

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

(Registration No: 199404067R)

(Registered under the Charities Act, Chapter 37 and Companies Act, Chapter 50)

Statement by Directors and Financial Statements

Period from 1 January 2018 to 31 March 2019

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

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SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Statement by Directors and Financial Statements

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SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Statement by Directors

The directors of the Company are pleased to present the financial statements of the Company for the reporting period ended 31 March 2019. The reporting period covers the period from 1 January 2018 to 31 March 2019.

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 period covered by the financial statements; and
- (b) at the date of the 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.

2. Directors

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

Boo Junfeng	(Appointed on 8 June 2018)
Han Minli	(Appointed on 23 January 2019)
Loh Chay Koon Winifred	
Low Su-Im Jean	(Appointed on 8 June 2018)
Seah Chang Wei Alan	(Appointed on 8 June 2018)
Sharma Haresh Parmanand	(Appointed on 8 June 2018)
Tan Lai Whatt, Sebastian	(Appointed on 8 June 2018)
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.

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD


5. Independent auditor

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

On behalf of the directors



.....
Tan Lai Whatt, Sebastian
Director



.....
Low Su-Im Jean
Director

09 SEP 2019

**Independent Auditor's Report to the Members of
SINGAPORE INTERNATIONAL FILM FESTIVAL LTD****RSM Chio Lim LLP**8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095

T +65 6533 7600

F +65 6594 7811

Report on the audit of the financial statements

Audit@RSMSingapore.sg

www.RSMSingapore.sg

Opinion

We have audited the accompanying financial statements of Singapore International Film Festival Ltd (the "Company") which comprise the statement of financial position as at 31 March 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting period from 1 January 2018 to 31 March 2019, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Singapore Financial Reporting Standards ("SFRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in the funds and cash flows of the Company for the period ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the Statement by Directors and annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent Auditor's Report to the Members of
SINGAPORE INTERNATIONAL FILM FESTIVAL LTD**

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Responsibilities of management and those charged with governance 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 financial reporting standards, the Act, and the Charities Act and Regulations, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors and the governing board. Their responsibilities include overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**Independent Auditor's Report to the Members of
SINGAPORE INTERNATIONAL FILM FESTIVAL LTD**

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Auditor's responsibilities for the audit of the financial statements (cont'd)

- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

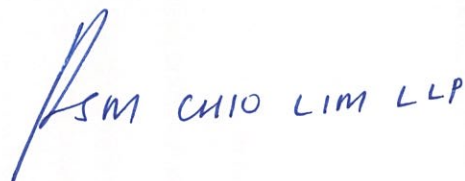
Report on other legal and regulatory requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the reporting period:

- (a) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Uthaya Chandrikaa D/O Ponnusamy.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

9 September 2019

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Statement of Financial Activities Period Ended 31 March 2019

Notes

1 January 2018 to 31 March 2019

1 January 2017 to 31 December 2017

		Unrestricted Fund	Restricted Fund	Unrestricted Fund	Restricted Fund	Total
		Accumulated Fund \$	Cultural Matching Fund \$	Accumulated Fund \$	Cultural Matching Fund \$	Total \$
<u>INCOMING RESOURCES:</u>						
Point in time	4					
Donations		405,606	–	938,024	–	938,024
Sponsorship income		572,003	–	587,371	–	587,371
Government grants		24,607	916,484	23,389	831,650	855,039
Ticket sales		125,175	–	124,015	–	124,015
Total incoming resources		1,127,391	916,484	1,672,799	831,650	2,504,449
<u>RESOURCES EXPENDED:</u>						
Programming/festival expenses	5	(507,325)	(485,311)	(651,790)	(256,275)	(908,065)
Employee salaries and benefits expenses	6	(455,842)	(469,630)	(468,711)	(41,082)	(509,793)
Depreciation expenses	10	(2,664)	–	(2,058)	–	(2,058)
Office rental	16	(75,848)	–	(30,559)	–	(30,559)
Other gains	7	94,143	–	98,838	–	98,838
Other losses	7	(696)	–	(318)	–	(318)
Other expenses	8	(85,617)	(42,654)	(139,788)	(7,187)	(146,975)
Total resources expended		(1,033,849)	(997,595)	(1,194,386)	(304,544)	(1,498,930)
Surplus/(deficit) for the reporting period/year		93,542	(81,111)	478,413	527,106	1,005,519
Balance at beginning of the period/year		1,924,599	1,070,881	1,446,186	543,775	1,989,961
Balance at end of the period/year		2,018,141	989,770	1,924,599	1,070,881	2,995,480

