kheng

**Principal** 

Northland Secondary School

Mr Lim Tat Kuan

**General Counsel** 

Jurong Port Pte Ltd

Ms Mona Lim

Freelance Consultant / Educator

Mr Edward Ong Keng Wan

**Managing Director** 

V.C. Edwardt Pte Ltd

Mrs Murgiana Haq

Lawyer

**HSLegal LLP** 

Mr Andrew Yeo Khee Huat

**Private Equity** 

Novo Tellus Capital Partners

Ms Loh Jun Qi

Undergraduate

Nanyang Technological University

Mr Sophian Bin Abdul Rahman

**General Manager** 

CapitaLand Amanah Pte Ltd

Ms Norhayati Binte Mohammad Ali

Analyst

Consumer Cube Pte Ltd

**Mr Willis Lim Ting Hong** 

**Assistant Director** 

The National Security Coordinating

Secretariat (NSCS)

Ms Helen Hong

**Teaching Fellow** 

National Institute of Education

Nanyang Technological University

Ms Karen Liew Mei Choo

InfoComm Specialist

Inland Revenue Authority of Singapore

Mr Kevin Chan

Producer

**ESPN Star Sports** 

Mr Izuan Bin Mohamed Rais

Director

International Business Development (IBD)

Group (Asia) Pte Ltd

Mr Mohamad Abdillah Bin Zamzuri

**Certified Professional Trainer and** 

Director

By Definition Pte Ltd

Mr Safarin Bin Amerudin

Engineer

Chesterfield Manufacturing Pte Ltd

Ms Siti Nooraishah Sahud

Self-Employed

**Mr Don Aravind Rajah** 

Undergraduate

Nanyang Technological University

Mr Steven Moorthi

Police Officer

Singapore Police Force

Ms Joanne Yan

**Executive** 

Ministry of Home Affairs

**Ms Patricia Lim Ying Ying** 

Undergraduate

Nanyang Technological University

Mr Ng Ho Heng

Manager

Institute of Technical Education

Mr Jegathesan s/o Shanmuga Sundaram

**Subject Head and Lecturer** 

Jurong Junior College

Ms Hanna Taufiq Siraj

**Programme Consultant** 

**MUIS Academy** 

Mr Muhammad Fairuz Bin Mohd Ramlee

**Co-Curriculum Program Executive** 

Jun Yuan Secondary School



#### **Dr Valerie Wee Su-Lin**

**Associate Professor** 

Department of English Language & Literature

National University of Singapore

#### Ms Roszalina Binte Rawi

Lecturer

National Institute of Education Nanyang Technological University

#### Ms Nur Dian Binte Mohamad Rasid

Lecturer

Temasek Polytechnic

#### Mr Edward D' Silva

Senior Advisor

SAA Architects Pte Ltd

#### Mr Lee Chee Tian

**Screenwriting Lecturer** 

LASALLE College of the Arts

Film Producer

Brainchild Pictures Pte Ltd

### FILMS APPEAL COMMITTEE (FAC)

1 July 2010 to 30 June 2013

#### **CHAIRPERSON**

#### **Mr Tan Boon Huat**

**Singapore Administrative Service (Retired)** 

Former Chief Executive Director People's Association

#### **MEMBERS**

Mr Daren V L Shiau

Partner / Head (Competition & Antitrust)

Allen & Gledhill

#### **Mr Wong Lin Tam**

Managing Director / Media Consultant

Wang Media Consulting P/L

#### **Dr Chin Kwee Nyet**

**Senior Lecturer** 

Centre for Language Studies National University of Singapore

#### Mdm Siti Haslinda Putri Harun

Director

The Kids Dentist

#### Dr Abdul Razakjr Bin Omar

**Consultant Cardiologist** 

Raffles Heart Centre Raffles Hospital

#### Ms Ang Bee Lian

**Chief Executive Officer** 

National Council of Social Service

#### Mr Lim Huan Chiang

**Vice President** 

Cultural Industry Promotion Chinese Newspapers Division Singapore Press Holdings

#### Mr Raymond Lye Hoong Yip

**Executive Director** 

CitiLegal LLC

#### **Mr Edmund Phang Chin Sian**

**Vice President (Business Operations)** 

Cherie Hearts Group International Pte Ltd

#### **Professor Walter Woon Cheong Ming**

**David Marshall Professor of Law** 

Faculty of Law

National University of Singapore

Dean

Singapore Institute of Legal Education

#### Mr Chandra Mohan s/o K Nair

**Advocate & Solicitor** 

Tan Rajah & Cheah

#### Mr Manogaran s/o Suppiah

**Deputy Director** 

Teachers' Network Ministry of Education

#### Mrs Joni Ong

**Managing Director** 

ThYnk Consulting Group

#### **Mdm Lim Hong Peng**

**Principal** 

Xinmin Secondary School

## POLITICAL FILMS CONSULTATIUE COMMITTEE (PFCC)

1 July 2011 to 30 June 2013

#### **CHAIRPERSON**

**Mr Richard Magnus** 

Chairman

Casino Regulatory Authority

#### **MEMBERS**

**Professor Lily Kong** 

**Vice-President** 

University & Global Relations
National University of Singapore

#### **Mr Terry Lee Kok Hua**

President

Singapore Insurance Employees' Union

#### Mr Goh Sin Teck

**Editor** 

Lianhe Zaobao

#### Mr Muhammad Haniff Bin Hassan

Associate Research Fellow

S. Rajaratnam School of International Studies

Nanyang Technological University

#### Mr M. Rajaram

**Senior Director** 

Straits Law Practice LLC



#### **Mr Daniel Yun**

**Chief Executive Officer** 

Homerun Pictures Pte Ltd / Homerun Asia Pte Ltd

#### **Dr Suzaina Kadir**

Assistant Dean (Student Affairs) / Senior Lecturer

Lee Kuan Yew School of Public Policy

## SINGAPORE FILM COMMISSION ADUISORY COMMITTEE (SFC)

16 June 2012 to 15 June 2014

#### **CHAIRPERSON**

**Ms Jennie Chua** 

**Chief Corporate Officer** 

CapitaLand Limited

#### **DIRECTOR**

Mr Yeo Chun Cheng

Director (Broadcast, Animation, Film & Music)

Media Development Authority

#### **MEMBERS**

Mr Tan Chih Chong

**Managing Director** 

Sitting in Pictures

#### Mr Sebastian Tan

**Group Marketing Director** 

Shooting Gallery Asia

#### **Mr Richard Tan**

Consultant

Stamford Law Corporation

**Adjunct Associate Professor** 

National University of Singapore

#### Ms Jacqueline Tan

**Deputy General Manager** 

Lucasfilm Animation Company

#### Ms Choo Meileen

**Executive Director** 

Cathay Organisation Holdings Ltd

#### **Mr Kurt Rieder**

**Chief Executive Officer** 

Golden Village Pictures Pte Ltd

#### **Ms Nana Greenwald**

**Associate Dean & Director** 

Chapman University Singapore

#### **Ms Gillian Gordon**

Chair

MFA International Media Producing

Tisch Asia NYU

#### Mr Eric Khoo

Zhao Wei Pictures

#### **Mr Kelvin Tong**

**Creative Director** 

Boku Films Pte Ltd

#### Mr Freddie Yeo

**General Manager** 

Infinite Frameworks

#### Mr T T Dhavamanni

**Director** 

Blue River Pictures

#### **Ms Yvonne Tham**

**Deputy Chief Executive Officer** 

National Arts Council

#### Mr Man Shu Sum

**Managing Director** 

MediaCorp Raintree Pictures Pte Ltd

#### **Mr Noor Effendy Ibrahim**

**Artistic Director** 

The Substation

#### Mr Colin Goh

**Chief Executive Officer** 

The Old Parliament House Ltd

# ANNEX & TABLES

## KEY PERFORMANCE INDICATORS AND PERFORMANCE FOR PUBLIC SERVICE BROADCAST PROGRAMMES (FINANCIAL YEAR ENDING 31 MARCH 2012)

In the financial year ending 31 March 2012 (FY11), the following key performance indicators were applied to measure the effectiveness of public service broadcast (PSB) television programmes:

- (I) Number of PSB television programme hours fulfilled9
- (II) Average viewership of PSB television programmes.

#### (I) Number of PSB television programme hours fulfilled

In FY11, MDA required MediaCorp to telecast a minimum of 4,313 hours of (funded) PSB television programmes across MediaCorp's seven free-to-air television (FTA TV) channels. The requirement was fulfilled as follows:

Min. no. of PSB hou	urs required	Actual no. of PSB h	ours fulfilled by MediaCorp
Total	4,313	Total	5,969
Locally produced	2,299	Locally produced	2,493
Acquired <sup>10</sup>	2,014	Acquired	3,476

#### (II) Average viewership of PSB television programmes

Viewership targets for (funded and locally produced) PSB programmes are set by television channel and genre, based on the channel's target demographic. The range of genres supported includes information, children's programmes, arts/culture and sports programmes, drama, variety and minority-language news.



Of the viewership targets<sup>11</sup> set, the average percentage of targets met across the channels was 97%<sup>12</sup>. The total reach of these PSB programmes in FY11 was 88.2% or 4,254,000 viewers aged four years and above.

A summary of the average viewership of PSB programmes across channels in FY11<sup>13</sup> is as follows:

Channel	Target demographic	Channel descriptions/primetime <sup>14</sup> ratings in FY11	Average prime- time ratings of local PSB programmes across genres	Total reach <sup>15</sup> of local PSB programmes (by channel)
Channel 5	P4+ <sup>16</sup>	24-hour English entertainment channel targeting a mass audience with local productions, including news, and foreign acquired programmes. Average prime-time rating of 2.9% (143,000).	2.8% (136,000)	60.5% (2,917,000)

<sup>9</sup> Refers to the total number of locally produced and foreign acquired PSB television programmes fulfilled by MediaCorp against minimum PSB hours required by MDA for funding provided. Locally produced programmes are in-house productions by MediaCorp and outsourced productions by independent production companies.

<sup>10</sup> Foreign acquired PSB programmes are supported to supplement the total provision of PSB content on special interest/ minority-language channels, accounting for about 7% of funding allocation for PSB programmes on FTA TV

<sup>11</sup> Refers to ratings and reach targets. 'Ratings' measures the percentage (or number) of viewers watching a programme at any one point during a programme's telecast. 'Reach' is the total percentage (or number) of unduplicated individuals who tune in to a TV programme over a given time period (based on the Kantar Media Television Audience Measurement system).

<sup>12 97%</sup> is a weighted average that takes into account the degree to which a target is met as well as the proportion of each genre and channel's PSB programme output.

<sup>13</sup> The average viewership for FY11 (i.e. April 2011 to March 2012) is measured based on the viewership spanning two calendar years, 2011 and 2012, due to the period covered.

