RSM

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

(Registration No: 199404067R)
(Registered under the Charities Act, Chapter 37)

Statement by Directors and Financial Statements

Year Ended 31 December 2015

RSM Chio Lim LLP

8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095

T +65 6533 7600
F +65 6594 7811

Audit@RSMSingapore.sg
www.RSMSingapore.sg

UEN: T09LL0008J

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD
(Registration No: 199404067R)
(Registered under the Charities Act, Chapter 37)

Statement by Directors and Financial Statements

Contents **Page**

8549-15

Statement by Directors

The directors of the company are pleased to present the financial statements of the company for the reporting year ended 31 December 2015.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company for the reporting year covered by the financial statements; 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.

2. Directors in office at date of statement

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

Elim Chew Soo Gim
Iserlis Olga
Janice Koh Yu-Mei
Lee Chor Lin
Lim Tien Yue Michael
Reina Lim Yan Xin
Lynette Pang Hsu Lyin
Michael Kristian Wiluan
Sajjad Ahmad Akhtar
Shaw Soo Wei
Tan Lai Whatt, Sebastian
Tan Pin Pin

3. Directors' interest in shares and debentures and arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

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

4. Options

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

5. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

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

On behalf of the directors

....	....
Michael Kristian Wiluan	Reina Lim Yan Xin
Director	Director

16 June 2016

RSM Chio Lim LLP
8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095
T +65 6533 7600
F +65 6594 7811
Audit@RSMSingapore.sg
www.RSMSingapore.sg

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 2015, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting year then ended, and 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 financial statements 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.

Opinion

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the company as at 31 December 2015 and the financial performance, changes in funds and cash flows of the company for the reporting year ended on that date.

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 causes us to believe that during the reporting year:

(a) The use of the donation moneys was not in accordance with the objectives of the Company as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and

(b) The Company has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

16 June 2016

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

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD
(Registration No: 199404067R)
(Registered under the Charities Act, Chapter 37)

Statement of Financial Activities
Year Ended 31 December 2015

	Notes	2015			2014		
		Unrestricted Fund	Restricted Fund		Unrestricted Fund	Restricted Fund	
		Accumulated Fund $	Cultural Matching Fund $	Total $	Accumulated Fund $	Cultural Matching Fund $	Total $
INCOMING RESOURCES:							
Donations	4	846,318	–	846,318	720,391	–	720,391
Sponsorship income		545,196	–	545,196	529,224	–	529,224
Government grants		30,362	300,215	330,577	30,000	405,000	435,000
Ticket sales		129,464	–	129,464	129,356	–	129,356
Total incoming resources		1,551,340	300,215	1,851,555	1,408,971	405,000	1,813,971
RESOURCES EXPENDED:							
Programming/ festival expenses	5	(572,615)	(190,991)	(763,606)	(601,613)	(301,443)	(903,056)
Employee salaries and benefits expenses	6	(307,990)	(102,876)	(410,866)	(156,890)	(13,998)	(170,888)
Depreciation expense	10	(900)	–	(900)	(360)	–	(360)
Office rental		(20,000)	(10,000)	(30,000)	(22,500)	–	(22,500)
Other gains	7	23,863	–	23,863	9,010	–	9,010
Other losses	7	(2,766)	–	(2,766)	(1,260)	–	(1,260)
Other expenses	8	(74,508)	(267)	(74,775)	(52,012)	(15,281)	(67,293)
Total resources expended		(954,916)	(304,134)	(1,259,050)	(825,625)	(330,722)	(1,156,347)
Surplus / (Deficit) for the reporting year		596,424	(3,919)	592,505	583,346	74,278	657,624
Balance at beginning of the year		468,472	74,278	542,750	(114,874)	–	(114,874)
Balance at end of the year		1,064,896	70,359	1,135,255	468,472	74,278	542,750

The accompanying notes form an integral part of these financial statements

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD
(Registration No: 199404067R)
(Registered under the Charities Act, Chapter 37)

Statement of Financial Position
As at 31 December 2015

	Notes	2015 $	2014 $
ASSETS			
Non-current assets			
Office equipment	10	5,177	1,081
Total non-current assets		5,177	1,081
Current assets			
Trade receivables	11	489,976	372,261
Other assets	12	7,500	7,500
Cash and cash equivalents	13	873,464	525,042
Total current assets		1,370,940	904,803
Total assets		1,376,117	905,884
FUNDS AND LIABILITIES			
Unrestricted fund			
Accumulated fund	14	1,064,896	468,472
Restricted fund			
Cultural matching fund	14	70,359	74,278
Total funds		1,135,255	542,750
Current liabilities			
Trade payables	15	240,862	363,134
Total current liabilities		240,862	363,134
Total liabilities		240,862	363,134
Total equity and liabilities		1,376,117	905,884