The accompanying notes form an integral part of these financial statements

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Statement of Financial Position As at 31 March 2019

	<u>Notes</u>	31 March <u>2019</u> \$	31 December <u>2017</u> \$
ASSETS			
<u>Non-current assets</u>			
Office equipment	10	2,233	2,940
Total non-current assets		<u>2,233</u>	<u>2,940</u>
<u>Current assets</u>			
Trade receivables	11	79,350	243,746
Other non-financial assets	12	19,555	7,140
Cash and cash equivalents	13	2,944,744	3,002,705
Total current assets		<u>3,043,649</u>	<u>3,253,591</u>
Total assets		<u>3,045,882</u>	<u>3,256,531</u>
FUNDS AND LIABILITIES			
<u>Unrestricted fund</u>			
Accumulated fund	14	2,018,141	1,924,599
<u>Restricted fund</u>			
Cultural matching fund	14	989,770	1,070,881
Total funds		<u>3,007,911</u>	<u>2,995,480</u>
<u>Current liabilities</u>			
Trade payables	15	37,971	261,051
Total current liabilities		<u>37,971</u>	<u>261,051</u>
Total liabilities		<u>37,971</u>	<u>261,051</u>
Total funds and liabilities		<u>3,045,882</u>	<u>3,256,531</u>

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

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Statement of Changes in Funds Period Ended 31 March 2019

	31 March <u>2019</u> \$	31 December <u>2017</u> \$
Opening balance at beginning of the period/year	2,995,480	1,989,961
Changes in funds:		
Net surplus for the period/year	12,431	1,005,519
Closing balance at end of the period/year	<u>3,007,911</u>	<u>2,995,480</u>

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

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Statement of Cash Flows Period ended 31 March 2019

	1 January 2018 to 31 March 2019 \$	1 January 2017 to 31 December 2017 \$
<u>Cash flows from operating activities</u>		
Surplus for the period/year	12,431	1,005,519
Adjustment for:		
Depreciation of office equipment	2,664	2,058
Operating cash flows before changes in working capital	15,095	1,007,577
Trade receivables	164,396	616,209
Other non-financial assets	(12,415)	–
Trade payables	(223,080)	(64,624)
Net cash flows (used in)/from operating activities	(56,004)	1,559,162
<u>Cash flows from investing activities</u>		
Purchase of office equipment	(1,957)	(1,966)
Cash restricted in use	203,921	(596,606)
Net cash flows from/(used in) investing activities	201,964	(598,572)
Net increase in cash and cash equivalents	145,960	960,590
Cash and cash equivalents, statement of cash flows, beginning balance	1,810,179	849,589
Cash and cash equivalents, statement of cash flows, ending balance (Note 13A)	1,956,139	1,810,179

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

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Notes to the Financial Statements 31 March 2019

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, Chapter 37 on 1 July 1997. The Company is also an approved Institutions of a Public Character ("IPC") 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 (2017: 3 members) at the end of the reporting period.

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: 18 New Industrial Road, #05-05, Singapore 536205. The Company is situated in Singapore. The principal place of business is: 2 Orchard Link, #05-09 *SCAPE, Singapore 237978.

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

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRSs") and the related interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and Charities Act, Chapter 37.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

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. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient, the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

(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 at point in time 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.

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

(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.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Income tax

As a charity, the Company is exempted from tax on income and gains falling within section 13(1)(zm) 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 measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Office equipment

Office equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method 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%
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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.

The gain or loss arising from the derecognition of an item of office equipment 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 costs 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 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.

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

2. 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 instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at FVTPL. There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

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 that form an integral part of cash management.

Fair value measurement

The fair value is 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. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. 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.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

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

Funds 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 funds and are in contrast with unrestricted funds over which management retains full control of 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.