<sup>14</sup> Channels' prime time refers to 7pm-11pm for Channels 5, 8, U, CNA, Suria and Vasantham and weekdays 6.30pm-8.30pm/weekends 9am-1pm for okto's kids' belt, and weekdays 10pm-11pm/weekends 10pm-12mn for okto's info/arts belt. This would include PSB-funded and non-funded programmes.

<sup>15</sup> Based on whole-day viewing.

<sup>16 &#</sup>x27;P4+' refers to people aged 4 and above (where the 2011 and 2012 potential viewer base is 4,825,000 and 4,947,000, respectively)

## ANNEX & TABLES

Channel	Target demographic	Channel descriptions/primetime ratings in FY11	Average prime- time ratings of local PSB programmes across genres	Total reach of local PSB programmes (by channel)
Channel 8	P4+	24-hour Mandarin general entertainment channel targeting a mass audience with local productions, including news, and foreign acquired programmes.  Average prime time rating of 10.9% (528,000).	11.7% (568,000)	68.5 % (3,307,000)
Channel U	CUME P15+ <sup>17</sup>	Mandarin entertainment channel targeting youth and working professionals with local productions, including news, and foreign acquired programmes.  Average prime-time rating of 3.8% (158,000).	4% (160,000)	55.4% (2,317,000)
Channel NewsAsia Singapore	CUME PMEB <sup>18</sup> (above \$5k)	Special-interest news and information channel targeting working professionals via primarily locally produced content. Average prime-time rating	1.6% (4,000)	58.1% (110,000)

of 1.5% (4,000).



Channel	Target demographic	Channel descriptions/primetime ratings in FY11	Average prime- time ratings of local PSB programmes across genres	Total reach of local PSB programmes (by channel)
okto	P4-12 <sup>19</sup> ; and P15+	Special-interest channel with daytime/early evening timebelts for children and evening timebelt for youth/the local arts community. Offers a mix of locally produced and foreign acquired children's, information and arts/culture programmes. Average prime-time rating of 4.7% (24,000) for the children's belt and 0.2% (10,000) for the arts/culture belt.	• P4-12: 4.2% (21,000) • P15+: 0.3% (13,000)	• P4-12: 67.1% (341,000) • P15+: 14.2% (593,000)
Suria	M4+ <sup>20</sup>	Malay-language general entertainment channel catering to the community with local productions and acquired programmes from the region. Average prime-time rating of 9.4% (59,000).	11.4% (72,000)	89.5% (562,000)

<sup>17 &#</sup>x27;CUME' refers to the cumulative figure of the ratings of a programme telecast across one week.'P15+' refers to viewers aged 15 years and above (P15+ viewer base in 2011 and 2012 at 4, 179,000 and 4,300,000, respectively).

<sup>18 &#</sup>x27;PMEB (above \$5k)' refers to professionals, managers, executives and businessmen with monthly incomes of \$5,000 and above (2011 and 2012 viewer base at 203,000 and 285,000, respectively).

<sup>19 &#</sup>x27;P4-12' refers to people aged 4 to 12 years (2011 and 2012 viewer base at 506,000 and 517,000, respectively).

<sup>20 &#</sup>x27;M4+' refers to Malays aged 4 years and above (2011 and 2012 potential viewer base at 628,000 and 644,000, respectively)

## ANNEX & TABLES

Channel	Target demographic	Channel descriptions/primetime ratings in FY11	Average prime- time ratings of local PSB programmes across genres	Total reach of local PSB programmes (by channel)
Vasantham	Ind4+ <sup>21</sup>	Tamil-language general entertainment channel catering to the Indian community with local and acquired productions from Indian markets. Average prime-time rating of 6.7% (32,000).	7.4% (35,000)	80.3% (376,000)

#### **Accumulated PSB reserves from unutilised RTV licence fees**

The PSB reserves accumulated over the period FY03 to FY11 from unutilised RTV licence fees amounted to \$53.7 million as at 31 March 2012.

# FINANCIAL STATEMENTS

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<sup>21 &#</sup>x27;Ind 4' refers to Indians aged 4 and above (2011 and 2012 potential viewer base at 468,000 and 480,000, respectively)

#### STATEMENT BY MEDIA DEUELOPMENT AUTHORITY

For the financial year ended 31 March 2012

In the opinion of Media Development Authority (the "Authority"),

- (a) the financial statements as set out on pages 94 to 171 are drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 March 2012 and of the results, changes in capital, funds and accumulated surplus of the Authority and cash flows of the Authority for the financial year then ended; and
- (b) proper accounting and other records have been kept including all records of all assets of the Authority whether purchased, donated or otherwise; and
- (c) the receipt, expenditure and investment of monies and the acquisition and disposal of assets by the Authority during the financial year have been in accordance with the provisions of the Media Development Authority Act (Chapter 172) (the "Act").

On behalf of the Authority

Niam Chiang Men

Aubeck Kam Tse Tsuer Chief Executive Officer

29 June 2012



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIA DELIFLOPMENT AUTHORITY

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Media Development Authority (the "Authority"), set out on pages 94 to 171, which comprise the balance sheet as at 31 March 2012, and the statement of comprehensive income, statement of changes in capital, funds and accumulated surplus and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

#### 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 Act, Chapter 72 (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.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIA DEUELOPMENT AUTHORITY (CONT'D)

#### **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 Board as at 31 March 2012 and of the results, changes in equity and cash flows of the Board for the year ended on that date.

#### **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.

#### Auditor's 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:

- the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the year 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.

PricewaterhouseCoopers LLP

Public Accountants and Certified Public Accountants

Procewaterhouse Coopers LLF

Singapore, 29 June 2012

## **STATEMENT OF COMPREHENSIUE INCOME** For the financial year ended 31 March 2012

	Note	General Fund \$'000	2012 Restricted <u>Funds</u> \$'000	<u>Total</u> \$'000	General Fund \$'000	2011 Restricted <u>Funds</u> \$'000	<u>Total</u> \$'000
Income Radio and television					100.045		100.015
licence fees Broadcast licence fees		19,793	-	- 19,793	103,815 18,101	-	103,815 18,101
Film and video fees		5,725	-	5,725	6,660	-	6,660
Revenue from		0,120		0,720	0,000		0,000
completed films		1,220	-	1,220	1,228	-	1,228
		26,738	-	26,738	129,804	-	129,804
Other income	5	4,847	-	4,847	1,307	-	1,307
Net income from bank deposits, derivative financial instruments and financial assets, at fair value through profit and loss	4	2,670	-	2,670	19,731	-	19,731
Expenses							
Public service broadcast expenses Employee		(110,089)	-	(110,089)	(102,929)	-	(102,929)
compensation	6	(29,138)	-	(29,138)	(29,253)	-	(29,253)
Licensing expenses		(5,189)	-	(5,189)	(8,441)	-	(8,441)
Allowance for trade receivables	11	(0.242)		(0.242)	(105)		(105)
Write-off of bad debts	11	(8,343) (551)	_	(8,343) (551)	(105)	-	(105)
Depreciation and amortisation		(001)		(001)			
expenses	17 & 18	(10,188)	(10)	(10,198)	(13,020)	(10)	(13,030)

The accompany	ing notes	form an	integral	part of	these	financial	statements.
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	Note		2012			2011	
		General	Restricted		General	Restricted	
		Fund	Funds	Total	Fund	Funds	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rental on operating leases		(3,736)	-	(3,736)	(3,647)	-	(3,647)
Fund management							
expenses		(1,698)	-	(1,698)	(2,670)	-	(2,670)
Board members' fees		(241)	-	(241)	(123)	-	(123)
Training and recruitment		(843)	-	(843)	(422)	-	(422)
Professional and							
consultancy fees		(6,822)	-	(6,822)	(5,644)	-	(5,644)
Marketing and							
communications		(1,215)		(1,215)	(2,591)		(2,591)
expenses Standard ICT aparating		(1,213)	-	(1,213)	(2,091)	-	(2,591)
Standard ICT operating environment							
expenses		(977)	_	(977)	(1,578)	_	(1,578)
Information technology		` ′		` ,	,		, ,
expenses		(9,362)	-	(9,362)	(10,866)	-	(10,866)
Irrecoverable GST		(2,732)	-	(2,732)	(2,885)	-	(2,885)
Write off of property,		, , ,		, ,	,		,
plant and equipment					(126)	-	(126)
Other operating							
expenses		(6,618)	-	(6,618)	(5,860)	-	(5,860)
Total operating							
expenditure		(197,742)	(10)	(197,752)	(190,160)	(10)	(190,170)
Deficit before industry							
development		400 :==	/ · •	(4.00 : 5=	(00 0 : 5:		(0.0, 0.00)
expenses		(163,487)	(10)	(163,497)	(39,318)	(10)	(39,328)

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



## **STATEMENT OF COMPREHENSIUE INCOME (CONT'D)**For the financial year ended 31 March 2012

	Note		2012			2011	
		General	Restricted		General	Restricted	
		Fund	Funds	Total	Fund	<u>Funds</u>	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		Ψ 000	Ψ 000	Ψ 000	Ψ 000	Ψ 000	Ψ 000
Industry development expenses							
Industry promotional							
expenses	7	(3,729)	(34,959)	(38,688)	(6,952)	(32,003)	(38,955)
Impairment of interest receivable on industry		,	(	, ,	,	, ,	, , ,
loans	11	(1,195)	_	(1,195)	_	_	_
Amortisation of financial		, ,		, ,			
guarantees	12	(115)	-	(115)	(110)	-	(110)
Allowance for impairment of financial guarantees	12	_	_	_	(6,873)	_	(6,873)
Write-back/(loss) on					(0,0.0)		(0,0.0)
financial guarantees		86	-	86	(809)	-	(809)
Allowance for impairment							
of loan receivables	13	(975)	-	(975)	(1,250)	-	(1,250)
Write-back/(amortisation) of fair value of							
convertible loans	13	29	-	29	(49)	-	(49)
Impairment loss on							
financial assets,							
available-for-sale	14	(10,000)	(15,000)	(25,000)	-	-	-
Total industry							
development expenses		(15,899)	(49,959)	(65,858)	(16,043)	(32,003)	(48,046)
		//== ===:	(10.00=)	(aaa aa=)	(== 00::	(00.015)	(a= a= ::
Deficit before grants		(179,386)	(49,969)	(229,355)	(55,361)	(32,013)	(87,374)
Government grants	8	128,732	48,278	177,010	8,217	29,398	37,615

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

Note		2012			2011	
	General	Restricted		General	Restricted	
	<u>Fund</u>	<u>Funds</u>	<u>Total</u>	<u>Fund</u>	<u>Funds</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deficit before contribution to Consolidated Fund	(50,654)	(1,691)	(52,345)	(47,144)	(2,615)	(49,759)
Contribution to Consolidated Fund 22	-	-	-	-	-	-
Net deficit	(50,654)	(1,691)	(52,345)	(47,144)	(2,615)	(49,759)
Other comprehensive loss Financial assets, available-for-sale - Fair value loss	(654)	(23)	(677)	-	-	-
Total comprehensive loss	(51,308)	(1,714)	(53,022)	(47,144)	(2,615)	(49,759)

