



FINANCIAL REPORT

For the Financial Year Ended 31 March 2015

STATEMENT BY MEDIA DEVELOPMENT AUTHORITY

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

- (a) the accompanying financial statements of the Authority as set out on pages 124 to 159 are drawn up in accordance with the provisions of the Media Development Authority Act (Chapter 172) (the “Act”) and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2015, the results and changes in equity of the Authority, and cash flows of the Authority for the year ended on that date; and
- (b) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise; and
- (c) the receipts, expenditure and investment of moneys and the acquisition and disposal of assets by the Authority during the financial year have been in accordance with the provisions of the Act.

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

On behalf of the Authority



Mr. Niam Chiang Meng
Chairman



Mr. Gabriel Lim
Chief Executive Officer

26 June 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDIA DEVELOPMENT AUTHORITY OF SINGAPORE

Report on the financial statements

We have audited the accompanying financial statements of Media Development Authority of Singapore (the "Authority"), which comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, set out on pages 124 to 159.

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 172) (the "Act") and Statutory Board Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Authority as at 31 March 2015 and the results, changes in equity and cash flows of the Authority 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion:

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



KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

26 June 2015

STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Note	2015 \$'000	2014 \$'000
Assets			
Property, plant and equipment	4	1,693	1,967
Intangible assets	5	1,097	519
Loans receivables	6	-	-
Financial assets available-for-sale	7	4,920	3,596
Non-current assets		7,710	6,082
Cash and cash equivalents	8	164,712	196,531
Financial assets at fair value through profit or loss	9	73,419	30,287
Trade and other receivables	10	10,872	17,180
Deferred subsidies		-	33
Loans receivables	6	-	-
Financial assets available-for-sale	7	828	4,249
Current assets		249,831	248,280
Total assets		257,541	254,362
Equity			
Share capital	11	1,201	1,201
Capital account	12	131,614	131,614
Accumulated surplus		63,406	59,762
Fair value reserve		538	1,822
Total equity		196,759	194,399
Liabilities			
Provision of unclaimed moneys		2,334	2,456
Provision for pensions and gratuities	13	16,921	17,506
Provision for ex-gratia payments		141	241
Provision for reinstatement of property, plant and equipment		1,711	1,711
Non-current liabilities		21,107	21,914
Trade and other payables	14	22,903	19,670
Advances and deposits	15	3,796	5,268
Grants received in advance	16	3,919	3,175
Deferred capital grants	17	2,197	2,219
Other deferred grants	18	5,209	6,022
Financial guarantees		-	33
Provision for pensions and gratuities	13	1,651	1,662
Current liabilities		39,675	38,049
Total liabilities		60,782	59,963
Total equity and liabilities		257,541	254,362
Net assets of Trust and agency Funds	19	28,886	3,480

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

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	Note	2015			2014		
		General Fund \$'000	Restricted Funds \$'000	Total \$'000	General Fund \$'000	Restricted Funds \$'000	Total \$'000
Income							
Broadcast licence fees		27,837	-	27,837	22,508	-	22,508
Film and video fees		2,091	-	2,091	3,247	-	3,247
Revenue from completed films		126	-	126	584	-	584
		30,054	-	30,054	26,339	-	26,339
Net gain/(loss) on financial assets at fair value through profit or loss		3,132	-	3,132	(4,070)	-	(4,070)
Other income	20	2,475	-	2,475	2,264	-	2,264
Expenses							
Public Service Broadcast expenses		-	-	-	(3,587)	-	(3,587)
Employee compensation	21	(29,265)	-	(29,265)	(29,589)	-	(29,589)
Information technology expenses		(10,718)	-	(10,718)	(9,044)	-	(9,044)
Rental on operating leases		(3,104)	-	(3,104)	(3,714)	-	(3,714)
Professional and consultancy fees		(2,828)	-	(2,828)	(1,050)	-	(1,050)
Irrecoverable GST		(1,639)	-	(1,639)	(1,745)	-	(1,745)
Depreciation and amortisation expenses	4 & 5	(1,566)	(22)	(1,588)	(5,123)	(3)	(5,126)
Regulatory and licensing expenses		(838)	-	(838)	(1,373)	-	(1,373)
Write-off of bad debts		(141)	(13)	(154)	(1,217)	(1)	(1,218)
Write-back/(allowance) for impairment of trade receivables		135	(18)	117	(1,241)	(534)	(1,775)
Fund management expenses		-	-	-	(238)	-	(238)
Other operating expenses		(9,510)	-	(9,510)	(10,704)	-	(10,704)
Total operating expenditure		(59,474)	(53)	(59,527)	(68,625)	(538)	(69,163)
Deficit before industry development expenses		(23,813)	(53)	(23,866)	(44,092)	(538)	(44,630)
Industry development expenses							
Industry promotional expenses	22	-	(24,001)	(24,001)	(511)	(21,159)	(21,670)
Write-back/(allowance) for industry loans and interest receivable		1	-	1	(488)	-	(488)
Amortisation of financial guarantees		(19)	-	(19)	(34)	-	(34)
Impairment loss on financial assets available-for-sale	7	-	(620)	(620)	(6)	-	(6)
Total industry development expenses		(18)	(24,621)	(24,639)	(1,039)	(21,159)	(22,198)
Deficit before grants		(23,831)	(24,674)	(48,505)	(45,131)	(21,697)	(66,828)