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2. 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

The financial reporting standard 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.

A related party includes the directors and key management of the Company. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

All directors and staff members of the Company are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in a conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The directors are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.

There are no paid staff who are close members of the family of the directors, and whose remuneration each exceeds \$50,000 during the year.

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 and transfer of resources, services or obligations, if any, are unsecured, without fixed repayment terms and interest or charge 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:

	<u>Related parties</u>	
	<u>1 January 2018 to 31 March 2019</u>	<u>1 January 2017 to 31 December 2017</u>
	\$	\$
Fees paid to companies in which certain directors have an interest	45,716	65,985

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3. Related party relationships and transactions (cont'd)

3B. Key management compensation:

	1 January 2018 to 31 March 2019 \$	1 January 2017 to 31 December 2017 \$
Salaries and other short-term employee benefits	128,500	73,667

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 is for a senior management personnel 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 2.5 times (2017: 2.5) times tax deduction for the donations made to the Company. The current IPC status was initially granted by Ministry of Culture, Community and Youth for the period from 1 October 2017 to 30 September 2018. The IPC status was further renewed from 1 October 2018 to 30 September 2021.

	1 January 2018 to 31 March 2019 \$	1 January 2017 to 31 December 2017 \$
Donation income	405,606	938,024
Tax-exempt receipts issued for donations collected during the reporting period	344,696	898,624

5. Programming/festival expenses

	1 January 2018 to 31 March 2019 \$	1 January 2017 to 31 December 2017 \$
Advertising and promotions	103,886	116,080
Cinema and rental	84,040	64,359
Film awards-silver screen	178,001	166,422
Gala screening expenses	158,840	98,004
Project and workshop expenses	85,749	118,568
Sub-contract expenses	237,660	242,496
Travelling and accommodation	86,189	48,815
Other miscellaneous expenses	58,271	53,321
Total programming/festival expense	992,636	908,065

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6. Employee salaries and benefits expenses

	1 January 2018 to 31 March 2019	1 January 2017 to 31 December 2017
	\$	\$
Employee salaries	830,239	449,164
Contributions to defined contribution plan	95,233	60,629
Total employee benefits expense	<u>925,472</u>	<u>509,793</u>

7. Other gains and (other losses)

	1 January 2018 to 31 March 2019	1 January 2017 to 31 December 2017
	\$	\$
Foreign exchange translation losses	(696)	(318)
Merchandise sales	2,201	1,299
Miscellaneous gains	15,200	32,985
Government grant	5,742	5,028
Interest income	6,000	9,326
Commissioned projects	65,000	50,200
	<u>93,447</u>	<u>98,520</u>
Presented in profit or loss as:		
Other gains	94,143	98,838
Other losses	(696)	(318)
Net	<u>93,447</u>	<u>98,520</u>

8. Other expenses

	1 January 2018 to 31 March 2019	1 January 2017 to 31 December 2017
	\$	\$
Bank charges	5,558	4,173
Computer expenses	3,342	2,949
Fund raising and related marketing expenses	54,972	59,157
Professional fees	36,608	60,974
Telecommunication, internet and email	3,192	2,030
Repair and maintenance	3,696	1,894
Transport	6,525	3,991
Other miscellaneous expenses	14,378	11,807
Total other expenses	<u>128,271</u>	<u>146,975</u>

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9. Income tax

The Company is exempted from tax on income and gain falling within section 13(1)(zm) 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 \$
<u>Cost:</u>	
At 1 January 2017	6,437
Additions	1,966
At 31 December 2017	8,403
Additions	1,957
At 31 March 2019	10,360
<u>Accumulated depreciation:</u>	
At 1 January 2017	3,405
Depreciation for the year	2,058
At 31 December 2017	5,463
Depreciation for the period	2,664
At 31 March 2019	8,127
<u>Carrying value:</u>	
At 1 January 2017	3,032
At 31 December 2017	2,940
At 31 March 2019	2,233

11. Trade receivables

	31 March 2019 \$	31 December 2017 \$
Outside parties	79,350	137,457
Unbilled revenue	—	106,289
	79,350	243,746

The trade receivables, which largely relate to sponsorship monies, shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually. At the end of the reporting year, a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

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12. Other assets

	31 March 2019 \$	31 December 2017 \$
Deposits to secure services	19,555	7,140

13. Cash and cash equivalents

	31 March 2019 \$	31 December 2017 \$
Not restricted in use	1,956,139	1,810,179
Cash under restricted funds (Note A)	988,605	1,192,526
	<u>2,944,744</u>	<u>3,002,705</u>

Note A: Cash under restricted funds relates to deposits placed in bank for the Cultural Matching Fund (Note 14).