## 100 101 ENABLING YOUR STORIES

## **BALANCE SHEET**

For the financial year ended 31 March 2012

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

	Note	2012	2011
		\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	109,612	167,384
Financial assets, at fair value through profit and loss	10	134,978	153,422
Trade and other receivables	11	31,146	28,028
Deferred subsidies	12	21	122
Loan receivables	13	-	616
Derivative financial instruments	15	-	1,978
Other current assets	16	1,968	2,049
		277,725	353,599
Non-current assets			
Property, plant and equipment	17	6,683	12,334
Intangible assets	18	2,382	5,960
Loan receivables	13	-	306
Financial assets, available-for-sale	14	14,822	31,478
		23,887	50,078
Total assets		301,612	403,677
LIABILITIES			
Current liabilities			
Trade and other payables	21	50,627	100,414
Licence fees received in advance		266	220
Advances and deposits	22	39,080	38,928
Derivative financial instruments	15	479	-
Provision for financial guarantees	12	-	616
Provision for deferred subsidies	12	21	122
Provision for pensions and gratuities	24	1,651	1,719
		92,124	142,019

	Maka	0040	0044
	Note	2012	2011
		\$'000	\$'000
Non-current liabilities			
Provision for unclaimed monies		2,565	1,092
Provision for pensions and gratuities	24	18,256	18,845
Provision for ex-gratia payments		243	275
Provision for reinstatement of property, plant and equipment		837	837
		21,901	21,049
Total liabilities		114,025	163,068
NET ASSETS		187,587	240,609
Net assets/(liabilities) of trust and agency funds			
- Singapore Film Commission	19	1,097	1,734
- Interactive Digital Media R&D	20	(12,479)	(3,127)
Interactive Digital Modia Flab	20	(11,382)	(1,393)
		176,205	239,216
CAPITAL, FUNDS AND ACCUMULATED SURPLUS			
Share capital	25	1,201	1,201
Capital account	26	131,614	131,614
Accumulated surplus		55,449	107,794
Fair value reserve		(677)	
Nist and the Milking of the state of the sta		187,587	240,609
Net assets/(liabilities) of trust and agency funds	10	1 007	1 704
- Singapore Film Commission	19	1,097	1,734
- Interactive Digital Media R&D	20	(12,479)	(3,127)
		(11,382)	(1,393)
		176,205	239,216

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



## **STATEMENT OF CHANGES IN CAPITAL, FUNDS AND ACCUMULATED SURPLUS**For the financial year ended 31 March 2012

				Fair value reserve		Accumulated surplus		plus		
	Share capital \$'000	Capital account \$'000	Gen <u>Ful</u> \$'0	nd	Restricted Funds \$'000	Subtotal \$'000	General Fund \$'000	Restricted Funds \$'000	Subtotal \$'000	<u>Total</u> \$'000
2012 Beginning of financial year	1,201	131,614		-	-	-	67,947	39,847	107,794	240,609
Net deficit and total comprehensive loss for the financial year	-	-	(	(654)	(23)	(677)	(50,654)	(1,691)	(52,345)	(53,022)
End of financial year	1,201	131,614	(	(654)	(23)	(677)	17,293	38,156	55,449	187,587
2011 Beginning of financial year	1,201	131,614		-	-	-	115,091	42,462	157,553	290,368
Net deficit and total comprehensive loss for the financial year	-	-		-	-	-	(47,144)	(2,615)	(49,759)	(49,759)
End of financial year	1,201	131,614		-	-	-	67,947	39,847	107,794	240,609



## **STATEMENT OF CASH FLOWS**For the financial year ended 31 March 2012

No	ote	2012 \$'000	2011 \$'000
		Ψ 000	Ψ 000
Cash flows from operating activities			
(Deficit) before grants		(229,355)	(87,374)
Adjustments for:		(220,000)	(01,011)
- Depreciation and amortisation expense		10,198	13,032
- Write-off/loss on disposal of property, plant and equipment		12	126
- Loss/(income) from bank deposits, derivative financial instruments			0
and financial assets, at fair value through profit and loss		(2,670)	(19,731)
- Management fee expense for financial assets, available-for- sale		200	200
- Write-off of bad debts		551	-
- Allowance for impairment of trade receivables		8,343	105
- Amortisation/(write-back) of fair value of convertible loans		(29)	49
- Finance income arising from amortisation of fair value on		(0.4)	(4)
convertible loans		(24)	(4)
- Allowance for impairment of loans receivables		975	1,250
- Impairment of interest receivable on loan receivables		1,195	- 0.070
- Allowance for impairment of financial guarantees		-	6,873
- Impairment loss on financial assets, available-for-sale		25,000	-
- (Write-back)/loss on financial guarantees		(86)	809
- Provision for unclaimed monies		1,473	236
- Provision for pensions, gratuities and ex-gratia		962	906
Change in would a specified		(183,255)	(83,523)
Change in working capital  - Trade and other receivables		(11 070)	(4.450)
		(11,970)	(1,159)
- Other current assets		81 (20 571)	1,795
- Trade and other payables		(39,571)	42,602
Advances and deposits     Licence fees received in advance		152	23,782
		46	(61,399)
Cash utilised in operations		(234,517)	(77,902)
Payment of pension and gratuities		(1,651)	(1,697)
Net cash utilised in operating activities		(236,168)	(79,599)

Not	e 2012	2011
	\$'000	\$'000
	Ψ 000	Ψ 000
Cash flows from investing activities		
Net purchases of property, plant and equipment	(808)	(958)
Purchases of intangible assets	(173)	(19)
Net proceeds from sale/(purchase) of financial assets, at fair value through profit and loss	18,267	116,604
Net proceeds from sale of derivative financial instruments	2,944	3,388
Purchases of financial assets, available-for-sale	(9,547)	(11,678)
Repayment from financial assets, available-for-sale	326	-
Interest received	505	5,245
Dividend received	618	1,813
Net cash provided by investing activities	12,132	114,395
Cash flows from financing activities		
Net disbursement of loan receivables	-	(1,225)
Payment of financial guarantees	(530)	(9,375)
Government grants received	177,010	37,615
Net cash provided by financing activities	176,480	27,015
Net (decrease)/increase in cash and cash equivalents	(47,556)	61,811
Cash and cash equivalents at beginning of financial year	155,572	93,761
Cash and cash equivalents at end of financial year 9	108,016	155,572

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

#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### 1. General information

Media Development Authority, a Statutory Board under the Ministry of Information, Communications and the Arts ("MICA"), was established in The Republic of Singapore under the Media Development Authority 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 Ministry of Information, Communications and the Arts.

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 is engaged in the following principal activities:

- 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;
- to advise and make recommendations to the Government on matters, measures and regulations related to or connected with the media;
- to facilitate the provision of an adequate range of media services in Singapore which serve the interests of the general public;
- 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;



#### 1. General information (Cont'd)

- (g) to encourage and regulate public service broadcast programming by broadcasting licensees; and
- 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.

#### 2. Significant accounting policies

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Media Development Authority Act (Chapter 172) (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with SB-FRS requires management to exercise its judgement in the process of applying the Authority's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

#### Interpretations and amendments to published standards effective in 2011

On 1 April 2011, the Authority adopted the new or amended SB-FRS that is mandatory for application from that date. Changes to the Authority's accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS.

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

For the financial year ended 31 March 2012

#### 2. Significant accounting policies (cont'd)

#### 2.2 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 restricted recognition criteria must also be met before revenue is recognised:

(a) Radio and television ("RTV") license fees

Radio and television license fees are recognised when the licences are granted and recognised evenly over the licence period.

(b) Broadcast license fees

Broadcast license fees are recognised when broadcasters' services are rendered.

Broadcast license fees are computed based on a percentage of the broadcasters' total qualifying income. Concession rates are accorded to broadcasters providing new or innovative services.

(c) Film and video licence fees

Film and video licence fees are recognised when the licences are granted and recognised evenly over the licence period.

(d) Film and video censorship fees

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

(e) Revenue from completed films

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

(f) Interest income

Interest income is recognised using the effective interest method.



#### 2. Significant accounting policies (cont'd)

#### 2.2 Revenue recognition (cont'd)

(g) Unclaimed monies

Unclaimed monies held by the Authority which are not claimed within 6 years of its receipt, the monies are recognised in the profit or loss as "Other income".

(h) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### 2.3 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants received for the purchase or the construction of depreciable assets are accounted for as deferred capital grants. The deferred capital grants are amortised and charged to the statement of comprehensive income over the period necessary to match the annual depreciation charge of these assets or when the assets are disposed or written off. Where the grants relate to an expense item, it is recognised in the profit or loss over the periods necessary to match them on a systematic basis, to the costs, which it is intended to compensate.

#### 2.4 Trust Funds

These are monies received from government and other organisations where the Authority acts as a custodian, trustee or agent but does not exercise control of the funds. They are accounted for as agency funds held in trust.

The assets and liabilities of agency funds of the Authority - Singapore Film Commission ("SFC")'s film development funds, as well as Interactive Digital Media ("IDM") R&D development funds, held in trust for the Government are presented as "Net assets of Trust and agency funds". The receipts and expenses in respect of the agency funds held in trust are directly taken to the fund accounts and their net assets are shown under the Capital, Funds and Accumulated Surplus on the balance sheet.

For the financial year ended 31 March 2012

#### 2. Significant accounting policies (cont')

#### 2.5 Restricted Funds

In accordance with Guidance Note 3 issued by Accountant General Department ("AGD"), these are funds received for specific purposes and for which separate disclosure is necessary as these funds are material and there are restrictions on the ability of the Authority to distribute or otherwise apply its funds. Restricted funds in the Authority include the Singapore Media Fusion Plan ("SMFP") and Media 21 funds. These funds are set up to account for contributions received from other government agencies and from within the Authority for specified purposes.

#### 2.6 Employee compensation

#### (a) Defined contribution plans

The Authority's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

#### (b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

#### (c) Pensions and gratuities

The Authority operates one defined pension plan and has also provided for certain additional post-employment healthcare benefits. These benefits are unfunded.

The pension and gratuities are valued by independent professional valuers on an annual basis.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense in the profit or loss when the net cumulative unrecognised actuarial gains and losses for each individual plan at the end of the previous reporting year exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans.



#### 2. Significant accounting policies (cont'd)

#### 2.6 Employee compensation (cont'd)

#### (c) Pensions and gratuities (cont'd)

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised, reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate of the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognised immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service cost of the current period are recognised immediately.

Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above are recognised immediately if the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service cost of the current period are recognised immediately.

The Authority's right to be reimbursed of some or all of the expenditure required to settle a defined obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

For the financial year ended 31 March 2012

#### 2. Significant accounting policies (cont')

#### 2.6 Employee compensation (cont'd)

(d) 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.

