

FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

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 79 to 138 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 2014, 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



Ms. Koh Lin-Net
Chief Executive Officer

27 June 2014

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 2014, 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 79 to 138.

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 2014 and the results, changes in equity and cash flows of the Authority for the year ended on that date.

Other matter

The financial statements of the Authority for the year ended 31 March 2013 were audited by another auditor who expressed an unqualified opinion on those financial statements on 28 June 2013.

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

27 June 2014

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2014

	Note	2014			2013		
		General Fund (\$'000)	Restricted Funds (\$'000)	Total (\$'000)	General Fund (Restated*) (\$'000)	Restricted Funds (\$'000)	Total (Restated*) (\$'000)
Income							
Broadcast licence fees		22,508	-	22,508	25,708	-	25,708
Film and video fees		3,247	-	3,247	4,321	-	4,321
Revenue from completed films		584	-	584	3,230	-	3,230
		26,339	-	26,339	33,259	-	33,259
Net (loss)/gain on financial assets designated at fair value through profit or loss		(4,070)	-	(4,070)	5,926	-	5,926
Other income	4	2,264	-	2,264	2,885	-	2,885
Expenses							
Public Service Broadcast expenses		(3,587)	-	(3,587)	(3,828)	-	(3,828)
Employee compensation	5	(29,589)	-	(29,589)	(28,587)	-	(28,587)
Licensing expenses		(1,373)	-	(1,373)	(2,172)	-	(2,172)
Allowance for impairment of trade receivables		(1,241)	(534)	(1,775)	(2,044)	-	(2,044)
Write-off of bad debts		(1,217)	(1)	(1,218)	(2,005)	-	(2,005)
Depreciation and amortisation expenses	7 & 8	(5,123)	(3)	(5,126)	(5,475)	(11)	(5,486)
Rental on operating leases		(3,714)	-	(3,714)	(3,669)	-	(3,669)
Fund management expenses		(238)	-	(238)	(571)	-	(571)
Professional and consultancy fees		(1,050)	-	(1,050)	(1,510)	-	(1,510)

* See note 2.5.

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

STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

	Note	2014			2013		
		General Fund (\$'000)	Restricted Funds (\$'000)	Total (\$'000)	General Fund (Restated*) (\$'000)	Restricted Funds (\$'000)	Total (Restated*) (\$'000)
Information technology expenses		(9,044)	-	(9,044)	(10,262)	-	(10,262)
Irrecoverable GST		(1,745)	-	(1,745)	(1,989)	-	(1,989)
Other operating expenses		(10,704)	-	(10,704)	(8,626)	-	(8,626)
Total operating expenditure		(68,625)	(538)	(69,163)	(70,738)	(11)	(70,749)
Deficit before industry development expenses		(44,092)	(538)	(44,630)	(28,668)	(11)	(28,679)
Industry development expenses							
Industry promotional expenses	6	(511)	(21,159)	(21,670)	(2,682)	(30,336)	(33,018)
Write-off/impairment of interest receivable on industry loans		(488)	-	(488)	(1,207)	-	(1,207)
Amortisation of financial guarantees		(34)	-	(34)	(33)	-	(33)
Write-back on financial guarantees		-	-	-	167	-	167
Impairment loss on financial assets available-for-sale		(6)	-	(6)	(209)	-	(209)
Total industry development expenses		(1,039)	(21,159)	(22,198)	(3,964)	(30,336)	(34,300)
Deficit before grants		(45,131)	(21,697)	(66,828)	(32,632)	(30,347)	(62,979)

* See note 2.5.

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

	Note	2014			2013		
		General Fund (\$'000)	Restricted Funds (\$'000)	Total (\$'000)	General Fund (Restated*) (\$'000)	Restricted Funds (\$'000)	Total (Restated*) (\$'000)
Government grants							
Government grants	20	48,298	21,462	69,760	36,377	30,030	66,407
Deferred capital grants amortised	21	1,972	3	1,975	288	11	299
Other deferred grants amortised	22	-	-	-	-	(23)	(23)
Total government grants		50,270	21,465	71,735	36,665	30,018	66,683
Net surplus/(deficit)		5,139	(232)	4,907	4,033	(329)	3,704
Other comprehensive income							
Items that will not be reclassified to income or expenditure							
Actuarial gain/(loss) recognised on provision for pensions and gratuities	17	2,044	-	2,044	(278)	-	(278)
Items that are or may be reclassified subsequently to income or expenditure							
Net change in fair value of financial assets available-for-sale	10	-	1,439	1,439	654	406	1,060
Total other comprehensive income		2,044	1,439	3,483	376	406	782
Total comprehensive income		7,183	1,207	8,390	4,409	77	4,486

* See note 2.5.

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Note	31 March 2014 (\$'000)	31 March 2013 (Restated*) (\$'000)	1 April 2012 (Restated*) (\$'000)
Assets				
Property, plant and equipment	7	1,967	4,940	6,683
Intangible assets	8	519	661	2,382
Loans receivables	9	-	-	-
Financial assets available-for-sale	10	3,596	6,508	14,822
Non-current assets		6,082	12,109	23,887
Cash and cash equivalents	11	196,531	84,831	108,016
Financial assets designated at fair value through profit or loss	12	30,287	140,519	134,978
Trade and other receivables	13	17,180	27,853	33,114
Deferred subsidies		33	28	21
Loans receivables	9	-	-	-
Financial assets available-for-sale	10	4,249	-	-
Derivative financial instruments	14	-	722	-
Current assets		248,280	253,953	276,129
Total assets		254,362	266,062	300,016
Equity				
Share capital	15	1,201	1,201	1,201
Capital account	16	131,614	131,614	131,614
Accumulated surplus		59,762	55,180	51,754
Fair value reserve		1,822	383	(677)
Total equity		194,399	188,378	183,892

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

	Note	31 March 2014 (\$'000)	31 March 2013 (Restated*) (\$'000)	1 April 2012 (Restated*) (\$'000)
Liabilities				
Provision of unclaimed monies		2,456	2,405	2,565
Provision for pensions and gratuities	17	17,506	20,891	21,951
Provision for ex-gratia payments		241	243	243
Provision for reinstatement of property, plant and equipment		1,711	1,671	837
Non-current liabilities		21,914	25,210	25,596
Trade and other payables	18	19,670	22,154	49,031
Advances and deposits	19	5,268	9,299	9,405
Grant received in advance	20	3,175	11,102	24,054
Deferred capital grant	21	2,219	2,106	12
Other deferred grants	22	6,022	6,118	5,875
Derivative financial instruments		-	-	479
Financial guarantees		33	28	21
Provision for pensions and gratuities	17	1,662	1,667	1,651
Current liabilities		38,049	52,474	90,528
Total liabilities		59,963	77,684	116,124
Total equity and liabilities		254,362	266,062	300,016
Net assets and liabilities of trust and agency funds	23	3,480	7,770	(11,382)

* See note 2.5.