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

STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

Year ended 31 March 2015

	Note	2015			2014		
		General Fund \$'000	Restricted Funds \$'000	Total \$'000	General Fund \$'000	Restricted Funds \$'000	Total \$'000
Government grants							
Government grants	16	31,550	24,652	56,202	48,298	21,462	69,760
Deferred capital grants amortised	17	1,422	22	1,444	1,972	3	1,975
Total government grants		32,972	24,674	57,646	50,270	21,465	71,735
Net surplus/(deficit)		9,141	-	9,141	5,139	(232)	4,907
Other comprehensive income							
Items that will not be reclassified to income or expenditure							
Actuarial (loss)/gain recognised on provision for pensions and gratuities	13	(590)	-	(590)	2,044	-	2,044
Items that are or may be reclassified subsequently to income or expenditure							
Net change in fair value of financial assets available-for-sale	7	-	(1,284)	(1,284)	-	1,439	1,439
Total other comprehensive income		(590)	(1,284)	(1,874)	2,044	1,439	3,483
Total comprehensive income		8,551	(1,284)	7,267	7,183	1,207	8,390

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

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Note	Share capital \$'000	Capital account \$'000	Fair value reserve (Restricted Funds) \$'000	Accumulated surplus			Total \$'000
					General Fund \$'000	Restricted Funds \$'000	Subtotal \$'000	
At 1 April 2013		1,201	131,614	383	34,469	20,711	55,180	188,378
Net surplus/(deficit)		-	-	-	5,139	(232)	4,907	4,907
Other comprehensive income								
Actuarial gain recognised on provision for pensions and gratuities	13	-	-	-	2,044	-	2,044	2,044
Net change in fair value of financial assets available-for-sale	7	-	-	1,439	-	-	-	1,439
Total other comprehensive income		-	-	1,439	2,044	-	2,044	3,483
Total comprehensive income		-	-	1,439	7,183	(232)	6,951	8,390
Transactions with owners of the Authority, recognised directly in equity								
Distributions to owners of the Authority								
Dividend paid	27	-	-	-	(2,369)	-	(2,369)	(2,369)
Total distributions to owners of the Authority		-	-	-	(2,369)	-	(2,369)	(2,369)
At 31 March 2014		1,201	131,614	1,822	39,283	20,479	59,762	194,399
At 1 April 2014		1,201	131,614	1,822	39,283	20,479	59,762	194,399
Net surplus		-	-	-	9,141	-	9,141	9,141
Other comprehensive income								
Actuarial loss recognised on provision for pensions and gratuities	13	-	-	-	(590)	-	(590)	(590)
Net change in fair value of financial assets available-for-sale	7	-	-	(1,284)	-	-	-	(1,284)
Total other comprehensive income		-	-	(1,284)	(590)	-	(590)	(1,874)
Total comprehensive income		-	-	(1,284)	8,551	-	8,551	7,267
Transactions with owners of the Authority, recognised directly in equity								
Distributions to owners of the Authority								
Dividend paid	27	-	-	-	(4,907)	-	(4,907)	(4,907)
Total distributions to owners of the Authority		-	-	-	(4,907)	-	(4,907)	(4,907)
At 31 March 2015		1,201	131,614	538	42,927	20,479	63,406	196,759

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

STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Deficit before grants		(48,505)	(66,828)
Adjustments for:			
Depreciation and amortisation expense	4 & 5	1,588	5,126
Loss on disposal of property, plant and equipment		-	154
Net (gain)/loss on financial assets at fair value through profit or loss	9	(3,132)	4,070
Interest income	20	(1,641)	(807)
Write-off of bad debts		154	1,218
(Write-back)/allowance for impairment of trade receivables		(117)	1,775
(Reversal)/impairment of interest receivable on industry loans		(1)	488
Impairment loss on financial assets available-for-sale		620	6
		(51,034)	(54,798)
Changes in:			
- trade and other receivables		6,907	4,806
- trade and other payables		3,233	1,432
- advances and deposits		(1,472)	(4,031)
- provision for unclaimed moneys		(122)	51
- provision for reinstatement of property, plant and equipment		-	40
- provision for pensions and gratuities		465	316
- provision for ex-gratia		(100)	(2)
Cash used in operations		(42,123)	(52,186)
Payment of pensions and gratuities	13	(1,651)	(1,662)
Net cash used in operating activities		(43,774)	(53,848)
Cash flows from investing activities			
Purchases of property, plant and equipment	4	(1,279)	(1,527)
Purchases of intangible assets	5	(421)	(638)
Proceeds from sale of intangible assets		98	-
Net proceeds from sale of financial assets at fair value through profit or loss		-	135,354
Purchases of unit trusts		(40,000)	(30,000)
Purchases of financial assets available-for-sale		-	(2,409)
Repayment from financial assets available-for-sale		-	2,505
Interest received		1,199	807
Net cash (used in)/from investing activities		(40,403)	104,092
Cash flows from financing activities			
Payment of dividends		(4,907)	(2,369)
Government grants received	16	57,265	63,825
Net cash from financing activities		52,358	61,456
Net (decrease)/increase in cash and cash equivalents		(31,819)	111,700
Cash and cash equivalents at beginning of the year		196,531	84,831
Cash and cash equivalents at end of the year	8	164,712	196,531