#### 2.7 Operating lease payments

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

#### 2.8 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Vehicles	5 years
Furniture, fittings and equipment	5 years
Computers	3 years
Renovation	3 years

No depreciation is provided for capital projects in progress.



#### 2. Significant accounting policies (cont'd)

#### 2.8 Property, plant and equipment (cont'd)

Plant and equipment costing less than \$2,000 each are charged to profit or loss in the year of purchase.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

#### 2.9 <u>Impairment of non-financial assets</u>

Property, plant and equipment and intangible assets are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

For the financial year ended 31 March 2012

#### 2. Significant accounting policies (cont'd)

#### 2.10 Intangible assets

Acquired computer software licenses are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as expenses when incurred.

Computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

#### 2.11 Cash and cash equivalents

Under the Accountant-General Circular No.4/2009 dated 2 November 2009, the Authority is required to participate in the Centralised Liquidity Management Framework ("CLM"). Under the CLM, all bank accounts maintained with selected banks will be linked up with AGD's bank accounts such that excess available cash can be automatically aggregated for central management on a daily basis. The Authority will continue to own/act as trustees for their funds and operate its bank accounts, including giving instructions for payment and revenue collection. These balances are included in cash and cash equivalents as "Deposits held with Accountant-General's Department ("AGD").

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and at bank, deposits held with AGD and deposits with financial institutions which are subject to an insignificant risk in change in value.



#### 2. Significant accounting policies (cont'd)

#### 2.12 Trade and other receivables

Trade and other receivables including industry loans are classified and accounted for as loans and receivables under SB-FRS 39. The accounting policy for this category of financial assets is stated in Note 2.13.

#### 2.13 Financial assets

#### (a) Classification

The Authority classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for- sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets, at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Authority investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

Loans and receivables are presented as "trade and other receivables" (Note 11), "loan receivables" (Note 13) and "cash and cash equivalents" (Note 9) on the balance sheet.



For the financial year ended 31 March 2012

#### 2. Significant accounting policies (cont'd)

#### 2.13 Financial assets (cont'd)

#### (iii) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

#### (b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Authority commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is reclassified to profit or loss.

#### (c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised immediately in profit or loss.

#### (d) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss, are subsequently carried at fair value. Loans and receivables and financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.



#### 2. Significant accounting policies (cont'd)

#### 2.13 Financial assets (cont'd)

#### (d) Subsequent measurement (cont'd)

Interest and dividend income on financial assets, available-for-sale are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income, together with the related currency translation differences.

#### (e) Impairment

The Authority assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

#### (i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

For the financial year ended 31 March 2012

#### 2. Significant accounting policies (cont'd)

#### 2.13 Financial assets (cont'd)

- (e) Impairment (cont'd)
  - (ii) Financial assets, available for sale

In addition to the objective evidence of impairment described in Note 2.13 (e), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

#### 2.14 Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise. Present obligations arising under financial guarantees are recognised and measured as provisions for financial guarantees.



#### 2. Significant accounting policies (cont'd)

#### 2.15 Contribution to Consolidated Fund

Contribution to the Consolidated Fund for current period is recognised at the amount expected to be paid, using the contribution rate pegged to the corporate tax rate that has been enacted or substantively enacted by the balance sheet date. Deferred tax asset for contribution to the Consolidated Fund is recognised to the extent that it is probable that future surplus will be available against which the deficits can be utilised.

Deferred tax asset for contribution to Consolidated Fund are measured at the contribution rates that are expected to apply when the deferred tax asset for contribution for Consolidated Fund is realised based on the contribution rates pegged to the corporate tax rate that has been enacted or substantively enacted by the balance sheet date.

Contribution to the Consolidated Fund and deferred tax asset for contribution to the Consolidated Fund are recognised in profit or loss.

#### 2.16 Fair value estimation of financial assets and liabilities

The fair values of current assets and liabilities carried at amortised cost appropriate their carrying amounts.

The fair values of financial assets traded in active markets are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Authority is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. The fair values of forward currency exchange contracts are determined using actively quoted forward foreign currency rates.

#### 2.17 Financial guarantees and deferred subsidies

Financial guarantees and deferred subsidies are initially recognised at their fair values plus transaction costs in the Authority's balance sheet.

Financial guarantees and deferred subsidies are subsequently amortised to the profit or loss over the period of the guarantee, unless it is probable that the Authority will reimburse an amount higher than the unamortised amount. In this case, the financial guarantees and deferred subsidies shall be carried at the expected amount payable in the Authority's balance sheet.

For the financial year ended 31 March 2012

#### 2. Significant accounting policies (cont'd)

#### 2.18 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Derivatives that do not qualify for hedge accounting

External fund managers enter into derivative financial instruments on behalf of the Authority. These derivative financial instruments do not qualify for hedge accounting. Fair value changes for such derivative instruments that do not qualify for hedge accounting are included in profit or loss in the financial year when the changes arise.

#### 2.19 Currency translation

The financial statements are presented in Singapore Dollar, which is the functional currency of the Authority.

Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.



#### 2. Significant accounting policies (cont'd)

#### 2.20 Trades and other payables

Trade and other payables represent unpaid liabilities for goods and services provided to the Authority prior to the end of financial year. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current assets.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

#### 2.21 Dividends

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

#### 2.22 Share capital

Ordinary shares issued in accordance with FCM 26/2008 – Capital Management Framewalk, are classified as equity. The shares issued are held by the Minister of Finance, incorporated by the Minister of Finance (Incorporation) Act.

#### 3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the financial year ended 31 March 2012

#### 3. Critical accounting estimates, assumptions and judgements (cont'd)

#### 3.1 Critical accounting estimates and assumptions

(a) Impairment of loan receivables and trade receivables

Management reviews its loan receivables and trade receivables for objective evidence of impairment at least annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. In determining this, management uses estimates based on available information as at the balance sheet date.

#### (i) Loan receivables

The Authority's allowance for impairment on loan receivables as at 31 March 2012 was \$10,556,000 (2011: \$9,581,000).

If the net present values of estimated cash flows increase/ decrease by 10% from management's estimates for all past due loan receivables, the Authority's allowance for impairment will decrease/increase by \$1,056,000.

#### (ii) Trade receivables

The Authority's allowance for impairment of trade receivables as at 31 March 2012 was \$11,496,000 (2011: \$3,153,000). The allowance for impairment has been made taking into consideration the likelihood of recovery on outstanding receivables based on historical recovery rate upon issuance of late payment advices.



#### 3. Critical accounting estimates, assumptions and judgements (cont'd)

#### 3.1 Critical accounting estimates and assumptions (cont'd)

(b) Provision for pensions and gratuities

The provision for pension and gratuities relate 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 pensions and gratuities of the Authority as at 31 March 2012 is \$19,907,000 (2011: \$20,564,000). The provision has been computed based on certain assumptions and estimates as disclosed in Note 24 and the revisions to the assumptions and estimates could impact the provision made.

#### 3.2 Critical judgements in applying the Authority's accounting policies

(a) Deferred income tax asset on contribution to Consolidated Fund

Deferred income tax asset have not been recognised on unrecognised deficits of \$113,218,000 (2011: \$60,873,000) (Note 22) as MDA 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 offset its operating deficit. Accordingly, MDA has not recognised any deferred income tax assets for contribution to Consolidated Fund.



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## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 March 2012

## 4. Net income from bank deposits, derivative financial instruments and financial assets, at fair value through profit and loss

	2012	2011
	\$'000	\$'000
Interest income		
- Short-term deposits and cash at bank	369	331
- Financial assets, fair value through profit and loss	2,365	6,275
Gain from financial assets, at fair value through profit or loss	760	625
Fair value gain from derivative financial instruments	466	5,134
(Loss)/Gain on disposal of financial assets at fair value through		
profit and loss	(1,448)	833
(Loss)/Gain on disposal of derivative financial instruments	21	(95)
Dividend income	618	1,813
Foreign exchange (loss)/gain (net)	(481)	4,815
	2,670	19,731

#### 5. Other income

	2012	2011
	\$'000	\$'000
Financial guarantee income	115	110
Broadcast frequency management fees	109	111
Finance income arising from amortisation of fair value on convertible loans (Note 13)	24	4
Unclaimed monies	173	225
Reimbursement of expenses from MICA	150	270
Foreign exchange loss – financial guarantees/financial assets, available-for-sale	86	(313)
Interest on term/convertible loans	1,379	-
Rental income for Mediapolis	1,565	72
Others	1,246	828
	4,847	1,307

#### 6. Employee compensation

	2012	2011
	\$'000	\$'000
Wages and salaries	25,179	25,690
Employer's contribution to Central Provident Fund	2,833	2,550
Pension and gratuities (Note 23)	994	936
Other benefits	132	77
	29,138	29,253

#### 7. Industry promotional expenses

	2012	2011
	\$'000	\$'000
Comprising of:		
General fund	3,729	6,952
Restricted funds	34,959	32,003
	38,688	38,955

The Authority finances audio visual production, digital media and publishing projects. Financial assistance is provided in the form of industry grants for idea development, content production, gaining access to international markets and talent development. These support projects, individuals and companies from all media sectors, namely Animation, Broadcast, Film, Games, Interactive Media, Music and Publishing. Grants are disbursed based on milestones and KPIs achieved.

#### 8. Government grants

	2012	2011
	\$'000	\$'000
MICA grant for Singapore Media Fusion Plan ("SMFP") (Note 28)	48,278	29,398
MICA grant for Public Service Broadcast	112,078	1,400
Grant from other agencies for Public Service Broadcast	200	315
Other grants from MICA	16,454	6,502
	177,010	37,615

For the financial year ended 31 March 2012

#### 9. Cash and cash equivalents

	2012	2011
	\$'000	\$'000
Cash at bank and on hand		
- Held by the Authority	3,637	35,710
- Held by fund managers (Note 10)	10,518	5,738
	14,155	41,448
Short-term bank deposits		
- Held by fund managers (Note 10)	452	1,151
Deposits held with AGD		
- The Authority	93,409	112,973
- Trust and agency funds (Notes 19 & 20)	1,596	11,812
	95,005	124,785
	109,612	167,384

Short-term bank deposits are made for varying periods of between one week and one year depending on the immediate cash requirements of the Authority, and earn interests at the respective short-term deposit rates.

Deposits held with AGD earned interest based on fixed deposit rates determined by the financial institutions with which AGD deposits the monies.

In accordance with Guidance Note 3: Accounting and Disclosure for Trust Funds, cash of trust funds that are maintained with the Authority's cash and cash equivalents are to be included as part of the cash and cash equivalents of the Authority in the balance sheet. Cash belonging to the trust funds are excluded as part of the Authority's cash and cash equivalents in the statement of cash flows.