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

	Note	Share Capital (\$'000)	Capital Account (\$'000)
At 1 April 2012, as previously stated		1,201	131,614
Impact of change in accounting policy	2.5	-	-
At 1 April 2012, as restated		1,201	131,614
Net surplus/(deficit), as restated	2.5	-	-
Other comprehensive income			
Actuarial loss recognised on provision for pensions and gratuities	2.5	-	-
Net change in fair value of financial assets available-for-sale	10	-	-
Total other comprehensive income, as restated		-	-
Total comprehensive income, as restated		-	-
Transfer from restricted funds to general funds		-	-
At 31 March 2013, as restated		1,201	131,614

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

	Fair value reserve			Accumulated surplus			Total (\$'000)
	General Fund (\$'000)	Restricted Funds (\$'000)	Subtotal (\$'000)	General Fund (\$'000)	Restricted Funds (\$'000)	Subtotal (\$'000)	
	(654)	(23)	(677)	17,293	38,156	55,449	187,587
	-	-	-	(3,695)	-	(3,695)	(3,695)
	(654)	(23)	(677)	13,598	38,156	51,754	183,892
	-	-	-	4,033	(329)	3,704	3,704
	-	-	-	(278)	-	(278)	(278)
	654	406	1,060	-	-	-	1,060
	654	406	1,060	(278)	-	(278)	782
	654	406	1,060	3,755	(329)	3,426	4,486
	-	-	-	17,116	(17,116)	-	-
	-	383	383	34,469	20,711	55,180	188,378

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

STATEMENT OF CHANGES IN EQUITY (CONT'D)

	Note	Share Capital (\$'000)	Capital Account (\$'000)
At 1 April 2013		1,201	131,614
Net surplus/(deficit)		-	-
Other comprehensive income			
Actuarial gain recognised on provision for pensions and gratuities	17	-	-
Net change in fair value of financial assets available-for-sale	10	-	-
Total other comprehensive income		-	-
Total comprehensive income		-	-
Transactions with owners recognised directly in equity			
Distributions to owners			
Dividend paid for the year	29	-	-
At 31 March 2014		1,201	131,614

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

	Fair value reserve			Accumulated surplus			Total (\$'000)
	General Fund (\$'000)	Restricted Funds (\$'000)	Subtotal (\$'000)	General Fund (\$'000)	Restricted Funds (\$'000)	Subtotal (\$'000)	
	-	383	383	34,469	20,711	55,180	188,378
	-	-	-	5,139	(232)	4,907	4,907
	-	-	-	2,044	-	2,044	2,044
	-	1,439	1,439	-	-	-	1,439
	-	1,439	1,439	2,044	-	2,044	3,483
	-	1,439	1,439	7,183	(232)	6,951	8,390
	-	-	-	(2,369)	-	(2,369)	(2,369)
	-	1,822	1,822	39,283	20,479	59,762	194,399

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2014

	Note	2014 (\$'000)	2013 (\$'000) (Restated*)
Cash flows from operating activities			
Deficit before grants		(66,828)	(62,979)
Adjustments for:			
Depreciation and amortisation expenses		5,126	5,486
Write-off/loss on disposal of property, plant and equipment		154	69
Net loss/(gain) on financial assets designated at fair value through profit or loss		4,070	(5,926)
Write-off of bad debts		1,218	2,005
Allowance for impairment of trade receivables		1,775	2,044
Write-off/impairment of interest receivable on industry loans		488	1,207
Impairment loss on financial assets available-for-sale		6	209
Provision for reinstatement of property, plant and equipment		40	834
Provision for unclaimed monies		51	(160)
Provision for pensions, gratuities and ex-gratia		314	345
		(53,586)	(56,866)
Changes in:			
- trade and other receivables		5,613	(463)
- trade and other payables		1,432	(26,919)
- advances and deposits		(4,031)	(106)
Cash used in operations		(50,572)	(84,354)
Payment of pensions and gratuities	17(c)	(1,662)	(1,667)
Net cash used in operating activities		(52,234)	(86,021)

* See note 30.

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

	Note	2014 (\$'000)	2013 (\$'000) (Restated*)
Cash flows from investing activities			
Purchases of property, plant and equipment	7	(1,527)	(1,621)
Purchases of intangible assets	8	(638)	(428)
Net proceeds from sale of financial assets designated at fair value through profit or loss		135,354	(2,070)
Purchases of unit trusts		(30,000)	-
Purchases of financial assets available-for-sale		(2,409)	(1,210)
Repayment from financial assets available-for-sale		2,505	10,375
Interest received		(807)	1,304
Dividend received		-	251
Net cash from investing activities		102,478	6,601
Cash flows from financing activities			
Recovery of financial guarantees		-	167
Payment of dividends		(2,369)	-
Government grants received	20	63,825	56,068
Net cash from financing activities		61,456	56,235
Net increase/(decrease) in cash and cash equivalents		111,700	(23,185)
Cash and cash equivalents at beginning of the year		84,831	108,016
Cash and cash equivalents at end of the year	11	196,531	84,831

* See note 30.

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 of Directors on 27 June 2014.

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 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 licensees; and
- (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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provision of the Media Development Authority 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 presented on the historical cost basis except for certain financial assets and liabilities which are measured at fair value as stated in the respective accounting policies detailed below.

