RSM Chio Lim
Audit • Tax • Advisory

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

(Registration No: 199404067R)

Directors' Report and Financial Statements

Year Ended 31 December 2013

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SINGAPORE INTERNATIONAL FILM FESTIVAL LTD (Registration No: 199404067R)

Directors' Report and Financial Statements

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Directors' Report

The directors of the company are pleased to present their report together with the audited financial statements of the company for the reporting year ended 31 December 2013.

1. Directors at Date of Report

The directors of the company in office at the date of this report are:

Lim Tien Yue Michael	
Shaw Soo Wei	
Michael Kristan Wiluan	(Appointed on 29 January 2013)
Janice Koh Yu-Mei	(Appointed on 20 February 2014)
Lim Yi Ping	(Appointed on 20 February 2014)
Tan Lai Whatt, Sebastian	(Appointed on 20 February 2014)
Chua Yong Heng	(Appointed on 20 February 2014)
Lee Chor Lin	(Appointed on 20 February 2014)
Elim Chew Soo Gim	(Appointed on 10 March 2014)
Sajjad Ahmad Akhtar	(Appointed on 10 March 2014)
Lynette Pang Hsu Lyin	(Appointed on 10 March 2014)
Iserlis Olga	(Appointed on 5 May 2014)

2. Arrangement to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures and Director's Interest in Shares or Debentures

The company is limited by guarantee and has no share capital.

3. Contractual Benefits of Directors

Since the beginning of the reporting year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Singapore Companies Act, Chapter 50, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

4. Share Options

The company is limited by guarantee. As such, there are no share options or unissued shares under option.

5. Independent Auditor

The independent auditor, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

On Behalf of The Directors

....
Lim Tien Yue Michael
Director

....
Shaw Soo Wei
Director

13 June 2014

Statement by Directors

In the opinion of the directors,

(a) the accompanying statements of financial activities, statement of financial position, statement of changes in accumulated fund, statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2013 and of the results, changes in accumulated funds and cash flows of the company for the reporting year then ended; and

(b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

On Behalf of The Directors

....
Lim Tien Yue Michael
Director

....
Shaw Soo Wei
Director

13 June 2014

RSM Chio Lim LLP
8 Wilkie Road, #03-08, Wilkie Edge, Singapore 228095
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Independent Auditor's Report to the Members of
SINGAPORE INTERNATIONAL FILM FESTIVAL LTD (Registration No: 199404067R)
(Registered under the Charities Act, Chapter 37)

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore International Film Festival Ltd, which comprise the statement of financial position as at 31 December 2013, and the statement of financial activities, statement of changes in accumulated fund and statement of cash flows for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Companies Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Emphasis of Matter

As at the end of the reporting year, the company's total liabilities exceeded its total assets by \$114,874. The external liabilities amounted to \$115,906. The company's continuation as a going concern for the next twelve months after end of the reporting year is dependent on the ability of the company to successfully secure additional fundings and/or the continuing support of its creditors. At the date of this report, the management is satisfied that sufficient fundings will be available for the next twelve months after end of the reporting year. Our report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Companies Act to be kept by the company have been properly kept in accordance with the provisions of the Companies Act.

During the course of our audit, nothing has come to our attention that caused us to believe that during the reporting year, the use of the donation monies was not in accordance with the objectives of the company as required under regulation 16 of the Charities (Institution of a Public Character) Regulations.

RSM Chio Lim LLP

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

13 June 2014

Partner in charge of audit: Chan Sek Wai
Effective from reporting year ended 31 December 2012

Statement of Financial Activities
Year Ended 31 December 2013

	Notes	2013 $	2012 $
INCOMING RESOURCES:			
Donations	4	15,321	55,276
Sponsorship Income		150,000	–
Total Incoming Resources		165,321	55,276
RESOURCES EXPENDED:			
Employee Benefits Expense	5	–	(27,500)
Depreciation	9	(222)	(507)
Office Rental		(713)	(4,276)
Other Charges	6	–	(22,975)
Other Expenses	7	(153,523)	(32,229)
Total Resources Expended		(154,458)	(87,487)
Net Surplus (Deficit) for the Year		10,863	(32,211)

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

Statement of Financial Position
As at 31 December 2013

	Notes	2013 $	2012 $
ASSETS			
Non-Current Assets			
Plant and Equipment	9	–	222
Total Non-Current Assets		–	222
Current Assets			
Cash and Cash Equivalents	10	1,032	–
Total Current Assets		1,032	–
Total Assets		1,032	222
FUND AND LIABILITIES			
Unrestricted Fund			
Accumulated Fund (Deficit)	11	(114,874)	(125,737)
Total Fund		(114,874)	(125,737)
Current Liabilities			
Trade and Other Payables	12	115,906	125,937
Other Financial Liabilities	13	–	22
Total Current Liabilities		115,906	125,959
Total Liabilities		115,906	125,959
Total Fund and Liabilities		1,032	222