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of and should be read in conjunction with the accompanying financial statements. The financial statements were authorised for issue by the Board on 26 June 2015.

1 DOMICILE AND ACTIVITIES

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

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

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

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

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

- (a) to exercise licensing and regulatory functions in respect of media services in Singapore, including the establishment of guidelines and standards relating to the content of media services, and any equipment or facility used in connection with the provision of media services;
- (b) to encourage, promote and facilitate the development of the media industries in Singapore;
- (c) to advise and make recommendations to the Government of Singapore on matters, measures and regulations related to or connected with the media;
- (d) to facilitate the provision of an adequate range of media services in Singapore which serve the interests of the general public;
- (e) to maintain fair and efficient market conduct and effective competition in the media industries in Singapore or, in the absence of a competitive market, to prevent the misuse of monopoly or market power;
- (f) to ensure that media services in Singapore are maintained at a high standard in all respects and, in particular, in respect of the quality, balance and range of subject-matter of their content;
- (g) to encourage and regulate public service broadcast programming by broadcasting licencees under the Broadcasting Act (Cap. 28);
- (h) to ensure that nothing is included in the content of any media service which is against public interest or order, or national harmony, or which offends against good taste or decency; and
- (i) to exercise any other function or duty conferred on the Authority by or under this Act, the Broadcasting Act, the Films Act (Cap. 107), the Newspaper and Printing Press Act (Cap. 206), the Undesirable Publications Act (Cap. 338) or any other written law.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SB-FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relate to the classification of investments at fair value through profit or loss and available-for-sale investments, and are disclosed in note 3.9.

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

Impairment of loan receivables and trade and other receivables

Management reviews its loan receivables and trade and other receivables for objective evidence of impairment 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 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. The amount and timing of recorded expenses for any period would differ if the Authority made different judgement or utilised different estimates.

Provision for pensions and gratuities

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

Valuation of investments

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques as described in note 28. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Deferred income tax asset on contribution to Consolidated Fund

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

Broadcast licence fees

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

2.5 Changes in accounting policies

On 1 April 2014, the Authority has adopted all the new and revised SB-FRSs, INT SB-FRSs and Guidance notes that are mandatory for application on that date. The adoption of these new or revised SB-FRS, INT SB-FRSs and Guidance notes does not have any significant impact on the financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Revenue recognition

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

(a) Broadcast licence fees

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

(b) Film and video licence fees

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

(c) Film and video classification fees

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

(d) Revenue from completed films

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

(e) Interest income

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

(f) Unclaimed moneys

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

3.2 Government grants

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

Government grants received to meet the Authority's operating expenditure are recognised as income in the same financial year.

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

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

3.3 Trust and agency funds

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

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

3.4 Restricted funds

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

3.5 Employee benefits

(i) Defined contribution plans

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

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

(ii) Defined benefit plans

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

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

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

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

(iii) Termination benefits

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

(iv) Short-term employee benefits

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

(v) Provision for ex-gratia payments

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

3.6 Operating lease payments

When entities within the Authority are lessees of an operating lease

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Authority determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Authority the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Authority separates payments and other considerations required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Authority concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Authority's incremental borrowing rate.

3.7 Property, plant and equipment

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

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

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

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

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

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

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

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

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

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate. Property, plant and equipment costing less than \$2,000 each are charged to expenditure in the year of purchase.

3.8 Intangible assets

Application software including software development costs are capitalised on the basis of the costs incurred to bring to use or develop the specific software. Direct expenditures including employee costs, which enhances or extends the performance of computer or application 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 licences are carried at cost less accumulated amortisation and accumulated impairment losses. These costs less residual values, are amortised to income or expenditure using the straight-line method over their estimated useful lives of 3 years.

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

The amortisation period and amortisation method of intangible assets are reviewed at least at each reporting date. The effects of any revision are recognised in income or expenditure when the changes arise.

3.9 Financial instruments

(i) Non-derivative financial assets

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

The Authority derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Authority is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Authority has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Authority classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and financial assets available-for-sale. The Authority determines the classification of its financial assets after initial recognition and, where allowed.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Authority manages and evaluates the performance of the assets on fair value basis in accordance with the Authority's documented risk management or investment strategy.