2.3 Functional and presentation currency

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

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.

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 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 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. 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 27. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Deferred income tax asset on contribution to Consolidated Fund

Deferred income tax asset has not been recognised on unrecognised deficits carried forward as the Authority does not expect to be able to maintain the current operating surplus, 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 based on a percentage of the broadcasters' estimated total qualifying income provided at the start of financial year, and are recognised over the licence period. 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

(i) Defined benefit plan

From 1 April 2013, as a result of SB-FRS 19 Employee Benefits (2011), the Authority changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit plans. Under SB-FRS 19 (2011), all actuarial gains and losses are now required to be recognised immediately in other comprehensive income. The current accounting options available to defer recognition of actuarial gains and losses under the corridor method, or the recognition of all actuarial gains and losses in income or expenditure, have been removed.

Previously, the Authority recognises any actuarial gain and loss arising from the valuation of the provision for pensions and gratuities in the statement of comprehensive income under employee compensation expense 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 defined benefit obligation at that date.

The amendment was applied retrospectively. The change in the accounting policy had an immaterial impact on the financial statements for the financial year ended 31 March 2014. Further details of the retrospective effects of the changes are set out below.

(ii) Fair value measurement

SB-FRS 113 *Fair Value Measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other SB-FRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other SB-FRSs, including SB-FRS 107 *Financial instruments: Disclosures*.

From 1 April 2013, in accordance with the transitional provisions of SB-FRS 113, the Authority has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Authority's assets and liabilities. The additional disclosures necessary as a result of the adoption of this standard has been included in note 27.

(iii) Presentation of items of other comprehensive income

From 1 April 2013, as a result of the amendments to SB-FRS 1 *Presentation of Financial Statements*, the Authority has modified the presentation of items of other comprehensive income in its statement of comprehensive income, to present separately items that would be reclassified to income or expenditure in the future from those that would never be. Comparative information has also been re-presented accordingly.

The adoption of the amendment to SB-FRS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Authority.

Summary of quantitative impact

The following tables summarise the material impacts resulting from the above changes in accounting policies on the Authority's financial position and total comprehensive income.

Statement of financial position	As previously reported (\$'000)	As restated (\$'000)
1 April 2012		
Provision for pensions and gratuities		
- Non-current	18,256	21,951
- Current	1,651	1,651
	19,907	23,602
Others	92,522	92,522
Total liabilities	112,429	116,124
Non-current	21,901	25,596
Current	90,528	90,528
	112,429	116,124
Accumulated surplus	55,449	51,754
Others	132,138	132,138
Total equity	187,587	183,892

	As previously reported (\$'000)	As restated (\$'000)
31 March 2013		
Provision for pensions and gratuities		
- Non-current	18,253	20,891
- Current	1,667	1,667
	19,920	22,558
Others	55,126	55,126
Total liabilities	75,046	77,684
Non-current	22,572	25,210
Current	52,474	52,474
	75,046	77,684
Accumulated surplus	57,818	55,180
Others	133,198	133,198
Total equity	191,016	188,378

Statement of comprehensive income

For the financial year ended 31 March 2013

	General Fund (As previously reported) (\$'000)	Total (As previously reported) (\$'000)	Defined benefit plans (see note 2.5(i)) (\$'000)	General Fund (As Restated) (\$'000)	Total (As Restated) (\$'000)
Employee compensation	(29,922)	(29,922)	1,335	(28,587)	(28,587)
Others	32,620	32,291	-	32,620	32,291
Net surplus/(deficit)	2,698	2,369	1,335	4,033	3,704
Other comprehensive income					
Actuarial gain/(loss) recognised on provision for pensions and gratuities	-	-	(278)	(278)	(278)
Others	654	1,060	-	654	1,060
Total other comprehensive income	654	1,060	(278)	376	782
Total comprehensive income	3,352	3,429	1,057	4,409	4,486

3. SIGNIFICANT ACCOUNTING POLICIES

The Authority has adopted all the new and revised SB-FRSs, INT SB-FRSs and Guidance notes which became effective during the financial year. The initial adoption of these SB-FRSs, INT SB-FRSs and Guidance notes did not have a material impact on these financial statements, except as explained in note 2.5, which addresses the changes in 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.

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' estimate of qualifying income recognised over the licence period. Concession rates are accorded to broadcasters providing new or innovative services.

(b) Film and video licence fees

Film and video licence fees are recognised when the licences are granted and recognised 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, TV 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 monies

Unclaimed monies held by the Authority which are not claimed within 6 years of its receipt are recognised in the statement of comprehensive income 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 the statement of comprehensive income 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 the statement of comprehensive income 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 the statement of comprehensive income to match with 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 the statement of comprehensive income to match the net impairment value of the investment disposed.

3.3 Trust and agency funds

Monies received from the Government 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 (“IDM”) R&D development fund, 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 accrual basis. The receipts and expenditures of these funds are directly taken to the fund accounts.

PSB programmes are programmes that promote social objectives and national harmony as well as serve the interests of TV 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.

A total of \$822,400,000 (2013: \$815,800,000) was allocated over five years from year ended 31 March 2013 to enhance the quality and increase the reach of public service broadcast programmes and support the production of more locally produced documentaries and current affairs programmes.

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.

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”), as well as funding of national transition from analogue to digital broadcasting.

3.4 Restricted funds

These are funds received from the Government for specific purposes and for which separate disclosure is made as these funds are material and are 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.

Restricted funds in the Authority include the Media 21 and Singapore Media Fusion Plan (“SMFP”) funds.

Media 21 fund was set up to support the development of the media industry through a comprehensive slate of industry development schemes. As at 31 March 2014, the fund has been fully disbursed.

SMFP builds on the achievements of its predecessor, Media 21 fund, 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 five years commencing from the financial year ended 31 March 2010.

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 one defined benefit pension plan that provides for certain additional post-employment healthcare 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 accrual 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 one 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 the statement of comprehensive income.

(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 the 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 the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income 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 consideration 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. 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 based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in the statement of comprehensive income 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.

Depreciation is recognised from the date that the property, plant and equipment is installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Assets under construction are not provided for.