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

Statement of Changes in Accumulated Fund
Year Ended 31 December 2013

	2013 $	2012 $
Current Year:		
Balance at Beginning of the Year	(125,737)	(93,526)
Movements in Fund:		
Net surplus (deficit) for the Year	10,863	(32,211)
Balance at End of the Year	(114,874)	(125,737)

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

Statement of Cash Flows
Year Ended 31 December 2013

	2013 $	2012 $
Cash Flows From Operating Activities		
Surplus (Deficit) for the Year	10,863	(32,211)
Adjustments for:		
Depreciation of Plant and Equipment	222	507
Bad debts written off	–	822
Other receivables written off	–	20,419
Operating Cash Flows before Changes in Working Capital	11,085	(10,463)
Trade and Other Receivables	–	24,000
Trade and Other Payables	(10,031)	(27,810)
Net Cash Flows From (Used in) Operating Activities	1,054	(14,273)
Cash Flows From Financing Activities		
Other Financial Liabilities	(22)	22
Net Cash Flows (Used in) From Financing Activities	(22)	22
Net Increase (Decrease) in Cash and Cash Equivalents	1,032	(14,251)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	–	14,251
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note 10)	1,032	–

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

Notes to the Financial Statements
31 December 2013

1. General

Singapore International Film Festival Ltd (the "company") is a voluntary, not-for-profit organisation limited by guarantee, incorporated under the Singapore Companies Act, Chapter 50. The company was registered as a charity under the Charities Act. Cap. 37 on 1 July 1997. The company is also an approved Institution of Public Character under the Income Tax Act, Chapter 134. The financial statements are presented in Singapore dollars.

The board of directors approved and authorised these financial statements for issue on the date of statement by directors.

The principal activities of the company are those related to hold the Singapore International Film Festival.

The registered office is: 15 Hoe Chiang Road, #26-02 Tower Fifteen, Singapore 089316. The company is situated in Singapore.

As at the end of the reporting year, the company's total liabilities exceeded its total assets by $114,874. The external liabilities amounted to $115,906. The company's continuation as a going concern for the next twelve months after end of the reporting year is dependent on the ability of the company to successfully secure additional funding and/or the continuing support of its creditors. The company has considerable financial resources together with some good arrangements with a number of donors and sponsors. As a consequence, the management believes that the company is well placed to manage its business risks. After making enquiries, the management has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. Summary of Significant Accounting Policies

Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

2. Summary of Significant Accounting Policies (Cont'd)

Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the ordinary activities of the company and it is shown net of related tax and subsidies.

(i) Donations

Revenue from donations are accounted for when received, except for committed donations that are recorded when the commitments are made.

(ii) Sales of tickets

Income from sale of tickets is recognised on receipt basis for cash sales and upon issuance and acceptance of tickets by the customers.

(iii) Grants and sponsorships

Revenue from grants and sponsorship are accounted for when received, except for committed sponsorships that are recorded when the commitments are signed. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the company has unconditional entitlement.

(iv) Donation in kind

Donation in kind is included in the statement of financial activities based on an estimate of the fair value at the date of receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The donation is recognised if the amount of the donation can be measured reliably and there is no certainty that it will be received. No value is ascribed to volunteer services.

2. Summary of Significant Accounting Policies (Cont'd)

Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund which is the Central Provident Fund in Singapore (a government managed retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income Tax

As a charity, the company is exempted from tax on income and gains falling within section 13U(1) of the Income Tax Act to the extent that these are applied to its charitable objects.

Foreign Currency Transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and Equipment – 20% to 33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

2. Summary of Significant Accounting Policies (Cont'd)

Plant and Equipment (Cont'd)

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. When the fair value less costs to sell method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. Summary of Significant Accounting Policies (Cont'd)

Impairment of Non-Financial Assets (Cont'd)

At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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.

Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

2. Summary of Significant Accounting Policies (Cont'd)

Financial Assets (Cont'd)

3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial asset classified in this category.

4. Available-for-sale financial assets: As at end of the reporting year date there were no financial asset classified in this category.

Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount determined in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred. As at end of the reporting year date there were no financial liabilities classified in this category.

2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

2. Summary of Significant Accounting Policies (Cont'd)

Fair Value Measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes if any by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes.

2. Summary of Significant Accounting Policies (Cont'd)

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Government Grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset.

Critical Judgements, Assumptions and Estimation Uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3.1 Key management compensation:

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The directors did not receive any remuneration from the company during the reporting year.

4. Tax Deductible Receipts

The company enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the company. The current IPC status is granted by Ministry of Culture, Community and Youth for the period from 1 October 2012 to 30 September 2015.