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#### 9. Cash and cash equivalents (cont'd)

For the purpose of presenting the statement of cash flows, the cash and cash equivalents comprise the following:

		2012	2011
		\$'000	\$'000
	Cash and cash equivalents (as above)	109,612	167,384
	Less: Trust and agency funds	(1,596)	(11,812)
	Cash and cash equivalents per statement of cash flows	108,016	155,572
10.	Financial assets, at fair value through profit or loss		
		2012	2011
		\$'000	\$'000
	Financial assets, at fair value through profit and loss		
	- Quoted equity securities	21,864	29,207
	- Quoted bonds	113,114	124,215
		134,978	153,422

According to the revised Investment Guideline issued by Ministry of Information, Communications & the Arts dated 11 December 2009, the Authority's short-term (1 or 2 years) cash flow needs could be invested in instruments with capital preservation as the primary objective to protect the principal sum invested to ensure that the funds are available when required.

For the Authority's longer-term (3 or 4 years and beyond) cash flow needs, the return on investment will be pegged to MOF's cost of capital rate with a deviation band of (+) or (-) 1%. The objective is to recover the opportunity cost of holding the funds and minimise the loss in real value of the monies over the longer term.

For the financial year ended 31 March 2012

#### 10. Financial assets, at fair value through profit or loss (cont'd)

The above financial assets are managed by external funds managers. As at 31 March 2012, the funds placed with the external fund managers are \$142,714,000 (2011: \$162,140,000). The Authority has the following amounts placed under fund managers.

	Note	2012	2011
		\$'000	\$'000
Quoted equity securities	10	21,864	29,207
Quoted bonds	10	113,114	124,215
Derivative financial instruments	15	(479)	1,978
Short-term bank deposits	9	452	1,151
Cash at bank and on hand	9	10,518	5,738
Amount due from brokers	11	153	904
Accrued interest under fund management	11	709	1,132
Amount due to brokers	21	(3,617)	(2,185)
		142,714	162,140

These items have been included in the respective current assets and liabilities categories in the balance sheet.

The terms of the management agreements, which are subject to review every 3 years, provide the following:

- (a) base fee payable on a quarterly basis; and
- (b) performance fee payable to fund managers (determined at the end of the relevant fund management period) for out-performance against relevant benchmarks.



#### 11. Trade and other receivables

	2012	2011
	\$'000	\$'000
Trade receivables		
- Licence and penalty fees	18,923	19,514
- Broadcasting fees	2,895	2,711
- Others	989	694
	22,807	22,919
Less: Allowance for impairment of trade receivables	(11,496)	(3,153)
	11,311	19,766
Other receivables		
<ul> <li>Accrued interest under fund management (Note 10)</li> </ul>	709	1,132
- Amount due from brokers (Note 10)	153	904
- Amount due from MICA	16,800	4,211
- Interest receivables	1,520	229
- Others	1,848	1,786
	21,030	8,262
Less: Allowance for impairment of other receivables	(1,195)	-
	19,835	8,262
	31,146	28,028

For the financial year ended 31 March 2012

#### 12. Deferred subsidies and financial guarantees

	2012	2011
	\$'000	\$'000
Current		
Financial guarantees	-	616
Deferred subsidies	21	122
	21	738

#### (a) Provisions for financial guarantees

As at 31 March 2012, the Authority authorised its bank to issue standby letters or credits amounting to \$976,603 (2011: \$4,519,000) to financial institutions for loans extended to film and animation projects managed by media companies under its Loan Guarantee Programme. A provision for financial guarantee is recognised at the balance sheet date for expected default by the media companies.

Movement in the provision for financial guarantees are as follows:

	2012	2011
	\$'000	\$'000
Beginning of financial year	616	8,890
Provision made	-	6,873
Provision utilised	(616)	(8,566)
Reclassification to allowance for impairment of convertible loan		
(Note 13)	-	(6,581)
End of financial year	-	616



#### 12. Deferred subsidies and financial guarantees (cont'd)

#### (b) Provision for deferred subsidies

The financial guarantees provided by the Authority are carried at the higher of the loan amounts guaranteed and the initial amounts recognised, less cumulative amortisation recognised as income over the terms of the guarantees. Since the media companies are paying at a preferential rate for the financial guarantees, corresponding deferred subsidies are recognised on the balance sheet, less cumulative amortisation recognised as expense over the terms of the guarantees.

Movement in provision for deferred subsidies are as follows:

	2012	2011
	\$'000	\$'000
Deferred subsidies		
Beginning of financial year	122	495
Amortisation charged	(115)	(110)
Write-back on provision	(86)	(336)
Provision made	141	70
Currency translation differences	(41)	3
End of financial year	21	122
Comprising of:		
- Current	21	122
- Non-current	-	_
	21	122

For the financial year ended 31 March 2012

#### 13. Loan receivables

	2012	2011
	\$'000	\$'000
Convertible loans (at cost)		
- Current	2,030	1,732
- Non-current	5,026	5,324
	7,056	7,056
Less: Allowance for impairment of convertible loans	(7,056)	(6,581)
	-	475
Less: Accumulated amortisation on fair value on convertible loans	-	(53)
	-	422
Industry loans (at cost)		
- Current	3,500	2,887
- Non-current	-	613
	3,500	3,500
Less: Allowance for impairment for industry loans	(3,500)	(3,000)
	-	500
Staff loans		
- Current	-	-
	-	922
Comprising of:		
- Current	-	616
- Non-current	-	306
	-	922



#### 13. Loan receivables (cont'd)

Movement in allowance for impairment of loan receivables are as follows:

	2012	2011
	\$'000	\$'000
Beginning of financial year	9,581	1,750
Reclassification from provision for financial guarantees (Note 12)	-	6,581
Allowance made	975	1,250
End of financial year	10,556	9,581

#### Accumulated amortisation of fair value on convertible loans

Convertible loans disbursed by the Authority to media companies yield zero or lower market interest rates as compared to commercial interest rates. Provision for amortisation on the fair value on convertible loans are made for the lower rates at which the Authority disburses these loans representing the time value loss of money of interest income that the Authority could have earned had these loans been made at the market interest rates.

Movement in accumulated amortisation of fair value on convertible loans are as follows:

	2012	2011
	\$'000	\$'000
Beginning of financial year	53	8
Amortisation charge	-	49
Credited to profit or loss (Note 5)	(24)	(4)
Write-back of fair value of convertible loans	(29)	-
End of financial year	-	53
Comprising of:		
- Current	-	53
- Non-current	-	-
	-	53

For the financial year ended 31 March 2012

#### 13. Loan receivables (cont'd)

#### (a) <u>Industry loans</u>

The Authority has extended loans to certain companies in the media industry.

During the financial year, an allowance for impairment of \$500,000 (2011: \$1,250,000) was made against industry loans.

During the financial year, one media company has defaulted on a loan from the Authority of \$2,500,000. Provision has been made for impairment of the full amount outstanding while legal action by the Authority is in progress.

#### (b) Convertible loans

Included in the industry loans is an amount of \$7,056,000 (2011: \$7,056,000) which relates to convertible loans where the Authority can convert into equity or require the companies to repay principal with interest at the repayment date. Interest rates for the convertible loans are fixed between 3.6% and 4.6% (2011: 3.6% and 4.6%) per annum. These interest rates are lower compared to the commercial interest rates.

The value of the embedded conversion option in the convertible loans is deemed to be negligible, on the basis that the underlying equities are unquoted and the valuation cannot be reliably determined.

During the financial year, the Authority has measured and recognised the time value loss on the convertible loans of \$Nil (2011: \$53,000) and an allowance for impairment of \$475,000 (2011: \$6,581,000) was made against two convertible loans which one was past due while the other has not, because of uncertainty in recoverability of the amount.



#### 14. Financial assets, available-for-sale

	2012	2011
	\$'000	\$'000
Beginning of financial year	31,478	20,000
Charged to profit or loss	(200)	(200)
Addition	9,547	11,678
Repayment	(326)	-
Impairment loss	(25,000)	-
Fair value recognized in other comprehensive income	(677)	-
End of financial year	14,822	31,478

Financial assets, available-for-sale are as follows:

	2012 \$'000	2011 \$'000	
Investment in media and film production funds	14,822	31,478	

Investment in media and film production funds relates to collaboration with other investors to finance the development of film production. These investments range from 3 to 10 years and repayment terms vary according to the terms of the agreements. MDA may be entitled to full repayment of principal investment plus the rights to participate in any revenue generated from the film production.

During the financial year, legal action has been commenced by the Authority for the return of a total of \$25,000,000 (2011: Nil) of monies paid to one media company to be held in trust for such investments in aggregation with other partners in industry. Provision has been made for impairment of the full amount outstanding.

For the financial year ended 31 March 2012

#### 15. Derivative financial instruments

Derivative financial instruments comprise fair value gains of the currency forwards for investments managed by external fund managers. The contracted notional principal amount of the derivative financial instruments outstanding at balance sheet date is \$103,506,000 (2011: \$184,767,000).

	Contracts notional amount for outstanding forward foreign exchange contracts \$'000	Asset \$'000	Fair value Liability \$'000	Total \$'000
2012 Forwards foreign exchange contracts (current position)	103,506	-	(479)	(479)
2011 Forwards foreign exchange contracts (current position)	184,767	1,978	-	1,978

The Authority does not have non-current forwards foreign exchange contracts. As at 31 March 2012, the settlement dates on forwards foreign exchange contracts range from 1 day to 3 months (2011: 1 day to 3 months).

#### 16. Other current assets

	2012	2011
	\$'000	\$'000
Deposits	1,049	1,074
Prepayments	704	910
Others	215	65
	1,968	2,049



#### 17. Property, plant and equipment

		Furniture, fittings			Capital projects	
	Vehicles	and	Computers	Renovation	in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2012						
Cost						
Beginning of						
financial year	382	12,197	11,005	14,803	-	38,387
Additions	-	-	464	-	344	808
Disposals	-	(154)	(98)	-	-	(252)
Write off	-	-	(9)	-	-	(9)
End of financial year	382	12,043	11,362	14,803	344	38,934
Accumulated depreciation						
Beginning of financial						
year	361	5,242	8,925	11,525	-	26,053
Depreciation charge	11	2,362	1,098	2,976	-	6,447
Disposals		(151)	(98)	-	-	(249)
End of financial year	372	7,453	9,925	14,501	-	32,251
Net book value						
End of financial year	10	4,590	1,437	302	344	6,683

For the financial year ended 31 March 2012

#### 17. Property, plant and equipment (cont'd)

	Vehicles \$'000	Furniture, fittings and equipment \$'000	Computers \$'000	Renovation \$'000	Capital projects in progress \$'000	<u>Total</u> \$'000
2011						
Cost						
Beginning of financial year	382	12,150	9,254	14,803	4,295	40,884
Additions	_	47	911	-	_	958
Disposals	-	_	(62)	-	(126)	(188)
Reclassification	-	-	902	-	(902)	-
Reclassification to intangible assets (Note 18)	-	_	-	-	(3,267)	(3,267)
End of financial year	382	12,197	11,005	14,803	-	38,387
Accumulated depreciation						
Beginning of financial year	349	2,866	7,532	6,730	_	17,477
Depreciation charge	12	2,376	1,455	4,795	-	8,638
Disposals			(62)			(62)
End of financial year	361	5,242	8,925	11,525	-	26,053
Net book value End of financial year	21	6,955	2,080	3,278	_	12,334



#### 18. Intangible assets

	2012	2011
	\$'000	\$'000
Cost		
Beginning of financial year	18,434	15,387
Additions	173	19
Disposals	(604)	(239)
Reclassification from property, plant and equipment		
(Note 17)	-	3,267
End of financial year	18,003	18,434
Accumulated amortisation		
Beginning of financial year	12,474	8,321
Amortisation charge	3,751	4,392
Disposals	(604)	(239)
End of financial year	15,621	12,474
Net book value	2,382	5,960

#### 19. Trust and agency funds - Singapore Film Commission ("SFC")

This represent funds received from Government and other statutory boards that are held by the Authority as agent for purposes relating to SFC's funding of local feature film projects and co-productions, overseas promotion of Singapore films, as well as promotion of Singapore as a location for film shots.