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 and licences including software development cost are capitalised on the basis of the costs incurred to bring to use or develop the specific software. These costs are amortised to the statement of comprehensive income using the straight-line method over their estimated useful lives of 3 years. Costs associated with maintaining the computer software are recognised as expenses when incurred. Intangible assets costing less than \$2,000 each are charged to expenditure in the year of purchase.

The amortisation period and amortisation method of intangible assets are reviewed at each reporting date. The effects of any revision are recognised in the statement of comprehensive income 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 expires, 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 is transferred. 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 classification depends on the nature and purpose for which the assets were acquired and is determined by management at the time of initial recognition.

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 the statement of comprehensive income as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in the statement of comprehensive income.

Financial assets designated at fair value through profit or loss comprise equity securities, debt securities and 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 bank balances, trade and other receivables (excluding prepayments) and loan receivables. Cash and bank balances comprise cash held with Accountant-General's Department ("AGD"), cash held with external fund managers, cash on hand and short-term deposits with maturities of three 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 the statement of comprehensive income.

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 equity securities and fund investments.

(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 expire.

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 payables and other payables, advances and deposits, and grants received in advance.

(iii) 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 the statement of comprehensive income in the financial year when the changes arise.

(iv) Financial guarantees and deferred subsidies

Financial guarantees and deferred subsidies are initially recognised at their fair values plus transaction costs in the Authority's statement of financial position. Financial guarantees and deferred subsidies are subsequently amortised to the statement of comprehensive income 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 statement of financial position.

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.

Financial assets available-for-sale

Impairment losses on financial assets available-for-sale are recognised by reclassifying the losses accumulated in the fair value reserve in equity to income or expenditure. The cumulative loss that is reclassified from equity to income or expenditure is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in income or expenditure. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in income or expenditure. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Authority's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. 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. Present obligations arising under financial guarantees are recognised and measured as provisions for financial guarantees.

3.12 Foreign currency

(i) 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 end of the reporting period 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 from 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 Consolidated Fund) 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. Contribution is provided for on an accrual basis.

The Authority is allowed to carry forward its deficits to offset against 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 are 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, a body incorporated by the Minister for Finance (Incorporation) Act.

3.16 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning 1 April 2014, 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. OTHER INCOME

	2014 (\$'000)	2013 (\$'000)
Interest income from short-term deposits and cash at bank	807	514
Financial guarantee income	34	34
Broadcast frequency management fees	96	102
Unclaimed monies	76	32
Interest on term/convertible loans	488	1,023
Others	763	1,180
	2,264	2,885

5. EMPLOYEE COMPENSATION

	Note	2014 (\$'000)	2013 (\$'000) (As previously reported)	2013 (\$'000) (Restated*)
Wages and salaries		26,032	24,993	24,993
Employer's contribution to Central Provident Fund		3,123	3,126	3,126
Pension and gratuities	17	316	1,680	345
Other benefits		118	123	123
Employee compensation		29,589	29,922	28,587

* See note 2.5.

6. INDUSTRY PROMOTIONAL EXPENSES

	2014 (\$'000)	2013 (\$'000)
General fund	511	2,682
Restricted funds	21,159	30,336
	21,670	33,018

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, Music and Publishing. Grants are disbursed based on milestones and key performance indicators ("KPIs") achieved.

7. 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 2012	382	12,043	11,362	14,803	344	38,934
Additions	44	50	141	1,366	62	1,663
Disposals	(146)	-	-	(379)	-	(525)
Reclassification	-	-	302	-	(302)	-
Written-off	-	-	-	-	(42)	(42)
At 31 March 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

	Vehicles (\$'000)	Furniture, fittings and equipment (\$'000)	Computers (\$'000)	Leasehold improvements (\$'000)	Assets under construction (\$'000)	Total (\$'000)
Accumulated depreciation						
At 1 April 2012	372	7,453	9,925	14,501	-	32,251
Depreciation for the year	14	2,333	784	206	-	3,337
Disposals	(146)	-	-	(352)	-	(498)
At 31 March 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
Carrying amounts						
At 1 April 2012	10	4,590	1,437	302	344	6,683
At 31 March 2013	40	2,307	1,096	1,435	62	4,940
At 31 March 2014	31	522	495	843	76	1,967

8. INTANGIBLE ASSETS

	2014 (\$'000)	2013 (\$'000)
Cost		
At 1 April	18,431	18,003
Additions	444	428
Reclassification from assets under construction	194	-
Disposals	(110)	-
At 31 March	18,959	18,431

	2014 (\$'000)	2013 (\$'000)
Accumulated amortisation		
At 1 April	17,770	15,621
Amortisation for the year	780	2,149
Disposals	(110)	-
At 31 March	18,440	17,770
Carrying amounts	519	661

9. LOAN RECEIVABLES

	2014 (\$'000)	2013 (\$'000)
Convertible loans - Non-Current	6,581	6,581
Less: Allowance for impairment	(6,581)	(6,581)
	-	-
Industry loans - Current	2,500	2,500
Less: Allowance for impairment	(2,500)	(2,500)
	-	-

(a) Convertible loans

Included in the industry loans is an amount of \$6,581,000 (2013: \$6,581,000) 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 at 3.6% (2013: 3.6%) 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.

(b) Industry loans

The Authority has extended loans to certain companies in the media industry. These loans have been fully provided for.

10. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	2014 (\$'000)	2013 (\$'000)
Investment in media and film production funds		
Current	4,249	-
Non-Current	3,596	6,508
	7,845	6,508

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.

11. CASH AND CASH EQUIVALENTS

	Note	2014 (\$'000)	2013 (\$'000)
General Fund		170,962	56,618
Restricted Fund	26	25,569	28,213
		196,531	84,831
Cash at bank and on hand			
- held by the Authority		299	235
- held by fund managers	12	-	7,899
		299	8,134
Deposits held with Accountant-General Department ("AGD")		253,395	135,805
Cash at bank managed by the Authority on behalf of other ministries	23	(57,163)	(59,108)
		196,531	84,831

Cash and bank balances of the Authority's general fund include an amount of approximately \$24,000,000 (2013: \$24,000,000) earmarked for SMFP projects.