Attributable transaction costs are recognised in income or expenditure as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which take into account any dividend income, are recognised in income and expenditure.

Financial assets designated at fair value through profit or loss comprise unit trusts that otherwise would have been classified as available-for-sale.

Loans and receivables

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

Loans and receivables comprise cash and cash equivalents and trade and other receivables (excluding prepayments). Cash and cash equivalents comprise cash held with Accountant-General's Department ("AGD"), cash on hand and short-term deposits with maturities of 3 months or less that are subject to an insignificant risk of changes in their fair value.

Financial assets available-for-sale

Financial assets available-for-sale are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets.

The Authority designated available-for-sale investments for long term investments in media and film production funds with an expected investment period of 3 to 10 years. The financial assets are presented as non-current unless management intends to dispose the assets within 12 months after the reporting date.

Financial assets available-for-sale are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to income or expenditure.

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

Financial assets available-for-sale comprise investment in media and film production funds.

(ii) Non-derivative financial liabilities

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

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

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Authority has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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

3.10 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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

Loans and receivables

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in income or expenditure and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income or expenditure.

Impairment losses on financial assets available-for-sale are recognised by reclassifying the losses accumulated in the fair value reserve in equity to income or expenditure. The cumulative loss that is reclassified from equity to income or expenditure is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in income or expenditure. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in income or expenditure. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Authority's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

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

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

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

3.11 Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events and it is likely that the Authority will be required to settle the obligation and the amount of obligation can be estimated reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligations. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3.12 Foreign currency

Foreign currency transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in income or expenditure, except for the following differences which are recognised in other comprehensive income arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to income or expenditure).

3.13 Contribution to Consolidated Fund

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

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

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

3.14 Dividends

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

3.15 Share capital

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

3.16 Donation

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

Property, plant and equipment obtained through donations that can be reliably measured are taken to deferred capital grants at their fair value in the period of receipt. The deferred capital grants are

amortised to income or expenditure over the period necessary to match the annual depreciation and amortisation charge of these assets.

3.17 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning 1 April 2015, and have not been applied in preparing these financial statements. Those new standards, amendments to standards and interpretations are not expected to have a significant effect on the financial statements of the Authority in future financial periods and which the Authority does not plan to early adopt.

4 PROPERTY, PLANT AND EQUIPMENT

	Vehicles \$'000	Furniture, fittings and equipment \$'000	Computers \$'000	Leasehold improvements \$'000	Assets under construction \$'000	Total \$'000
Cost						
At 1 April 2013	280	12,093	11,805	15,790	62	40,030
Additions	1	471	301	740	208	1,721
Reclassification to intangible assets	-	-	-	-	(194)	(194)
Disposals	-	(1,357)	(3,088)	(6,632)	-	(11,077)
At 31 March 2014	281	11,207	9,018	9,898	76	30,480
Additions	90	27	704	6	-	827
Reclassification	-	-	-	30	(30)	-
Reclassification to intangible assets	-	-	-	-	(46)	(46)
Disposals	-	(154)	-	-	-	(154)
At 31 March 2015	371	11,080	9,722	9,934	-	31,107
Accumulated depreciation						
At 1 April 2013	240	9,786	10,709	14,355	-	35,090
Depreciation for the year	10	2,127	902	1,307	-	4,346
Disposals	-	(1,228)	(3,088)	(6,607)	-	(10,923)
At 31 March 2014	250	10,685	8,523	9,055	-	28,513
Depreciation for the year	10	108	488	449	-	1,055
Disposals	-	(154)	-	-	-	(154)
At 31 March 2015	260	10,639	9,011	9,504	-	29,414
Carrying amounts						
At 1 April 2013	40	2,307	1,096	1,435	62	4,940
At 31 March 2014	31	522	495	843	76	1,967
At 31 March 2015	111	441	711	430	-	1,693

5 INTANGIBLE ASSETS

	Computer systems \$'000	Systems under development \$'000	Total \$'000
Cost			
At 1 April 2013	18,431	-	18,431
Additions	444	-	444
Reclassification from assets under construction	194	-	194
Disposals	(110)	-	(110)
At 31 March 2014	18,959	-	18,959
Additions	421	742	1,163
Reclassification	145	(145)	-
Reclassification from assets under construction	-	46	46
Disposals	-	(98)	(98)
At 31 March 2015	19,525	545	20,070
Accumulated amortisation			
At 1 April 2013	17,770	-	17,770
Amortisation for the year	780	-	780
Disposals	(110)	-	(110)
At 31 March 2014	18,440	-	18,440
Amortisation for the year	533	-	533
At 31 March 2015	18,973	-	18,973
Carrying amounts			
At 1 April 2013	661	-	661
At 31 March 2014	519	-	519
At 31 March 2015	552	545	1,097

6 LOANS RECEIVABLES

	2015 \$'000	2014 \$'000
Convertible loan - Non-current	-	6,581
Less: Allowance for impairment	-	(6,581)
	-	-
Industry loan - Current	2,500	2,500
Less: Allowance for impairment	(2,500)	(2,500)
	-	-

(a) Convertible loan

The convertible loan was fully impaired in prior financial years and written off in the current year.