For the financial year ended 31 March 2012

#### 19. Trust and agency funds - Singapore Film Commission ("SFC") (cont'd)

The receipts and expenditure for the year are taken directly to the funds accounts, and the net assets of these funds at the balance sheet date are as follows:

	2012	2011
	\$'000	\$'000
Statement of comprehensive income		
<u>Income</u>		
Other income	28	20
	28	20
Expenses		
Funding of film projects	(660)	(1,188)
Other expenses	(5) (665)	(10) (1,198)
	(665)	(1,190)
Net deficit	(637)	(1,178)
	( /	( ) -/
Accumulated fund balance		
Beginning of financial year	1,734	2,912
End of financial year	1,097	1,734
Balance sheet		
Current assets		
Cash and cash equivalents	1,111	1,863
Sash and sash squivaisnes	.,	1,000
Current liabilities		
Other payables	(14)	(129)
	, ,	. ,
NET ASSETS	1,097	1,734



#### 20. Trust and agency funds - Interactive and Digital Media R&D ("IDM R&D")

The National Research Foundation had allocated \$500 million over five years to fund the development of a strategic IDM research programme and the set-up of a multiagency IDM R&D Programme Office within the Authority to spearhead the growth and development of Singapore's IDM sector. The income and expenditure for the year are taken directly to the funds accounts, and the net assets/liabilities of these funds at the balance sheet date are as follows:

Statement of comprehensive income	\$'000	\$'000
Statement of comprehensive income		
<u>Income</u>		
Other income	145	7
Government grants	30,240	31,703
Deferred capital grant	377	275
	30,762	31,985
<u>Expenses</u>		
Employee compensation	(1,331)	(1,119)
Other operating expenses	(176)	(497)
Depreciation	(374)	(374)
China-Singapore Institute of Digital Media	(1,142)	(1,807)
Singapore MIT GameLab Initiative	(6,893)	(6,585)
Futurescape	(11,812)	(7,056)
Public sector R&D	(7,450)	(10,330)
International research centres	(8,776)	(2,323)
Microfunding	(2,030)	(1,558)
IDM Futures	(130)	-
	(40,114)	(31,649)
Net (deficit)/surplus	(9,352)	336
Accumulated fund balance		
Beginning of financial year	(3,127)	(3,463)
Balance at end of financial year	(12,479)	(3,127)

For the financial year ended 31 March 2012

# 20. Trust and agency funds - Interactive and Digital Media R&D ("IDM R&D") (cont'd)

	2012 \$'000	2011 \$'000
Balance sheet		
Current assets		
Cash and cash equivalents	485	9,949
Other current assets	670	654
	1,155	10,603
Non-current assets		
Property, plant and equipment	502	777
Intangible assets	55	157
Advance to Massachusetts Institute of Technology ("MIT")	987	822
	1,544	1,756
Total assets	2,699	12,359
Current Liabilities		
Deferred capital grant	(557)	(934)
Trade and other payables	(14,621)	(14,552)
Total liabilities	(15,178)	(15,486)
NET LIABILITIES	(12,479)	(3,127)



# 20. Trust and agency funds - Interactive and Digital Media R&D ("IDM R&D") (cont'd)

#### (a) Singapore MIT Gamelab Initiatives

The Singapore-MIT GAMBIT Game Lab (GAMBIT) is a research initiative that addresses important challenges faced by the global digital game research community and industry, with a core focus on identifying and solving research problems using a multi-disciplinary approach that can be applied by Singapore's digital game industry.

#### (b) China-Singapore Institute of Digital Media Funding Initiatives

The aim of the scheme is to support a strategic partnership with the Chinese Academy of Sciences ("CAS") by establishing a research institute in Singapore, focusing on applied R&D for Chinese language technologies, leveraging on CAS strengths in this area and with NUS as a major research partner, to support the goal of developing Singapore as a hub for immersive interactive language learning using IDM technologies.

## (c) Futurescape

This funding initiative aims to support R&D of original and innovative applications, services and devices, as well as to purchase of common infrastructure and test-bedding services respectively.

## (d) Public Sector R&D

This funding initiative seeks to stimulate public sector R&D efforts in support of the creation of fundamental breakthroughs in the Interactive and Digital Media sector.

## (e) International Research Centres

This aims to build up research excellence in Singapore through a local and international global network of IDM research partners.

## (f) Microfunding

The IDM Jump-start and Mentor (i.JAM) microfunding scheme aims to drive innovation and entrepreneurship in the IDM sector by supporting start-ups and individuals with breakthrough ideas that can be developed into innovative IDM products and services.

For the financial year ended 31 March 2012

# 20. Trust and agency funds - Interactive and Digital Media R&D ("IDM R&D") (cont'd)

#### (g) IDM Futures

This funding initiative aims to support good sized and impactful R&D projects involving data analytics on a societal scale to garner Real-Time Contextual Insights (RTCI) for key industry verticals. It also aims to support IDM Innovation Platforms to drive applications in growth verticals such as media & entertainment, tourism & lifestyle, and wellness & learning.

## 21. Trade and other payables

	2012	2011
	\$'000	\$'000
Trade payables	20,077	64,240
Amount due to brokers (Note 10)	3,617	2,185
Sundry creditors	8,424	19,249
Accruals for operating expenses	18,509	14,740
	50,627	100,414

Included in trade payables are refundable RTV licence fees of approximately \$9,945 (2011: \$46,517,000) due to the abolishment of RTV licence with effect from 1 January 2011.

## 22. Advances and Deposits

	2012	2011
	\$'000	\$'000
Deposits	5,562	5,193
Government grants billed in advance	29,941	30,825
Fees billed in advance	3,577	2,883
Others	-	27
	39,080	38,928



#### 23. Provision for contribution to Consolidated Fund

The contribution to the Consolidated Fund is made in accordance with the Statutory Corporations (Contribution to Consolidated Fund) Act 1989 (Chapter 319A). This contribution is based on 17% (2011: 17%) of the net surplus of the Authority. The Authority is allowed to carry forward its deficits to offset against its future surplus.

There is no contribution made for the current financial year as the Authority was in a net deficit position. No contribution was made for the financial year ended 31 March 2011 as the Authority was in a net deficit position.

The benefits associated with the deficits are recognised to the extent that realisation of the related benefits through future surplus are probable. The Authority has unrecognised deficits of \$113,218,000 (2011: \$60,873,000) at the balance sheet date which can be carried forward and used to offset against future contributions to the Consolidated Fund. The deficits have no expiry date.

Deferred income tax asset have not been recognised on unrecognised deficits of \$113,218,000 (2011: \$60,873,000) as MDA 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 offset its operating deficit. Accordingly, MDA has not recognised any deferred income tax assets for contribution to Consolidated Fund.

For the financial year ended 31 March 2012

## 24. Provision for pensions and gratuities

The provision for pension and gratuities relate 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.

(a) The amount recognised in the balance sheet is determined as follows:

	2012	2011
	\$'000	\$'000
Present value of funded obligations	23,602	23,325
Unrecognised losses	(3,695)	(2,761)
	19,907	20,564
Comprising of:		
- Current	1,651	1,719
- Non-current	18,256	18,845
	19,907	20,564

An actuarial loss of \$428,000 (2011: \$274,000) has been recognised in the current year as the unrecognised actuarial loss exceed 10% of the present value of the defined benefit obligation at the last balance sheet date.

(b) The amounts recognised in the profit or loss are as follows:

	2012	2011
	\$'000	\$'000
Current service cost	8	7
Interest cost	558	655
Net actuarial loss recognised in the year	428	274
Expenses recognised in profit or loss (Note 6)	994	936



### 24. Provision for pensions and gratuities (cont'd)

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

	2012	2011
	\$'000	\$'000
Beginning of financial year	20,564	21,325
Provision for the year	994	936
Payments during the year	(1,651)	(1,697)
End of financial year	19,907	20,564

(d) Movement in the fair value of plan assets is as follows:

Beginning of financial year         23,325         23,999           Interest cost         558         655           Current service cost         8         7           Actuarial gain         1,362         361           Benefits paid         (1,651)         (1,697)           End of financial year         23,602         23,325		2012	2011
Interest cost         558         655           Current service cost         8         7           Actuarial gain         1,362         361           Benefits paid         (1,651)         (1,697)		\$'000	\$'000
Interest cost         558         655           Current service cost         8         7           Actuarial gain         1,362         361           Benefits paid         (1,651)         (1,697)			
Current service cost       8       7         Actuarial gain       1,362       361         Benefits paid       (1,651)       (1,697)	Beginning of financial year	23,325	23,999
Actuarial gain       1,362       361         Benefits paid       (1,651)       (1,697)	Interest cost	558	655
Benefits paid (1,697)	Current service cost	8	7
	Actuarial gain	1,362	361
End of financial year 23 602 23 325	Benefits paid	(1,651)	(1,697)
20,002 20,020	End of financial year	23,602	23,325

The principle assumptions used in determining the Authority's pension obligations are:

- (i) All pensioners under the pension scheme will retire at the exact age of 62.
- (ii) The discount rate of the pension fund is 1.48% (2011: 2.5%) which is based on 10-year Singapore Government Bond yields.
- (iii) The projected salary increase of 0% (2011: 0%).
- (iv) The Singapore Mortality Table S97/02 was used for purpose of the latest valuation of pension liabilities.
- (v) All current pensionable officers will choose the Partial Commutation of Pension with Gratuity.

For the financial year ended 31 March 2012

## 25. Share capital

	← Number of shares →			of shares →
	2012	2011	2012	2011
	\$'000	\$'000	'000	'000
Beginning and end of financial year	1,201	1,201	1,201	1,201

During the financial year ended 31 March 2009, in accordance with FCM 26/2008 – Capital Management Framework, there was 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 Ministry of Information, Communications and the Arts in the form of equity injection. In lieu of the capital injection, share certificates amounting to \$1,201,000 had been issued.