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 rates was 0.62% (2013: 0.59%) per annum.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014 (\$'000)	2013 (\$'000)
Financial assets at fair value through profit or loss		
- Quoted equity securities	-	23,999
- Quoted bonds	-	116,520
- Unquoted unit trusts	30,287	-
	30,287	140,519

In the previous financial year, the financial assets were managed by external funds managers. During the financial year, the financial assets managed by external funds managers were divested and out of the proceeds from the divestment, \$30,000,000 was used to invest in unit trusts while the remaining were placed with AGD under the CLM Scheme. In the previous financial year, the fund managed by fund managers comprises the following assets and liabilities:

	Note	2013 (\$'000)
Quoted equity securities		23,999
Quoted bonds		116,520
Derivative financial instruments	14	722
Cash at bank and on hand	11	7,899
Amount due from brokers	13	1,978
Accrued interest under fund management	13	408
Amount due to brokers	18	(3,916)
		<u>147,610</u>

These items have been included in the respective current assets and liabilities categories in the statement of financial position.

13. TRADE AND OTHER RECEIVABLES

	Note	2014 (\$'000)	2013 (\$'000)
Trade receivables			
- Licence and penalty fees		12,784	16,682
- Broadcast licence fees		59	4,194
- Others		1,484	937
		14,327	21,813
Less: Allowance for impairment of trade receivables		(13,008)	(13,540)
		1,319	8,273
Other receivables			
- Accrued interest under fund management	12	-	408
- Amount due from brokers	12	-	1,978
- Amount due from MCI		12,394	13,388
- Interest receivables		2,636	1,851
- Others		3,713	2,058
		18,743	19,683
Less: Allowance for impairment of other receivables		(4,279)	(1,655)
		14,464	18,028
Other current assets			
- Deposits		886	929
- Prepayments		511	517
- Others		-	106
		1,397	1,552
		17,180	27,853

14. DERIVATIVE FINANCIAL INSTRUMENTS

	2014 (\$'000)	2013 (\$'000)
2013		
Forward foreign exchange contracts	-	722

At the end of the reporting period, the notional amount of outstanding foreign exchange contracts to which the Authority has committed are as follows:

	2014 (\$'000)	2013 (\$'000)
2013		
Forward foreign exchange contracts	-	87,839

The contracted notional principal amount of the derivative financial instruments outstanding at reporting date is \$Nil (2013: \$87,839,000).

15. SHARE CAPITAL

	2014 (\$'000)	2013 (\$'000)	Number of shares	
			2014 ('000)	2013 ('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 disbursed to the Authority in the form of equity injection. Share certificates amounting to \$1,201,000 had been issued to, and are held by the Minister of 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 nor have a par value.

There are no shares issued in the current financial year.

16. 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.

17. PROVISION FOR PENSIONS AND GRATUITIES

The provision for pensions 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:

	2014 (\$'000)	2013 (\$'000)	1 April 2012 (\$'000)
Present value of obligations	19,168	22,558*	23,602*
Comprising of:			
- Current	1,662	1,667	1,651
- Non-current	17,506	20,891	21,951
	19,168	22,558	23,602

(b) The amount recognised in the statement of comprehensive income is as follows:

	Note	2014 (\$'000)	2013 (\$'000) (Restated*)
Current service cost		7	8
Interest cost		309	337
Expenses recognised in the statement of comprehensive income	5	316	345

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

	2014 (\$'000)	2013 (\$'000)
At 1 April	22,558	23,602
Interest cost	309	337
Current service cost	7	8
Actuarial (gain)/loss recognised in other comprehensive income	(2,044)	278*
Benefits paid	(1,662)	(1,667)
At 31 March	19,168	22,558

* See note 2.5.

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

	2014	2013	2012
Discount rate	2.49%	1.42%	1.48%

The discount rate used is based on the 10-year Singapore Government Bond yields. The Singapore Mortality Table S04-08M/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 assumptions 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 respective assumption by 0.25 percent.

	Defined benefit obligation	
	0.25 percent increase (\$'000)	0.25 percent decrease (\$'000)
Discount rate	(398)	398

* See note 2.5.

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation in April 2014 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 provides an approximation to the sensitivity of the assumptions shown.

18. TRADE AND OTHER PAYABLES

	Note	2014 (\$'000)	2013 (\$'000)
Trade and other payables		3,962	2,831
Amount due to brokers	12	-	3,916
Accruals for operating expenses		15,708	15,407
		19,670	22,154

19. ADVANCES AND DEPOSITS

	2014 (\$'000)	2013 (\$'000)
Deposits	1,275	5,452
Fees billed/received in advance	3,993	3,847
	5,268	9,299

20. GRANTS RECEIVED IN ADVANCE

	Operating grants		Restricted fund		Total	
	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)
At 1 April	281	68	10,821	23,986	11,102	24,054
Received during the year	50,325	38,924	13,500	17,147	63,825	56,071
Transfer to deferred capital grant	(2,083)	(2,331)	(5)	(62)	(2,088)	(2,393)
Transfer from/(to) other deferred grants	-	-	96	(220)	96	(220)
Transfer to statement of comprehensive income						
- government grants	(48,298)	(36,377)	(21,462)	(30,030)	(69,760)	(66,407)
- other income	-	(3)	-	-	-	(3)
At 31 March	225	281	2,950	10,821	3,175	11,102

21. DEFERRED CAPITAL GRANTS

	Operating grants		Restricted fund		Total	
	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)
At 1 April	2,043	-	63	12	2,106	12
Transfer from grants received in advance	2,083	2,331	5	62	2,088	2,393
Transfer to statement of comprehensive income – deferred capital grants amortised	(1,972)	(288)	(3)	(11)	(1,975)	(299)
At 31 March	2,154	2,043	65	63	2,219	2,106

22. OTHER DEFERRED GRANTS

	Operating grants		Restricted fund		Total	
	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)
At 1 April	-	-	6,118	5,875	6,118	5,875
Transfer (to)/from grants received in advance	-	-	(96)	220	(96)	220
Transfer from statement of comprehensive income – other deferred grants amortised	-	-	-	23	-	23
At 31 March	-	-	6,022	6,118	6,022	6,118