(b) Industry loan

The Authority has extended a loan to a company in the media industry. This loan has a fixed interest rate and has been fully provided for.

7 FINANCIAL ASSETS AVAILABLE-FOR-SALE

	2015 \$'000	2014 \$'000
At 1 April	7,845	6,508
Addition	-	2,409
Divestment	(193)	(2,505)
Net impairment loss recognised	(620)	(6)
Net fair value change recognised in other comprehensive income	(1,284)	1,439
At 31 March	5,748	7,845
Current	828	4,249
Non-current	4,920	3,596
	5,748	7,845

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.

8 CASH AND CASH EQUIVALENTS

	Note	2015 \$'000	2014 \$'000
General Fund		137,222	170,962
Restricted Funds	24	27,490	25,569
		164,712	196,531
Cash at bank and on hand			
- held by the Authority		-	299
- deposits held with Accountant-General's Department ("AGD")		203,170	253,395
- cash at bank managed by the Authority on behalf of other ministries	19	(38,458)	(57,163)
		164,712	196,531

The Authority participates in the AGD's Centralised Liquidity Management Scheme ("CLM") whereby the Authority's cash is pooled together and managed centrally by AGD, a related party, in fixed deposits. Individual accounts are still maintained for daily transaction purpose and funds are transferred from deposits held with AGD whenever there are insufficient funds for transactional purpose. AGD pays interest in the Authority's cash balances participating in AGD's CLM. The effective interest rate was 0.85% (2014: 0.62%).

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 \$'000	2014 \$'000
At 1 April	30,287	140,519
Divestment	-	(136,162)
Addition	40,000	30,000
Fair value change recognised in income or expenditure	3,132	(4,070)
At 31 March	73,419	30,287

Financial assets at fair value through profit or loss		
- Unquoted unit trusts	73,419	30,287

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

10 TRADE AND OTHER RECEIVABLES

	2015 \$'000	2014 \$'000
Trade receivables		
- Film, video and classification licence	16	12,784
- Broadcast licence fees	2,602	59
- Others	582	1,484
	3,200	14,327
Less: Allowance for impairment of trade receivables	(353)	(13,008)
	2,847	1,319
Other receivables		
- Amount due from MCI	5,654	12,394
- Interest receivables	2,175	2,636
- Others	986	3,713
	8,815	18,743
Less: Allowance for impairment of other receivables	(2,076)	(4,279)
	6,739	14,464
Other current assets		
- Deposits	956	886
- Prepayments	330	511
	1,286	1,397
	10,872	17,180

11 SHARE CAPITAL

	— Number of shares —			
	2015 \$'000	2014 \$'000	2015 '000	2014 '000
1 April and 31 March	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 a capital injection of \$1,201,000 into the Authority, comprising 1,000 shares from Ministry of Finance, and 1,200,000 shares for Minor Development Funds from the Ministry of Communications and Information, in the form of equity injection. Share certificates amounting to \$1,201,000 had been issued. The shares issued are held by the Minister for Finance, incorporated by the Minister for Finance (Incorporation) Act. The holders of these shares are entitled to receive dividends as and when declared by the Authority. The shares carry no voting rights and have no par value.

There were no shares issued in the current financial year.

12 CAPITAL ACCOUNT

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

13 PROVISION FOR PENSIONS AND GRATUITIES

The provision for pension and gratuities relates to benefits payable upon retirement of officers who were transferred to the Authority from the Singapore Broadcasting Authority upon the establishment of the Authority on 1 January 2003.

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

	2015 \$'000	2014 \$'000
Present value of obligations	18,572	19,168
Comprising		
- Current	1,651	1,662
- Non-current	16,921	17,506
	18,572	19,168

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

	Note	2015 \$'000	2014 \$'000
Current service cost		8	7
Interest cost		457	309
Expenses recognised in income or expenditure	21	465	316

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

	2015 \$'000	2014 \$'000
At 1 April	19,168	22,558
Interest cost	457	309
Current service cost	8	7
Actuarial loss/(gain) recognised in other comprehensive income	590	(2,044)
Benefits paid	(1,651)	(1,662)
At 31 March	18,572	19,168

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

	2015	2014
Discount rate	2.27%	2.49%

The discount rate used is based on the 10-year Singapore Government Bond yields. The Singapore Mortality Table S2004-08M/F was used for purpose of the latest valuation of pension liabilities.