	2013 $	2012 $
Tax-exempt receipts issued for donations collected during the reporting year	15,000	53,876

5. Employee Benefits Expense

	2013 $	2012 $
Short term employee benefits expense	–	27,500

6. Other Charges

	2013 $	2012 $
Foreign exchange translation losses	–	334
Bad debts written off	–	822
Other receivables written off	–	21,819
Total other charges	–	22,975

7. Other Expenses

The major components include the following:

	2013 $	2012 $
Entertainment expenses	–	356
Film rental / overseas films expenses	–	178
Marketing fees (Note A)	150,000	–

Note A: During the reporting year, the company entered into a marketing partnership agreement with a third party event management company whereby the third party sponsored the advertising and promotion of the company at a major media event; the company in return will advertise the events organised by the third party on the company's website. The fair value of the advertising and promotion services received by the company is valued at approximately $150,000 and this is reflected as incoming resources – sponsorship in the statement of financial activities.

8. Income tax

The company is exempted from tax on income and gain falling within section 13U(1) of the Singapore Income Tax Act to the extent that these are applied to its charitable objects. Therefore, no provision for income tax has been made in the financial statements.

9. Plant and Equipment

	Plant and Equipment $
Cost:	
At 1 January 2012, 31 December 2012 and 31 December 2013	4,423
Accumulated depreciation:	
At 1 January 2012	3,694
Depreciation for the year	507
At 31 December 2012	4,201
Depreciation for the year	222
At 31 December 2013	4,423
Carrying value:	
At 1 January 2012	729
At 31 December 2012	222
At 31 December 2013	–

The depreciation expense is charged to administrative expenses.

10. Cash and Cash Equivalents

	2013 $	2012 $
Not restricted in use	1,032	–

11. Accumulated Fund

	2013 $	2012 $
Unrestricted accumulated fund (deficit)	(114,874)	(125,737)

12. Trade and Other Payables

	2013 $	2012 $
Trade payables:		
Outside parties and accrued liabilities	69,036	73,599
Sub-total	69,036	73,599
Other payables:		
Outside parties	46,870	52,338
Sub-total	46,870	52,338
Total trade and other payables	115,906	125,937

13. Other Financial Liabilities

	2013 $	2012 $
Bank overdraft	–	22

14. Financial Instruments: Information on Financial Risks

14A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	2013 $	2012 $
Financial assets:		
Cash and cash equivalents	1,032	–
At end of the year	1,032	–
Financial liabilities:		
Other financial liabilities measured at amortised cost	–	22
Trade and other payables measured at amortised cost	115,906	125,937
At end of the year	115,906	125,959

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

14. Financial Instruments: Information on Financial Risks (Cont'd)

14B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not formally documented in written form. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk; the objectives, polices and processes for managing the risk and the methods used to measure the risk.

14C. Fair Values of Financial Instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

14D. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks and cash equivalents. The maximum exposure to credit risk is: the total of the fair value of the financial instruments; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks and any derivative financial instruments is limited because the counter-parties are entities with acceptable credit ratings.

14E. Liquidity Risk – Financial Liabilities Maturity Analysis

All non-derivative financial liabilities comprising trade and other payables have remaining contractual maturities (contractual and undiscounted cash flows) of less than one year.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payable is about 30 days (2012: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

14. Financial Instruments: Information on Financial Risks (Cont'd)

14F. Interest Rate Risk

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates.

The interest from financial assets including cash balances is not significant.

14G. Foreign Currency Risks

There is insignificant exposure to foreign currency risk as part of its normal business.

15. Changes and Adoption of Financial Reporting Standards

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Amendment to FRS 1 Presentation of Financial Statements (Annual Improvements)
FRS 16	Amendment to FRS 16 Property, Plant and Equipment (Annual Improvements)
FRS 19	Employee Benefits (Revised) (*)
FRS 32	Amendment to FRS 32 Financial instruments: Presentation (Annual Improvements)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (early adoption) (*)
FRS 107	Amendments to FRS 32 and FRS 107 titled Offsetting Financial Assets and Financial Liabilities (*)
FRS 113	Fair Value Measurements
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine (*)

(*) Not relevant to the entity.

16. Future Changes in Financial Reporting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 27	Consolidated and Separate Financial Statements (Amendments) (*)	1 Jul 2013
FRS 27	Separate Financial Statements (Revised) (*)	1 Jan 2014
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)	1 Jan 2014
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (*)	1 Jan 2014
FRS 32	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (*)	1 Jan 2014
FRS 110	Consolidated Financial Statements (*)	1 Jan 2014
FRS 111	Joint Arrangements (*)	1 Jan 2014
FRS 112	Disclosure of Interests in Other Entities (*)	1 Jan 2014
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112 (*)	1 Jan 2014
INT FRS 121	Levies (*)	1 Jan 2014

(*) Not relevant to the entity.