23. TRUST AND AGENCY FUNDS

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

	2014 (\$'000)		2013 (\$'000)	
Public Service Broadcast ("PSB")	339		7,601	
Interactive and Digital Media R&D ("IDM R&D")	2,340		(729)	
Others	801		898	
	3,480		7,770	

	PSB		IDM R&D		Others		Total	
	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)
At 1 April	7,601	-	(729)	(12,479)	898	1,097	7,770	(11,382)
Receipts								
- Government Grants	145,030	117,550	40,816	34,308	4,305	10,275	190,151	162,133
- Others	251	-	303	35	3	26	557	61
Deferred Capital Grant	-	-	253	303	-	-	253	303
Less:								
Funds utilised in the year	(152,543)	(109,949)	(38,303)	(22,896)	(4,405)	(10,500)	(195,251)	(143,345)
At 31 March	339	7,601	2,340	(729)	801	898	3,480	7,770
Represented by:								
Cash and cash equivalents	42,178	50,753	14,320	7,433	665	922	57,163	59,108
Other assets	575	7,050	857	1,118	2,200	-	3,632	8,168
Current liabilities	(42,414)	(50,202)	(12,837)	(9,280)	(2,064)	(24)	(57,315)	(59,506)
Net assets/(liabilities)	339	7,601		(729)	801	898	3,480	7,770

24. PROVISION FOR CONTRIBUTION TO CONSOLIDATED FUND

The contribution to the Consolidated Fund is based on 17% (2013: 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 \$4,907,000 (2013: \$3,704,000).

After offsetting the surplus of \$4,907,000, the Authority has remaining unrecognised deficits of \$97,923,000 (2013: \$104,269,000) at the reporting date which can be carried forward and used to offset against future contributions to the Consolidated Fund.

25. COMMITMENTS

(a) Capital commitments

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

	2014 (\$'000)	2013 (\$'000)
Property, plant and equipment	309	135

(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.

During the financial year, \$5,651,000 (2013: \$6,079,000) was recognised as operating lease in income or expenditure.

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

	2014 (\$'000)	2013 (\$'000)
Not later than one year	2,149	6,966
Between one and five years	-	762
	2,149	7,728

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

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

	2014 (\$'000)	2013 (\$'000)
Amount allocated	230,000	230,000
Amount utilised	(129,076)	(107,614)
- Industry development expenses	(99)	(94)
- Property, plant and equipment	(21,023)	(21,118)
- Investment in media and film production funds	(150,198)	(128,826)
Amount committed but yet to be utilised	(26,132)	(29,374)
Amount uncommitted	53,670	71,800

(d) Guarantees

As at 31 March 2014, the Authority had authorised its bank to issue standby letters of credits amounting to \$352,000 (2013: \$643,000) to financial institutions for loans extended to film and animation projects managed by media companies under its Loan Guarantee Programme.

(e) Financial assets available-for-sale

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

	2014 (\$'000)	2013 (\$'000)
Amount unutilised	770	12,865

26. NET ASSETS AND LIABILITIES OF RESTRICTED FUNDS

	Note	2014 (\$'000)	2013 (\$'000)
Statement of financial position			
Current assets			
Cash and cash equivalents	11	25,569	28,213
Financial assets available-for-sale		4,249	-
Trade and other receivables		1,445	4,790
		31,263	33,003
Non-current assets			
Property, plant and equipment		65	63
Financial assets available-for-sale		3,596	6,501
		3,661	6,564
Total assets		34,924	39,567
Current liabilities			
Trade and other payables		3,586	1,471
Grants received in advance	20	2,950	10,821
Deferred capital grant	21	65	63
Other deferred grant	22	6,022	6,118
Total liabilities		12,623	18,473
Net assets		22,301	21,094
Represented by:			
Fair value reserves		1,822	383
Accumulated surplus		20,479	20,711
		22,301	21,094

27. FINANCIAL RISK MANAGEMENT

Overview

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

Risk management framework

The 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.

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 service of the independent investment consultant was terminated during the financial year. Subsequently, the Authority, in consultation with the appointed fund management companies, is responsible for preparing regular investment performance reports for the review of the Finance Committee and the Board. 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 are presented in the following paragraphs.

Currency risk

The foreign currency risk of the Authority arises from its investments in quoted equity securities and quoted bonds which are denominated in currencies other than the Singapore dollar. During the financial year, the Authority divested its investments in these quoted equity securities and quoted bonds (note 12). Accordingly, the Authority has no significant exposure to foreign currency risk as at 31 March 2014.

As at 31 March 2013, the major foreign currencies of the Authority are in United States Dollar (USD), Japanese Yen (JPY), Euro (EUR), Australian Dollar (AUD), Great British Pound (GBP) and Swedish Kroner (SKR). The quantitative exposure to these foreign currency risks as provided to the management of the Authority are as presented below:

	USD (\$'000)	JPY (\$'000)	EUR (\$'000)	AUD (\$'000)	GBP (\$'000)	SKR (\$'000)	Total (\$'000)
At 31 March 2013							
Financial assets							
Financial assets at fair value through profit or loss	51,952	1,870	9,907	1,235	7,479	3,822	76,265
Add/(less): Currency forwards	(29,121)	(2,344)	(6,910)	(1,705)	(7,628)	(3,986)	(51,694)
Currency profile	22,831	(474)	2,997	(470)	(149)	(164)	24,571

Sensitivity analysis

If the above foreign currencies change against the Singapore dollar by 0.4% to 3.3% for the respective currencies, with all other variables being held constant, the effects arising from the net financial asset position will be as follows:

	2013 Increase/ (decrease) Surplus/(deficit)
US dollar against SGD	
- strengthened	151
- weakened	(151)
Japanese yen against SGD	
- strengthened	(11)
- weakened	11
Euro dollar against SGD	
- strengthened	96
- weakened	(96)
Australian dollar against SGD	
- strengthened	(9)
- weakened	9

2013
Increase/ (decrease)
Surplus/(deficit)

British pound against SGD	
- strengthened	(3)
- weakened	3
Swedish Kroner against SGD	
- strengthened	(3)
- weakened	3

Price risk

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

The Authority's exposure to price risk arises mainly from its investments in quoted equity securities and quoted bonds (note 12), which are classified on the statement of financial position at fair value through profit or loss.