Sensitivity analysis

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

	— Defined benefit obligation —	
	0.25 percent increase \$'000	0.25 percent decrease \$'000
Discount rate	(364)	377

The above sensitivity is based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation in April 2015 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

14 TRADE AND OTHER PAYABLES

	2015 \$'000	2014 \$'000
Trade and other payables	4,400	3,962
Accrued operating expenses	18,503	15,708
	22,903	19,670

15 ADVANCES AND DEPOSITS

	2015 \$'000	2014 \$'000
Deposits	791	1,275
Receipts in advance	3,005	3,993
	3,796	5,268

16 GRANTS RECEIVED IN ADVANCE

	Note	- General Fund -		-Restricted Funds-		- Total -	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At 1st April		225	281	2,950	10,821	3,175	11,102
Received during the year		32,865	50,325	24,400	13,500	57,265	63,825
Transfer to deferred capital grants	17	(1,132)	(2,083)	-	(5)	(1,132)	(2,088)
Transfer from other deferred grants	18	-	-	813	96	813	96
Transfer to income or expenditure - Government grants		(31,550)	(48,298)	(24,652)	(21,462)	(56,202)	(69,760)
At 31 March		408	225	3,511	2,950	3,919	3,175

17 DEFERRED CAPITAL GRANTS

	Note	- General Fund -		-Restricted Funds-		- Total -	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At 1st April		2,154	2,043	65	63	2,219	2,106
Transfer from grants received in advance	16	1,132	2,083	-	5	1,132	2,088
Transfer to income or expenditure - deferred capital grants amortised		(1,422)	(1,972)	(22)	(3)	(1,444)	(1,975)
Others		290	-	-	-	290	-
At 31 March		2,154	2,154	43	65	2,197	2,219

18 OTHER DEFERRED GRANTS

	Note	— Restricted funds —	
		2015 \$'000	2014 \$'000
At 1 April		6,022	6,118
Transfer to grants received in advance	16	(813)	(96)
At 31 March		5,209	6,022

19 TRUST AND AGENCY FUNDS

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

(a) PSB programmes are programmes that promote social objectives and national harmony as well as serve the interests of television viewers. Hence, broadcasters in Singapore are required to carry these programmes as specified in their licences. Being commercially less viable, there is a need to support these programmes through public service programming funding.

(b) IDM R&D development funds supports the development of a strategic IDM research programme and the set-up of a multi-agency IDM R&D Programme Office within the Authority to spearhead the growth and development of Singapore's IDM sector. NRF will take over the administration of IDM R&D Programme with effect from 1 April 2015. The remaining fund balances will be returned to NRF thereafter.

(c) Other trust and agency funds include support of productivity improvement of the media industry, funding of local feature film projects and co-productions, overseas promotion of Singapore films and promotion of Singapore as a location for film shots under the Singapore Film Commission ("SFC"), funding of national transition from analogue to digital broadcasting, as well as funding of local media productions in celebration of Singapore's 50 years of nation building.

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

	2015 \$'000	2014 \$'000
Public Service Broadcast ("PSB")	6,481	339
Interactive and Digital Media Research and Development ("IDM R&D")	18,004	2,340
Others	4,401	801
	28,886	3,480

	PSB		IDM R&D		Others		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At 1 April	339	7,601	2,340	(729)	801	898	3,480	7,770
Receipts/receivables								
- Government grants	230,299	145,030	37,787	40,816	19,289	4,305	287,375	190,151
- Others	-	251	-	303	-	3	-	557
Deferred capital grants	-	-	1	253	-	-	1	253
Less								
Funds utilised in the year	(224,157)	(152,543)	(22,124)	(38,303)	(15,689)	(4,405)	(261,970)	(195,251)
At 31 March	6,481	339	18,004	2,340	4,401	801	28,886	3,480
Represented By								
Cash and cash equivalents	4,419	42,178	20,652	14,320	13,387	665	38,458	57,163
Other assets	68,537	575	-	857	2,045	2,200	70,582	3,632
Current liabilities	(66,475)	(42,414)	(2,648)	(12,837)	(11,031)	(2,064)	(80,154)	(57,315)
Net assets/(liabilities)	6,481	339	18,004	2,340	4,401	801	28,886	3,480

20 OTHER INCOME

	2015 \$'000	2014 \$'000
Interest income from short-term deposits and cash at bank	1,641	807
Financial guarantee income	19	34
Unclaimed moneys	118	76
Interest on loan receivables	128	488
Others	569	859
	2,475	2,264

21 EMPLOYEE COMPENSATION

	Note	2015 \$'000	2014 \$'000
Wages and salaries		25,196	26,032
Employer's contribution to Central Provident Fund		3,226	3,123
Pension and gratuities	13	465	316
Other benefits		378	118
Employee compensation		29,265	29,589

22 INDUSTRY PROMOTIONAL EXPENSES

	2015 \$'000	2014 \$'000
General fund	-	511
Restricted funds	24,001	21,159
	24,001	21,670

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

23 PROVISION FOR CONTRIBUTION TO CONSOLIDATED FUND

The contribution to the Consolidated Fund is based on 17% (2014: 17%) of the net surplus of the Authority.