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

Statement of Changes in Funds
Year Ended 31 December 2015

	2015 $	2014 $
Opening balance at beginning of the year	542,750	(114,874)
Movements in funds:		
Net surplus for the year	592,505	657,624
Closing balance at end of the year	1,135,255	542,750

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

Statement of Cash Flows
Year Ended 31 December 2015

	2015 $	2014 $
Cash flows from operating activities		
Surplus for the year	592,505	657,624
Adjustment for:		
Depreciation of office equipment	900	360
Operating cash flows before changes in working capital	593,405	657,984
Trade receivables	(117,715)	(372,261)
Other assets	–	(7,500)
Trade payables	(122,272)	247,228
Net cash flows from operating activities	353,418	525,451
Cash flows from investing activities		
Purchase of office equipment (Note 10)	(4,996)	(1,441)
Cash restricted in used	68,688	(241,548)
Net cash flows from (used in) investing activities	63,692	(242,989)
Net increase in cash and cash equivalents	417,110	282,462
Cash and cash equivalents, statement of cash flows, beginning balance	283,494	1,032
Cash and cash equivalents, statement of cash flows, ending balance (Note 13A)	700,604	283,494

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

Notes to the Financial Statements
31 December 2015

1. General

Singapore International Film Festival Ltd (the "company") is a not-for-profit organisation limited by guarantee, incorporated under the 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 principal activities of the company are those related to holding the Singapore International Film Festival, including organising film screenings, talks, workshops and competitions, for the advancement and promotion of the art and culture of film in Singapore.

Each member of the company has undertaken to contribute such amounts not exceeding $1 to the assets of the company in the event the company is wound up and the monies are required for payment of the liabilities of the company. The company had 3 members (2014: 2 members) at the end of the reporting year.

The memorandum and articles of the company restricts the use of fund monies to the furtherance of the objects of the company. They prohibit the payment of dividends to members.

The registered office is: 15 Hoe Chiang Road, #26-02 Tower Fifteen, Singapore 089316. The company is situated in Singapore. The principal place of business is: 2 Orchard Link, #05-06 *SCAPE, Singapore 237978.

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

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. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. 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.

1. General (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.

2. Summary of significant accounting policies and other explanatory information

2A. Significant accounting policies

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 when the service has been rendered.

(iii) Corporate cash sponsorships

Revenue from corporate cash 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 sponsors specify that the donations must only be used in future accounting periods; or the sponsors have 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. The donation is recognised if the amount of the donation can be measured reliably and there is certainty that it will be received. No value is ascribed to volunteer services.

2. Summary of significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

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.

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.

Employee salaries and benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution 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.

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.

2. Summary of significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Office 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:

Office equipment	–	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.

Office 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 office 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.

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

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.

2. Summary of significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

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 of disposal and its value in use. When the fair value less costs of disposal 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). 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 measured, 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. Summary of significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

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.

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

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

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.

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 expired. 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.

2. Summary of significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial liabilities (cont'd)

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.

2. Other financial liabilities: All liabilities, which have not been classified as 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.

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.

2. Summary of significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

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.

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.

2. Summary of significant accounting policies and other explanatory information (cont'd)

2B. 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 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured without fixed repayment terms and interest unless stated otherwise.

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Related parties	
	2015	2014
	$	$
Fees paid to companies in which certain directors have an interest	28,957	17,281

3B. Key management compensation:

	2015	2014
	$	$
Salaries and other short-term employee benefits	84,000	69,000

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 above amounts for key management compensation are for an executive director of the company. The directors of the company did not receive remuneration from the company during the reporting year.

4. Tax deductible receipts

The company enjoys a concessionary tax treatment whereby qualifying donors are granted 3 (2014: 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 2015 to 30 September 2017.

	2015 $	2014 $
Donation income	846,318	720,391
Tax-exempt receipts issued for donations collected during the reporting year	865,331	526,500

5. Programming/ festival expenses

The major components include the following:

	2015 $	2014 $
Film awards-silver screen	154,685	114,509
Gala screening expenses	93,692	244,876
Sub–contract expenses	203,858	203,688

6. Employee salaries and benefits

	2015 $	2014 $
Employee salaries	353,683	151,722
Contributions to defined contribution plans	57,183	19,166
Total employee benefits expense	410,866	170,888

7. Other gains and (other losses)

	2015 $	2014 $
Foreign exchange translation gains (losses)	112	(1,260)
Merchandise sales	2,136	4,010
Miscellaneous gains	6,615	5,000
Write-back of trade payables	15,000	–
Written off expense	(2,766)	–
	21,097	7,750
Presented in profit or loss as:		
Other gains	23,863	9,010
Other losses	(2,766)	(1,260)
Net	21,097	7,750

8. Other expenses

The major components include the following:

	2015 $	2014 $
Professional fee	–	12,221
Fund raising and related marketing expenses	29,767	13,632
Repair and maintenance	854	3,817
Telecommunication, internet, and email	3,110	3,043

9. 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.