To manage its price risk arising from investments in quoted equity securities and quoted bonds, the Authority diversifies its portfolio across different asset classes in various markets. Diversification of the portfolio is done in accordance with the limits set by the Authority. During the financial year, the Authority divested its investments in these quoted equity securities and quoted bonds (note 12). Accordingly, the Authority has no significant exposure to price risk as at 31 March 2014.

Sensitivity analysis

As at 31 March 2013, a 10% increase in the underlying market prices of quoted equity securities and quoted bonds at the reporting date, with all other variables remaining constant, would increase/(decrease) net surplus or deficit by the following amount:

	2014 (\$'000)	2013 (\$'000)
Quoted equity securities and quoted bonds	-	14,052

A 10% decrease in the underlying market prices of quoted equity securities and quoted bonds 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 investments in quoted bonds, deposits held with AGD and loan receivables. Investments in quoted bonds, deposits held with AGD and loan receivables obtained at fixed rates expose the Authority to interest rate risk.

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 sets 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.

	Fixed rates			Total (\$'000)
	Not later than 1 year (\$'000)	1 to 5 years (\$'000)	More than 5 years (\$'000)	
2014				
Cash and cash equivalents	196,531	-	-	196,531
Loan receivables	2,500	6,581	-	9,081
Total	199,031	6,581	-	205,612

	Fixed rates			Total (\$'000)
	Not later than 1 year (\$'000)	1 to 5 years (\$'000)	More than 5 years (\$'000)	
2013				
Quoted bonds	5,799	52,326	58,395	116,520
Cash and cash equivalents	84,831	-	-	84,831
Loan receivables	2,500	6,581	-	9,081
Total	93,130	58,907	58,395	210,432

Sensitivity analysis

During the financial year, the Authority divested its investments in the quoted bonds (note 12). The Authority does not account for any fixed rate financial assets and liabilities at fair value through profit or loss at the reporting date. Therefore a change in interest rates at the reporting date would not affect income or expenditure.

(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 deposits held with AGD, trade and other receivables, financial assets available-for-sale, loan receivables and financial assets designated at fair value through profit or loss represents the maximum exposure to credit risk.

Cash and cash equivalents, including 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 that are neither past due nor impaired are substantially companies with good collection track records with the Authority.

Quoted equity securities, quoted bonds, unquoted unit trusts and derivative financial instruments are placed or transacted with high credit quality financial institutions.

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 trade and other receivables (excluding prepayments) and loans receivables are as follows:

	Gross 2014 (\$'000)	Impairment loss 2014 (\$'000)	Gross 2013 (\$'000)	Impairment loss 2013 (\$'000)
Not past due	23,086	(6,945)	28,775	(6,581)
Past due < 3 months	61	(4)	97	-
Past due 3 to 6 months	-	-	-	-
Past due over 6 months	19,890	(19,419)	22,740	(17,695)
	43,037	(26,368)	51,612	(24,276)

The movements in allowance for impairment loss in respect of trade and other receivables (excluding prepayments) and loans receivables during the financial year are as follows:

	2014 (\$'000)	2013 (\$'000)
At 1 April	24,276	23,247
Charge to income or expenditure	4,235	4,591
Write-back to income or expenditure	(1,972)	(1,340)
Utilised during the year	(171)	(2,222)
At 31 March	26,368	24,276

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 receivable arises mainly from two companies which have suffered losses in its operations. It is uncertain if full repayment can be made on the outstanding amounts as these companies are winding up.

Guarantees

The maximum exposure of the Authority in respect of the financial guarantees at the end of the reporting date relates to the facility drawn down by the media companies under its Loan Guarantee Programme in the amount of \$352,000 (2013: \$643,000).

(c) Liquidity risk

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

The Board receives its funds from the Government of Singapore, which are drawn down on a monthly basis to meet its funding requirements. The Board's funds are placed mainly with fund managers and in bank deposits which have high liquidity. During the financial year, the Authority divested its investments placed with the fund manager (note 12).

The following analyses the maturities of the Authority's financial liabilities:

	Note	Carrying amount (\$'000)	Contractual cash flows (\$'000)	Less than 1 year (\$'000)	More than 1 year (\$'000)
At 31 March 2014					
Trade and other payables	18	19,670	19,670	19,670	-
Advances and deposits	19	5,268	5,268	5,268	-
Grants received in advance	20	3,175	3,175	3,175	-
Financial guarantee		33	352	352	-
		28,146	28,465	28,465	-
At 31 March 2013					
Trade and other payables	18	22,154	22,154	22,154	-
Advances and deposits	19	9,299	9,299	9,299	-
Grants received in advance	20	11,102	11,102	11,102	-
Financial guarantee		28	643	643	-
		42,583	43,198	43,198	-

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 reporting 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 2013	
Gross-settled currency forwards	
- Receipts	87,839
- Payments	(87,117)

(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 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 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 2013. Included in the Authority's equity is the unutilised Radio and TV licence fees accumulated since the financial year ended 31 March 2004, set aside for the Public Service Broadcast and its related expenses.