Although the Authority was in a net surplus position in the current year, there is no contribution as there is unutilised deficit carried forward from the past years to offset the net surplus of \$9,141,000 (2014: \$4,907,000).

After offsetting the surplus of \$9,141,000, the Authority has remaining unrecognised deficits of \$90,604,000 (2014: \$99,745,000) at the reporting date which can be carried forward and used to offset against future contributions to the Consolidated Fund.

24 NET ASSETS OF RESTRICTED FUNDS

Restricted funds refer to funding from the Singapore Media Fusion Plan (“SMFP”) funds.

SMFP’s objective is to strengthen the building blocks of the media ecosystem and support the creation of innovative content, applications and services with global appeal. \$230,000,000 had been set aside to implement SMFP over 5 years commencing from the financial year ended 31 March 2010. In March 2014, the Authority was given an extension for the commitment of the aforementioned SMFP funds until 31 March 2016.

	Note	2015 \$'000	2014 \$'000
Property, plant and equipment		43	65
Financial assets available-for-sale	7	4,920	3,596
Non-current assets		4,963	3,661
Cash and cash equivalents	8	27,490	25,569
Financial assets available-for-sale	7	828	4,249
Trade and other receivables		303	1,445
Current assets		28,621	31,263
Total assets		33,584	34,924
Trade and other payables		3,804	3,586
Grants received in advance	16	3,511	2,950
Deferred capital grants	17	43	65
Other deferred grants	18	5,209	6,022

	Note	2015 \$'000	2014 \$'000
Current liabilities		12,567	12,623
Total liabilities		12,567	12,623
Net assets		21,017	22,301
Represented by			
Fair value reserves		538	1,822
Accumulated surplus		20,479	20,479
		21,017	22,301

25 COMMITMENTS

(a) Capital commitments

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

	2015 \$'000	2014 \$'000
Property, plant and equipment	214	309

(b) Non-cancellable operating lease commitments

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

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

	2015 \$'000	2014 \$'000
Not later than one year	3,168	2,149
Between one and five years	3,686	-
	6,854	2,149

(c) Singapore Media Fusion Plan ("SMFP")

The statement shown below represents the amount committed against the \$230,000,000 that was allocated to SMFP.

	2015 \$'000	2014 \$'000
Amount allocated	230,000	230,000
Amount utilised		
- Industry development expenses	(153,728)	(129,076)
- Property, plant and equipment	(99)	(99)
- Investment in media and film production funds	(20,210)	(21,023)
	(174,037)	(150,198)
Amount committed but yet to be utilised	(29,800)	(26,132)
Amount uncommitted	26,163	53,670

(d) Financial assets available-for-sale

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

	2015 \$'000	2014 \$'000
Amount unutilised	476	770

26 RELATED PARTY TRANSACTIONS

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

(a) Significant related party transactions

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

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

	2015 \$'000	2014 \$'000
MCI		
Services and expenses paid to MCI	623	855
Expenses paid on behalf of MCI	1,550	2,505
Other Ministries and Statutory Boards		
Services and expenses paid to other Ministries	192	240
Services and expenses paid to other Statutory Boards	6,560	7,798
Computer and IT related expenses	700	1,134
Operating lease expense	4,748	5,676

(b) Compensation of key management personnel

The remuneration of members of key management is as follows:

	2015 \$'000	2014 \$'000
Wages and salaries	2,586	2,387
Employer's contribution to Central Provident Fund	166	63
	2,752	2,450

27 DIVIDENDS

During the financial year ended 31 March 2015, the Authority declared and paid a dividend of \$4,907,000 (\$4.08 per share) (2014: \$2,369,000; \$1.97 per share) on the ordinary shares issued to the Ministry of Finance.

28 FINANCIAL RISK MANAGEMENT

Overview

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

Risk management framework

The 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 exposure limits, risk identification and measurement.

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

(a) Market risk

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

Currency risk

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

Price risk

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

The Authority's exposure to price risk arises mainly from its investments in unit trusts (note 9). The risk is managed through fund diversification across different asset classes in various markets. The market risk associated with these investments is the potential loss in fair value resulting from the decrease in the net asset value of unit trusts.

Sensitivity analysis

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

	2015 \$'000	2014 \$'000
Unquoted unit trusts	7,342	3,029

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

Interest rate risk

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

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.