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

	31 March 2019 \$	31 December 2017 \$
Amount as shown above	2,944,744	3,002,705
Restricted in use	(988,605)	(1,192,526)
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>1,956,139</u>	<u>1,810,179</u>

14. Fund accounts balance

	31 March 2019 \$	31 December 2017 \$
<u>Unrestricted fund:</u>		
Accumulated fund	2,018,141	1,924,599
Total unrestricted fund	<u>2,018,141</u>	<u>1,924,599</u>
<u>Restricted fund:</u>		
Cultural Matching Fund	989,770	1,070,881
Total restricted fund	<u>989,770</u>	<u>1,070,881</u>

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 Deeds of Acceptance of Conditions of Grant dated 20 November 2014, 23 October 2015, 25 August 2016, 15 November 2017 and 13 December 2018.

A large majority of the assets and liabilities are attributable to the accumulated fund. All of the assets of restricted fund are 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.

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15. Trade payables

	31 March 2019 \$	31 December 2017 \$
Outside parties and accrued liabilities	37,671	257,194
Related party (Note 3)	300	3,857
	<u>37,971</u>	<u>261,051</u>

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:

	31 March 2019 \$	31 December 2017 \$
Not later than one year	78,903	7,140
Later than one year and not later than five years	<u>16,438</u>	<u>–</u>
Rental expenses for the year	<u>75,848</u>	<u>30,559</u>

Operating lease payments are for rentals payable for the office. The latest committed lease term is for 2 years effective from 13 June 2018. 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:

	31 March 2019 \$	31 December 2017 \$
<u>Financial assets:</u>		
Financial assets at amortised cost	<u>3,024,094</u>	<u>3,246,451</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>37,971</u>	<u>261,051</u>

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 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 those charged with governance 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 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 are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets 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 expected credit losses ("ECL") on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach, the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

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

17E. Liquidity risk – financial liabilities maturity analysis

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. 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 (2017: 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.

18. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements, other than expanded disclosures.

<u>SFRS No.</u>	<u>Title</u>
SFRS 109	Financial Instruments
SFRS 115	Revenue from Contracts with Customers. Amendments to, Clarifications to SFRS 115 Revenue from Contracts with Customers
INT SFRS 122	Foreign Currency Transactions and Advance Consideration

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

For the future reporting years, certain new or revised financial reporting standards 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 any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>SFRS No.</u>	<u>Title</u>	Effective date for periods beginning <u>on or after</u>
SFRS 116	Leases (and Leases - Illustrative Examples and Amendments to Guidance on Other Standards)	1 January 2019

19. New or amended standards in issue but not yet effective (cont'd)

Leases

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessor, the accounting remains largely unchanged. As for the finance leases of a lessee, as the financial statements have already recognised an asset and a related finance lease liability for the lease arrangement, the application of the new reporting standard on leases is not expected to have a material impact on the amounts recognised in the financial statements. For the lessee almost all leases will be brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. For the Company's non-cancellable operating lease commitments as at 31 March 2019 shown in note 16, a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under the new reporting standard on leases. Thus, the entity will have to recognise a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. However, it is not practicable to provide a reasonable financial estimate of that effect until the detailed review by management is completed.

20. Comparative figures

The financial statements for 31 December 2017 cover the reporting year from 1 January 2017 to 31 December 2017. The financial statements for 31 March 2019 cover the fifteen months period ended 31 March 2019. Therefore, the comparative amounts for the statement of financial activities, statement of changes in funds, statement of cash flows, and related notes are not entirely comparable.