(e) Accounting classifications and fair values

Fair values versus carrying amounts

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

	Note	Loans and receivables (\$'000)	Other liabilities within scope of FRS 39 (\$'000)	Designated at fair value (\$'000)	Fair value derivative financial instruments (\$'000)	Available- for-sale (\$'000)	Total carrying amount (\$'000)	Fair value (\$'000)
31 March 2014								
Assets								
Financial assets available-for-sale								
- Investments in media and film production funds								
	10	-	-	-	-	7,845	7,845	7,845
Trade and other receivables*								
	13	16,669	-	-	-	-	16,669	16,669
Financial assets at fair value through profit or loss								
- Unquoted unit trusts								
	12	-	-	30,287	-	-	30,287	30,287
Cash and cash equivalents								
	11	196,531	-	-	-	-	196,531	196,531
		213,200	-	30,287	-	7,845	251,332	251,332

	Note	Loans and receivables (\$'000)	Other liabilities within scope of FRS 39 (\$'000)	Designated at fair value (\$'000)	Fair value derivative financial instruments (\$'000)	Available- for-sale (\$'000)	Total carrying amount (\$'000)	Fair value (\$'000)
31 March 2014								
Liabilities								
Trade and other payables	18	-	19,670	-	-	-	19,670	19,670
Advances and deposits	19	-	5,268	-	-	-	5,268	5,268
Grants received in advance	20	-	3,175	-	-	-	3,175	3,175
Financial guarantees		-	33	-	-	-	33	33
		-	28,146	-	-	-	28,146	28,146

* excludes prepayments

	Note	Loans and receivables (\$'000)	Other liabilities within scope of FRS 39 (\$'000)	Designated at fair value (\$'000)	Fair value derivative financial instruments (\$'000)	Available- for-sale (\$'000)	Total carrying amount (\$'000)	Fair value (\$'000)
31 March 2013								
Assets								
Financial assets available-for-sale								
- Investments in media and film production funds	10	-	-	-	-	6,508	6,508	6,508
Trade and other receivables*	13	27,336	-	-	-	-	27,336	27,336
Derivative financial instruments								
- Forward currencies	14	-	-	-	722	-	722	722
Financial assets at fair value through profit or loss								
- Quoted equity securities	12	-	-	23,999	-	-	23,999	23,999
- Quoted bonds	12	-	-	116,520	-	-	116,520	116,520
Cash and cash equivalents	11	84,831	-	-	-	-	84,831	84,831
		112,167	-	140,519	722	6,508	259,916	259,916
Liabilities								
Trade and other payables	18	-	22,154	-	-	-	22,154	22,154
Advances and deposits	19	-	9,299	-	-	-	9,299	9,299
Grants received in advance	20	-	11,102	-	-	-	11,102	11,102
Financial guarantees		-	28	-	-	-	28	28
		-	42,583	-	-	-	42,583	42,583

* excludes prepayments

Determination of fair values

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 (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 reporting 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 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.

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date.

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 loans and receivables, trade and other payables, advances and deposits and grant 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).

The following table presents the assets and liabilities measured at fair value:

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
31 March 2014				
Assets				
Financial assets available-for-sale	-	-	7,845	7,845
Financial assets at fair value through profit or loss				
- Unquoted unit trusts	-	-	30,287	30,287
	-	-	38,132	38,132
Liabilities				
Financial guarantee contracts	-	-	(33)	(33)
31 March 2013				
Assets				
Financial assets available-for-sale	-	-	6,508	6,508
Financial assets at fair value through profit or loss				
- Quoted bonds	116,520	-	-	116,520
- Quoted equity securities	23,999	-	-	23,999
Derivative financial instruments	-	87,839	-	87,839
	140,519	87,839	6,508	234,866
Liabilities				
Derivative financial instruments	-	(87,117)	-	(87,117)
Financial guarantee contracts	-	-	(28)	(28)
	-	(87,117)	(28)	(87,145)

Financial instruments measured at fair value classified as Level 3

31 March 2014	Financial assets at fair value through profit or loss (\$'000)	Financial assets available-for-sale (\$'000)
At 1 April 2013	-	6,508
Addition	30,000	2,409
Repayment	-	(2,505)
Impairment loss	-	(6)
Fair value gain recognised in income or expenditure	287	-
Fair value gain recognised in other comprehensive income	-	1,439
At 31 March 2014	30,287	7,845

31 March 2013	Financial assets available-for-sale (\$'000)
At 1 April 2012	14,822
Addition	1,733
Repayment	(10,375)
Reversal	(523)
Impairment loss	(209)
Fair value gain recognised in other comprehensive income	1,060
At 31 March 2013	6,508

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

Valuation technique

- Cost of investment
- Proposed sale price
- Valuation of recent funding
- Valuation of net asset value

Inter-relationship between significant unobservable inputs and fair value measurement

The estimated fair value would decrease if:

- cost of investment was lower; or
- proposed sale price was lower; or
- valuation of recent funding was lower; or
- valuation of the net asset value 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 the receivables used in determining the net asset value of the unit trust.

28. SIGNIFICANT 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 24 *Related Party Disclosures* paragraph 28A, 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:

	2014 (\$'000)	2013 (\$'000)
MCI		
Services and expenses paid to MCI	855	256
Expenses paid on behalf of MCI	2,505	3,639
Other Ministries and Statutory Boards		
Services and expenses paid to other Ministries	240	165
Services and expenses paid to other Statutory Boards	7,798	8,941
Computer and IT related expenses	1,134	1,458
Operating lease expense	5,676	6,398

At the end of the reporting period, the Authority has outstanding commitments under non-cancellable operating leases with another statutory board, which fall due as follows:

	2014 (\$'000)	2013 (\$'000)
Not later than one year	2,149	6,966
Between one and five years	-	762
	2,149	7,728

(b) Compensation of key management personnel

The remuneration of members of key management is as follows:

	2014 (\$'000)	2013 (\$'000)
Wages and salaries	2,387	2,527
Employer's contribution to Central Provident Fund	63	82
	2,450	2,609

29. DIVIDENDS

During the financial year ended 31 March 2014, the Authority declared and paid a dividend of \$1.97 per share (total dividend: \$2,369,000) on the ordinary shares issued to the Ministry of Finance. In the previous financial year, no dividend was paid.

30. COMPARATIVE INFORMATION

The financial statements for the financial year ended 31 March 2013 were audited by another firm of chartered accountants whose report dated 28 June 2013 expressed an unqualified opinion on those financial statements.

During the current year, the Authority modified the statement of cash flows to reflect more appropriately the nature of the transactions. Comparative amounts in the statement of cash flows were reclassified for consistency, shown in the table as follows:

Statement of cash flows	As previously reported (\$'000)	As restated (\$'000)
31 March 2013		
Net cash (used in)/from:		
Operating activities	(96,636)	(86,021)
Financing activities	66,850	56,235