There are no shares issued in the current financial year.

The shares issued are held by the Minister of Finance, incorporated by the Minister for Finance (Incorporation) Act.

## 26. Capital account

The beginning capital account comprises of 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.



#### 27. Commitments

#### (a) <u>Capital commitments</u>

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

	2012 \$'000	2011 \$'000
Property, plant and equipment	178	11

## 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 for at the balance sheet date but not recognised as liabilities, are as follows:

	2012	2011
	\$'000	\$'000
Not later than one year	7,140	6,984
Between one and five years	7,728	14,420
	14,868	21,404

For the financial year ended 31 March 2012

## 27. Commitments (cont'd)

#### c) Media 21

(i) As announced by Minister for Information, Communications & the Arts, Dr Lee Boon Yang, during the Media 21 Forum on 8 July 2003, the Authority will be setting aside \$100 million over the next 5 years to support the development of the media industry through a comprehensive slate of industry development schemes.

	2012	2011
	\$'000	\$'000
Amount committed	100,000	100,000
Amount utilised	(82,567)	(80,853)
Amount unutilised	17,433	19,147

Included in the amounts unutilised are contracted amounts of \$1,214,812 (2011: \$3,389,000) yet to be expensed. No new commitment had since been made under the Media 21.

(ii) On 11 May 2005, it was announced that a further \$65 million would be granted for media developments over the next five years. This funding is granted by Ministry of Information, Communications & the Arts to the Authority. This is in addition to the \$100 million detailed in Note 26 (c)(i).

	2012	2011
	\$'000	\$'000
Amount committed	65,000	65,000
Amount utilised	(65,000)	(65,000)
Amount unutilised	-	-

The \$65 million had been fully utilised, and no new commitment had since been made under the Media 21.



#### 27. Commitments (cont'd)

#### (d) Singapore Media Fusion Plan ("SMFP")

SMFP seeks to shape the future of the media sector in a holistic manner. SMFP articulates Singapore's response to a media landscape that has been dramatically altered by digital migration and the rise of Asia. It builds on the achievements of its predecessor Media 21 to strengthen the building blocks of the media ecosystem and support the creation of innovative content, applications and services with global appeal. \$230 million had been committed to implement SMFP over five years commencing from the financial year ended 31 March 2010, out of which the Authority is injecting \$20.7 million from its accumulated surplus to fund the plan.

	2012	2011
	\$'000	\$'000
Amount committed	230,000	230,000
Amount utilised		
- Industry development expenses	(77,584)	(44,339)
- Property, plant & equipment	(32)	(32)
- Investment in media and film production funds	(20,899)	(11,678)
Amount unutilised	131,485	173,951

Included in the amounts unutilised are contracted amounts of \$48,369,033 (2011: \$36,639,000).

#### (e) <u>Guarantees</u>

As at 31 March 2012, the Authority had authorised its bank to issue standby letters of credits amounting to \$976,603 (2011: \$4,519,000) to financial institutions for loans extended to film and animation projects managed by media companies under its Loan Guarantee Programme (Note 12).

For the financial year ended 31 March 2012

## 27. Commitments (cont'd)

### (f) Financial assets, available-for-sale

	2012	2011
	\$'000	\$'000
Amount committed	61,000	51,000
Amount disbursed	(41,003)	(32,009)
Amount unutilised	19,997	18,991

## 28. Restricted funds

	SM	IFP	Media 21			
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000		
Statement of comprehensive income						
Income	-	-	-	-		
Expenses Industry development expenses Impairment loss on Media Investments Depreciation	(33,245) (15,000) (10)	(29,388) - (10)	(1,714) - -	(2,615)		
Deficit before grants	(48,255)	(29,398)	(1,714)	(2,615)		



## 28. Restricted funds (cont'd)

	SM	IFP	Media 21			
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000		
Government grants (Note 8)	48,278	29,398	-	-		
Surplus/(Deficit) before contribution to Consolidated Fund	23	-	(1,714)	(2,615)		
Contribution to Consolidated Fund	-	-	-	-		
Net surplus/(deficit) for the year	23	-	(1,714)	(2,615)		

## 29. Net assets and liabilities of Restricted funds

		2012			2011	
	SMFP \$'000	Media 21 \$'000	Total \$'000	SMFP \$'000	Media 21 \$'000	Total \$'000
Balance sheet						
Current assets						
Cash and cash equivalents	50,413	17,773	68,186	42,743	19,624	62,367
Financial assets, available- for-sale	5,875	-	5,875	11,678	-	11,678
Other current assets	150	-	150	417	-	417
	56,438	17,773	74,211	54,838	19,624	74,462
Non-current asset						
Property, plant and equipment	12	-	12	22	-	22
Total assets	56,450	17,773	74,223	54,860	19,624	74,484

For the financial year ended 31 March 2012

## 29. Net assets and liabilities of Restricted funds (cont'd)

		2012			2011	
	SMFP \$'000	Media 21 \$'000	Total \$'000	SMFP \$'000	Media 21 \$'000	Total \$'000
Command linkilidia						
Current liabilities						
Trade and other payables	(5,878)	(340)	(6,218)	(4,909)	(477)	(5,386)
Advances and deposits	(23,985)	-	(23,985)	(17,551)	-	(17,551)
Deferred capital grant	(5,887)	-	(5,887)	(11,700)	-	(11,700)
Total liabilities	(35,750)	(340)	(36,090)	(34,160)	(477)	(34,637)
Net assets	20,700	17,433	38,133	20,700	19,147	39,847
Represented By:						
Fair value reserves	(23)	-	(23)	-	-	-
Accumulated surplus	20,723	17,433	(38,156)	20,700	19,147	39,847
	20,700	17,433	38,133	20,700	19,147	39,847



## 30. Financial risk management

Financial risk factors

The Authority's activities expose it to market risk (including currency, price and interest rate risk), credit risk and liquidity risk.

The Authority 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 risk identification and measurement, exposure limits.

An independent investment consultant measures actual exposure against the limits set and prepares regular reports for the review of the Finance Committee and the Board. The information presented below is based on information received by key management.



For the financial year ended 31 March 2012

## 30. Financial risk management (cont'd)

## (a) Market risk

Currency risk

The Authority has exposure to foreign exchange risk as a result of transactions in foreign currency denominated assets and liabilities. The Authority's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	JPY \$'000	EUR \$'000	AUD \$'000	HKD \$'000	KRW \$'000	TWD \$'000	GBP \$'000	SKR \$'000	CAD \$'000	IDR \$'000	Others \$'000	Total \$'000
At 31 March 2012														
Financial assets														
Cash and cash equivalents	109,612	-	-	-	-	-	-	-	-	-	-	-	-	109,612
Financial assets, at fair value through profit and loss	36,232	37,740	6,670	15,696	1,137	9,083	4,362	2,515	8,502	4,609	3,625	1,919	2,888	134,978
Trade and other receivables (gross)	31,146	-	-	-	-	-	-	-	-	-	-	-	-	31,146
Financial assets, available-forsale (gross)	39,976	523	-	-	-	-	-	-	-	-	-	-	-	40,499
Loan receivables (gross)	3,975	6,581	_	-	-	-	-	-	-	-	-	-	-	10,556
	220,941	44,844	6,670	15,696	1,137	9,083	4,362	2,515	8,502	4,609	3,625	1,919	2,888	326,791
Financial liabilities														
Trade and other payables	50,627	-	-	-	-	-	-	-	-	-	-	-	-	50,627
Licence fees received in advance	266	-	-	-	-	-	-	-	-	-	-	-	-	266
Advances and deposits	39,080	-	-	-	-	-	-	-	-	-	-	-	-	39,080
Provision for unclaimed monies	2,565	-	-	-	-	-	-	-	-	-	-	-	-	2,565
Provision for pensions and gratuities	19,907	-	-	_	-	-	_	_	-	-	-	-	-	19,907
Provision for ex-gratia payments	243	-	-	-	-	-	-	-	-	-	-	-	-	243
	112,688	-	-	_	-	_	-	-	_	-	-	-	-	112,688
Net financial assets	108,253	44,844	6,670	15,696	1,137	9,083	4,362	2,515	8,502	4,609	3,625	1,919	2,888	214,103
Add/(less): Currency forwards	80,217	(38,121)	(7,136)	(17,242)	(1,439)	-	172	_	(8,634)	(4,160)	(3,966)	(252)	271	(290)
Currency profile	188,470	6,723	(466)	(1,546)	(302)	9,083	4,534	2,515	(132)	449	(341)	1,667	3,159	213,813



For the financial year ended 31 March 2012

## 30. Financial risk management (cont'd)

## (a) Market risk (cont'd)

Currency risk (cont'd)

	SGD \$'000	USD \$'000	JPY \$'000	EUR \$'000	AUD \$'000	HKD \$'000	KRW \$'000	TWD \$'000	GBP \$'000	SKR \$'000	CAD \$'000	IDR \$'000	Others \$'000	Total \$'000
At 31 March 2011 (Restated)														
Financial assets														
Cash and cash equivalents	167,384	-	-	-	-	-	-	-	-	-	-	-	-	167,384
Financial assets, at fair value through profit and loss	37,036	39,079	4,305	26,262	641	14,511	5,200	2,857	9,660	4,089	2,202	2,371	5,209	153,422
Trade and other receivables (gross)	28,028	-	-	-	-	-	-	-	-	-	-	-	-	28,028
Financial assets, available-for- sale (gross)	31,478	-	-	-	-	-	_	-	-	_	-	-	-	31,478
Loan receivables (gross)	3,975	6,581	-	-	-	-	-	-	-	-	-	-	-	10,556
	267,901	45,660	4,305	26,262	641	14,511	5,200	2,857	9,660	4,089	2,202	2,371	5,209	390,868
Financial liabilities														
Trade and other payables	100,414	-	-	-	-	-	-	-	-	-	-	-	-	100,414
Licence fees received in advance	220	-	_	_	-	_	_	_	_	_	_	-	_	220
Advances and deposits	38,928	-	-	-	-	-	-	-	-	-	-	-	-	38,928
Provision for unclaimed monies	1,092	-	-	-	-	-	-	-	-	-	-	-	-	1,092
Provision for pensions and gratuities	20,564	_	_	_	-	-	_	_	-	_	_	-	_	20,564
Provision for ex-gratia payments	275	-	-	-	-	-	-	-	-	-	-	-	-	275
	161,493	-	-	-	-	-	-	-	-	-	-	-	-	161,493
Net financial assets	106,408	45,660	4,305	26,262	641	14,511	5,200	2,857	9,660	4,089	2,202	2,371	5,209	229,375
Add/(less): Currency forwards	91,540	(38,395)	(4,453)	(28,236)	(640)	-	-	-	(10,844)	(3,741)	(2,201)	(246)	(2,701)	83
Currency profile	197,948	7,265	(148)	(1,974)	1	14,511	5,200	2,857	(1,184)	348	1	2,125	2,508	229,458