10. Office equipment

	Office equipment $
Cost:	
At 1 January 2014	4,423
Additions	1,441
Written off	(4,423)
At 31 December 2014	1,441
Additions	4,996
At 31 December 2015	6,437
Accumulated depreciation:	
At 1 January 2014	4,423
Depreciation for the year	360
Written off	(4,423)
At 31 December 2014	360
Depreciation for the year	900
At 31 December 2015	1,260
Carrying value:	
At 1 January 2014	–
At 31 December 2014	1,081
At 31 December 2015	5,177

The depreciation expense is charged to administrative expenses.

11. Trade receivables

	2015 $	2014 $
Outside parties	316,386	96,648
Unbilled revenue	173,590	275,613
	489,976	372,261

12. Other assets

	2015 $	2014 $
Deposits to secure services	5,000	5,000
Prepayments	2,500	2,500
	7,500	7,500

13. Cash and cash equivalents

	2015 $	2014 $
Not restricted in use	700,604	283,494
Cash under restricted funds (Note A)	172,860	241,548
	873,464	525,042

Note A: Cash and cash equivalents restricted in use are deposits placed in banks amounted to $172,860 (2014: $ 241,548) under the restricted funds (Note 14).

13A. Cash and cash equivalents in the statement of cash flows:

	2015 $	2014 $
Amount as shown above	873,464	525,042
Restricted in use	(172,860)	(241,548)
Cash and cash equivalents for statement of cash flows purposes at end of the year	700,604	283,494

14. Fund accounts balance

	2015 $	2014 $
Unrestricted fund:		
Accumulated fund	1,064,896	468,472
Total unrestricted fund	1,064,896	468,472
Restricted fund:		
Cultural Matching Fund	70,359	74,278
Total restricted fund	70,359	74,278

Accumulated fund is a general fund that is set up to finance the operations of the company and all other expenses to carry out the mission of the company.

The restricted fund relates to the Cultural Matching Fund (CMF) that is granted by The Trust Secretary of CMF, care of The National Arts Council. The utilisation of the grant is only applicable for those permitted purposes according to Deed of Acceptance of Conditions of Grant dated 20 November 2014 and 23 October 2015.

A large majority of the assets and liabilities are attributable to the accumulated fund. All the assets of restricted fund is represented by cash balances. Accordingly, the company did not adopt a columnar presentation of its assets, liabilities and fund in the Statement of Financial Position as it was not meaningful.

15. Trade payables

	2015 $	2014 $
Trade payables:		
Outside parties and accrued liabilities	238,187	362,289
Related party (Note 3)	2,675	845
Total trade payables	240,862	363,134

16. Operating lease payment commitments – as lessee

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	2015 $	2014 $
Not later than one year	28,920	30,000
Later than one year and not later than five years	35,700	7,500
Rental expenses for the year	30,000	22,500

Operating lease payments are for rentals payable for the office. The latest committed lease term is for 2 years effective from 1 April 2016. The lease rental terms are negotiated for an average term of two years.

17. Financial instruments: information on financial risks

17A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2015 $	2014 $
Financial assets:		
Cash and cash equivalents	873,464	525,042
Trade receivables	489,976	372,261
At end of year	1,363,40	897,303
Financial liabilities:		
Trade and other payables at amortised cost	240,862	363,134
At end of year	240,862	363,134

Further quantitative disclosures are included throughout these financial statements.

17. Financial instruments: information on financial risks (cont'd)

17B. 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. The directors of the company have put in place certain practices for the management of the financial risks, to be carried out by management. However, these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff, reporting to the directors of the company where necessary.

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

17C. 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.

17D. 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, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss.

Note 13 discloses the maturity of the cash and cash equivalents balances.

As at the end of the reporting year, there were no amounts that were impaired.

Concentration of trade receivable customers as at the end of reporting year:

	2015	2014
	$	$
Top 1 customer	300,000	120,879
Top 2 customers	392,800	182,279
Top 3 customers	424,433	206,279

17. Financial instruments: information on financial risks (cont'd)

17E. Liquidity risk – financial liabilities maturity analysis

There are no liabilities contracted to fall due after twelve months at the end of the reporting 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 payables is about 30 days (2014: 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.

17F. 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.

17G. Foreign currency risks

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

18. Changes and adoption of financial reporting standards

For the current reporting year new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable 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	Amendments to FRS 1: Disclosure Initiative (early application)

19. New or amended standards in issue but not yet effective

New or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable 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 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 109	Financial Instruments	1 Jan 2018