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

	Note	2015 \$'000	2014 \$'000
Variable rate instrument			
Deposits held with AGD	8	164,712	196,232

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) net surplus or deficit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	Net surplus or deficit	
	100bp increase \$'000	100bp decrease \$'000
2015		
Variable rate instruments	1,647	(1,647)
2014		
Variable rate instruments	1,962	(1,962)

(b) Credit risk

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

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

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

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

The ageing of loans and receivables are as follows:

	Gross 2015 \$'000	Impairment loss 2015 \$'000	Gross 2014 \$'000	Impairment loss 2014 \$'000
Not past due	6,182	(830)	23,086	(6,945)
Past due less than 3 months	5,181	-	61	(4)
Past due 3 to 6 months	-	-	-	-
Past due over 6 months	4,108	(4,099)	19,890	(19,419)
	15,471	(4,929)	43,037	(26,368)

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

	2015 \$'000	2014 \$'000
At 1 April	26,368	24,276
Charge to income or expenditure	573	4,235
Write-back to income or expenditure	(655)	(1,972)
Utilised during the year	(21,357)	(171)
At 31 March	4,929	26,368

The impairment in trade and other receivables is due to several debtors who have not repaid their outstanding amounts despite late reminders sent. The impairment in loans receivables arises mainly from a company which has suffered losses in its operations and has not repaid the loan which was due. It is uncertain if full repayment can be made on the outstanding amounts as this company is winding up. The Authority wrote-off the balances which have been assessed as, and deemed uncollectible.

(c) Liquidity risk

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

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

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

(d) Capital management

The Authority's objectives when managing capital are to ensure that the Authority is adequately capitalised and to fulfil objectives for which moneys of the Authority may be applied under the Media Development Authority 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. The Authority monitors its surplus/deficits. The Authority's approach to capital management remains unchanged from the financial year ended 31 March 2014.

(e) Accounting classifications and fair values

Determination of fair values

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

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

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Authority uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The fair value of the unit trusts is based on the latest available unaudited net asset value of the underlying funds provided by the administrator of those funds. The unaudited net asset value may differ from the audited net asset value when the audit of the underlying fund is completed.

In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in Level 3.

Other financial assets and liabilities

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

Fair value hierarchy

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

The different levels are defined as follows:

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

There has been no transfer of the Authority's financial assets at fair value through profit or loss to/from other levels during the year.

Valuation technique and key unobservable input

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

Valuation technique	Inter-relationship between significant unobservable inputs and fair value measurement
<ul style="list-style-type: none">• Cost of investment• Proposed sale price• Valuation of recent funding• Valuation of net assets	<p>The estimated fair value would decrease if:</p> <ul style="list-style-type: none">• cost of investment was lower;• proposed sale price was lower;• valuation of recent funding was lower; or• valuation of net assets was lower.

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

Key unobservable inputs

Key unobservable inputs correspond to:

- Fund manager's judgement with regard to the assumption that the recent sale price, valuation of recent funding and cost of investment is reflective of fair value of investment.
- Fund manager's representation that there are no major changes in the business and market environment that would impact the value of the investment materially.
- Fund manager's judgement with regard to the valuation of receivables used in determining the net asset value of unit trust.

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

	Note	Carrying amount					Fair value			
		Loans and receivables	Other financial liabilities	Designated at fair value	Available-for-sale	Total	Level 1	Level 2	Level 3	Total
\$'000										
31 March 2015										
Assets										
Financial assets measured at fair value										
- Investments in media and film production funds	7	-	-	-	5,748	5,748	720	-	5,028	5,748
- Unquoted unit trusts	9	-	-	73,419	-	73,419	-	-	73,419	73,419
		-	-	73,419	5,748	79,167				
Financial assets not measured at fair value										
Trade and other receivables*	10	10,542	-	-	-	10,542				
Cash and cash equivalents	8	164,712	-	-	-	164,712				
		175,254	-	-	-	175,254				
Liabilities										
Financial liabilities not measured at fair value										
Trade and other payables	14	-	22,903	-	-	22,903				
Advances and deposits	15	-	3,796	-	-	3,796				
Grants received in advance	16	-	3,919	-	-	3,919				
		-	30,618	-	-	30,618				

* excludes prepayments

	Note	Carrying amount					Fair value			
		Loans and receivables	Other financial liabilities	Designated at fair value	Available-for-sale	Total	Level 1	Level 2	Level 3	Total
\$'000										
31 March 2014										
Assets										
Financial assets measured at fair value										
- Investments in media and film production funds	7	-	-	-	7,845	7,845	-	-	7,845	7,845
- Unquoted unit trusts	9	-	-	30,287	-	30,287	-	-	30,287	30,287
		-	-	30,287	7,845	38,132				
Financial assets not measured at fair value										
Trade and other receivables*	10	16,669	-	-	-	16,669				
Cash and cash equivalents	8	196,531	-	-	-	196,531				
		213,200	-	-	-	213,200				
Liabilities										
Financial liabilities measured at fair value										
Financial guarantees		-	33	-	-	33	-	-	33	33
Financial liabilities not measured at fair value										
Trade and other payables	14	-	19,670	-	-	19,670				
Advances and deposits	15	-	5,268	-	-	5,268				
Grants received in advance	16	-	3,175	-	-	3,175				
		-	28,113	-	-	28,113				

*excludes prepayments