For the financial year ended 31 March 2012

## 30. Financial risk management (cont'd)

#### (a) Market risk (cont'd)

Currency risk (cont'd)

If the above foreign currencies change against the Singapore dollar by 0.2% to 3.6% (2011: 0.6% to 1.8%) for the respective currencies, with all other variables being held constant, the effects arising from the net financial asset position will be as follows:

	Surplus/ (deficit)	(deficit)
US dollar against SGD - strengthened - weakened	\$'000 90 (90)	\$'000 44 (44)
Japanese yen against SGD - strengthened - weakened	(17) 17	(2)
Euro dollar against SGD - strengthened - weakened	(20) 20	(27) 27
Australian dollar against SGD - strengthened - weakened	(5) 5	-
Hong Kong dollar against SGD - strengthened - weakened	114 (114)	98 (98)

## 30. Financial risk management (cont'd)

### (a) Market risk (cont'd)

Currency risk (cont'd)

	2012	2011
	Increase/(	decrease)
	Surplus/	Surplus/
	(deficit)	(deficit)
	\$'000	\$'000
Korean won against SGD - strengthened - weakened	11 (11)	69 (69)
New Taiwan dollar against SGD - strengthened - weakened	9 (9)	41 (41)
Swedish krona against SGD - strengthened - weakened	7 (7)	5 (5)
Canadian dollar against SGD - strengthened - weakened	(3)	- -
Indonesian rupiah against SGD - strengthened - weakened	21 (21)	20 (20)
British pound against SGD - strengthened - weakened	(1) 1	(18) 18

For the financial year ended 31 March 2012

### 30. Financial risk management (cont'd)

#### (a) Market risk (cont'd)

Price risk

The Authority's exposure to market risk arises from its quoted marketable securities (Note 10). The risk is managed through fund diversification across different asset classes in various markets.

The Authority is exposed to equity securities price risk arising from the financial assets held which are classified on the balance sheet at fair value through profit or loss. The Authority is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Authority diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Authority.

If prices for quoted equity securities change by 0.5% to 4.7% (2011: 0.2% to 5.5%) for the portfolio held with the respective fund managers, with all other variables being held constant, the effects on surplus/(deficit) will be:

	2012	2011
	Increase/(	(decrease)
	Surplus/	Surplus/
	(deficit)	(deficit)
	\$'000	\$'000
Quoted equity securities - increased by - decreased by	1,018 (1,018)	1,696 (1,696)
Quoted bonds		
- increased by	678	455
- decreased by	(678)	(455)



### 30. Financial risk management (cont'd)

#### (a) Market risk (cont'd)

Interest rate risk

The Authority's exposure to interest rate risk for changes in interest rates arises primarily from investments in quoted bonds, short-term deposits and loan receivables. Investments in quoted bonds, short-term bank deposits and loan receivables obtained at fixed rates expose the Authority to fair value interest rate risk.

The Authority has insignificant exposure to cash flow interest rate risk as majority of the quoted bonds, short-term deposits and loan receivables bear interest at fixed rates.

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 reputable financial institutions. Amounts under fund management are placed with reputable fund managers.

The table below set out the Authority's exposure to interest rate risks. Included in the table are assets at carrying amounts, categorised by earlier of contractual repricing or maturity dates.

	<u>Var</u>	riable rate	es es	<u>Fi</u>	<u>Total</u>	
	Not later than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Not later than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000 \$'000
2012						
Quoted bonds	126	80	882	3,195	45,760	63,071 113,114
Deposits held with AGD and short						
term deposits	95,005	-	-	452	-	- 95,457
Loan receivables	-	-	-	3,975	6,581	- 10,556
Total	95,131	80	882	7,622	52,341	63,071 219,127

For the financial year ended 31 March 2012

### 30. Financial risk management (cont'd)

#### (a) Market risk (cont'd)

Interest rate risk (cont'd)

	Variable rates		Fixed rates			<u>Total</u>	
	Not later than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Not later than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000	\$'000
0011							
2011							
Quoted bonds	-	-	999	1,759	68,722	52,735	124,215
Deposits held with AGD and short							
term deposits	124,785	-	-	1,000	-	151	125,936
Loan receivables		-	-	3,753	222	6,581	10,556
Total	124,785	-	999	6,512	68,944	59,467	260,707

#### Sensitivity analysis for interest rate risk

For guoted bonds and short-term deposits

Assuming all other variables are held constant, 50 (2011: 50) basis points increase in variable interest rate in the portfolio held with the respective fund managers and loan receivables, will decrease the Authority's net surplus by \$3,184,000 (2011: \$1,820,000). A decrease by 50 (2011: 50) basis points in variable interest rate in the portfolio held with the respective fund managers and loan receivables, will increase the Authority's net surplus by \$3,184,000 (2011: \$1,820,000).

#### (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 Authority's major classes of financial assets are bank deposits, deposits held with AGD, trade and other receivables, financial assets, available-for-sale, loan receivables and financial assets, at fair value through profit or loss.



#### 30. Financial risk management (cont'd)

#### (b) Credit risk (cont'd)

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.

Cash and cash equivalents, quoted equities, quoted bonds, quoted investment funds, including deposits held with AGD and derivative financial instruments are placed or transacted with high credit quality financial institutions.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Authority's major classes of financial assets are cash and cash equivalents, trade and other receivables, financial assets, available for sale and loans receivables.

(i) Financial assets that are neither past due nor impaired

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

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables and loans receivables.

The age analysis of trade and loan receivables past due but not impaired is as follows:

	2012 \$'000	2011 \$'000
Past due < 3 months	275	150
Past due 3 to 6 months	12	-
Past due over 6 months	7,623	16,560
	7,910	16,710

For the financial year ended 31 March 2012

## 30. Financial risk management (cont'd)

#### (b) Credit risk (cont'd)

(ii) Financial assets that are past due and/or impaired (cont'd)

The age analysis of trade and loans receivable past due and/or impaired is as follows:

	2012	2011
	\$'000	\$'000
Past due < 3 months	1,475	-
Past due 3 to 6 months	-	-
Past due over 6 months	13,996	3,153
	15,471	3,153

The carrying amount of trade receivables and loans receivable which are past due and/or individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	2012	2011
	\$'000	\$'000
Gross amount	29,961	29,443
Less: Allowance for impairment	(22,052)	(12,734)
	7,909	16,709
Beginning of financial year	12,734	4,799
Allowance made	9,326	7,935
Reversal made	(8)	-
End of financial year	22,052	12,734

The impairment in trade receivables is due to several debtors who have not repaid their outstanding amounts despite late reminders sent. The impairment in loans receivable arises mainly from two companies which have suffered losses in its operations and have not repaid their loans which have expired. It is uncertain if full repayment can be made on the outstanding amounts.



#### 30. Financial risk management (cont'd)

#### (c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as and when they fall due. The Authority manages liquidity risk by maintaining sufficient funding from the government and other government agencies to finance its operations. Investments are mainly held in quoted marketable securities comprising of equity securities, bonds and investment in media and production funds.

The table below analyses the maturity profile of the Authority's financial liabilities based on contractual undiscounted cash flows.

	Less than	More than	
	<u>1 year</u>	1 year	<u>Total</u>
	\$'000	\$'000	\$'000
At 31 March 2012			
Trade and other payables	50,677	-	50,677
Licence fees received in advance	266	-	266
Advances and deposits	39,306	-	39,306
Provision for unclaimed monies	-	2,565	2,565
Provision for pensions and gratuities	1,651	18,256	19,907
Provision for ex-gratia payments	-	243	243
	91,900	21,064	112,964
At 31 March 2011			
Trade and other payables	100,414	-	100,414
Licence fees received in advance	166	54	220
Advances and deposits	38,928	-	38,928
Provision for unclaimed monies	-	1,092	1,092
Provision for pensions and gratuities	1,719	18,845	20,564
Provision for ex-gratia payments	_	275	275
	141,227	20,266	161,493

For the financial year ended 31 March 2012

### 30. Financial risk management (cont'd)

#### (c) Liquidity risk (cont'd)

The table below analyses the derivative financial instruments of the Authority for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Less than 1 year \$'000

#### At 31 March 2012

Gross-settled currency forwards

- Receipts	103,506
- Payments	(103,985)

#### At 31 March 2011

Gross-settled currency forwards

- Receipts	184,767
- Payments	(182,789)

#### (d) <u>Capital risk</u>

The Authority's objectives when managing capital are to ensure that the Authority is adequately capitalised and to fulfil objectives for which monies of the Authority may be applied under the Media Development Authority 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 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, funds and accumulated surplus and deferred capital grants. The Authority monitors its surplus/deficits. The Authority's approach to capital management remains unchanged from the financial year ended 31 March 2011.



#### 30. Financial risk management (cont'd)

#### (e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (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).

The following table presents the assets and liabilities measured at fair value at 31 March 2012.

	<u>Level 1</u> \$000	<u>Level 2</u> \$000	<u>Level 3</u> \$000	<u>Total</u> \$000
2012				
Assets				
Financial assets, available-for-sale (gross)	-	-	40,499	40,499
Financial assets, at fair value				
through profit or loss				
- Quoted equity securities	21,864	-	-	21,864
- Quoted bonds	113,113	-	-	113,113
- Quoted investment fund				
Derivatives financial instruments	_	103,506	-	103,506
Total assets	134,977	103,506	40,499	278,982
Total assets	104,911	100,000	40,400	210,302
Liabilities				
Derivatives financial instruments	-	(103,984)	-	(103,984)

For the financial year ended 31 March 2012

## 30. Financial risk management (cont'd)

#### (e) Fair value measurements (cont'd)

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
2011				
2011 Assets				
Financial assets, available-for-sale Financial assets, at fair value through profit or loss	-	-	31,478	31,478
- Quoted equity securities	29,207	-	-	29,207
- Quoted bonds	124,215	_	_	124,215
- Quoted investment fund	-	_	_	-
Derivatives financial instruments	-	184,767	-	184,767
Total accets	150,400	104 707	01 470	000 007
Total assets	153,422	184,767	31,478	369,667
<b>Liabilities</b> Derivatives financial instruments	-	(182,789)	-	(182,789)

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 balance sheet 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 (for example, over-the-counter derivatives) 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 balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. These investments are included in Level 2 and comprise derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in Level 3.



### 30. Financial risk management (cont'd)

#### (e) Fair value measurements (cont'd)

The carrying amount less impairment provision of trade receivables and payables and loan receivables are assumed to approximate their fair values.

#### Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in the notes to the financial statements, except for the following:

	2012	2011
	\$'000	\$'000
Loans and receivables	147,052	184,522
Financial liabilities at amortised cost	90,249	139,562



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