

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

(Registration No: 199404067R)

(Registered under the Charities Act 1994 and Companies Act 1967)

Statement by Directors and Financial Statements

Year Ended 31 March 2022

RSM Chio Lim LLP

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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 year ended 31 March 2022.

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 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
Han Minli
Loh Chay Koon Winifred
Seah Chang Wei Alan
Sharma Haresh Parmanand
Loh Ji Kin
Tham Kwang Huseh Yvonne
Tan Yi-Ping Jacqueline

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 a company limited by guarantee and has no share capital.

4. Options

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

5. Independent auditor

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

On behalf of the directors



Boo Junfeng
Director

16 September 2022



Han Minli
Director

**Independent Auditor's Report to the Members of
SINGAPORE INTERNATIONAL FILM FESTIVAL LTD****Report on the audit of the financial statements****Opinion**

We have audited the accompanying financial statements of Singapore International Film Festival Ltd, which comprise the statement of financial position as at 31 March 2022, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting year then ended, 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 1967 (the "Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of the financial performance, changes in funds and cash flows of the Company for the year 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.

The directors' 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.

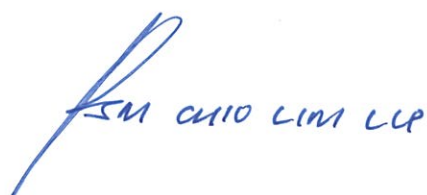
Report on other legal and regulatory requirements

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

16 September 2022

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Statement of Financial Activities Year Ended 31 March 2022

	Notes	2022		2021	
		Unrestricted Fund	Restricted Fund	Unrestricted Fund	Restricted Fund
		Accumulated Fund \$	Cultural Matching Fund \$	Accumulated Fund \$	Cultural Matching Fund \$
					Total \$
<u>INCOMING RESOURCES:</u>					
Point in time					
Donations	4	280,795	–	195,321	–
Sponsorship income		236,613	–	1,742,644	–
Government grants	5	1,872	212,625	1,532,842	392,178
Ticket sales		83,771	–	61,140	–
Total incoming resources		603,051	212,625	3,531,947	392,178
					3,924,125
<u>RESOURCES EXPENDED:</u>					
Programming/festival expenses	6	(705,423)	3,131	(2,190,920)	–
Employee salaries and benefits expenses	7	(456,461)	(73,666)	(535,971)	–
Depreciation of office equipment	12	(834)	–	(1,172)	–
Depreciation of right-of-use asset	13	(14,027)	–	(33,665)	–
Office rental		(19,950)	–	–	–
Interest expense on lease liabilities	9	(39)	–	(489)	–
Other gains	8	7,021	–	99,380	–
Other losses	8	–	–	(4,165)	–
Other expenses	10	(70,209)	(4,935)	(78,384)	–
Total resources expended		(1,259,922)	(75,470)	(2,745,386)	–
					(2,745,386)
(Deficit) / Surplus for the reporting year		(656,871)	137,155	786,561	392,178
					1,178,739
Balance at beginning of the year		1,670,618	1,007,850	884,057	615,672
Balance at end of the year		1,013,747	1,145,005	1,670,618	1,007,850
					2,678,468

The accompanying notes form an integral part of these financial statements

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Statement of Financial Position
As at 31 March 2022

	<u>Notes</u>	<u>2022</u> \$	<u>2021</u> \$
ASSETS			
<u>Non-current assets</u>			
Office equipment	12	1,366	482
Right-of-use asset	13	–	14,027
Total non-current assets		<u>1,366</u>	<u>14,509</u>
<u>Current assets</u>			
Trade and other receivables	14	4,180	240,098
Other non-financial assets	15	6,710	10,870
Cash and cash equivalents	16	2,278,313	2,586,584
Total current assets		<u>2,289,203</u>	<u>2,837,552</u>
Total assets		<u>2,290,569</u>	<u>2,852,061</u>
FUNDS AND LIABILITIES			
<u>Unrestricted fund</u>			
Accumulated Fund	17	1,013,747	1,670,618
<u>Restricted fund</u>			
Cultural Matching Fund	17	1,145,005	1,007,850
Total funds		<u>2,158,752</u>	<u>2,678,468</u>
LIABILITIES			
<u>Current liabilities</u>			
Trade and other payables	18	131,817	123,483
Lease liabilities	19	–	14,210
Other non-financial liabilities	20	–	35,900
Total current liabilities		<u>131,817</u>	<u>173,593</u>
Total liabilities		<u>131,817</u>	<u>173,593</u>
Total funds and liabilities		<u>2,290,569</u>	<u>2,852,061</u>

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

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Statement of Changes in Funds Year Ended 31 March 2022

	<u>2022</u> \$	<u>2021</u> \$
Opening balance at beginning of the year	2,678,468	1,499,729
Changes in funds:		
Net (deficit) / surplus for the year	<u>(519,716)</u>	<u>1,178,739</u>
Closing balance at end of the year	<u>2,158,752</u>	<u>2,678,468</u>

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

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Statement of Cash Flows Year ended 31 March 2022

	<u>2022</u> \$	<u>2021</u> \$
<u>Cash flows (used in) / from operating activities</u>		
(Deficit) / surplus for the year	(519,716)	1,178,739
Adjustment for:		
Depreciation of office equipment	834	1,172
Depreciation of right-of-use asset	14,027	33,665
Interest expense on lease liabilities	39	489
Covid-19 related rent concession from lessor	–	(5,700)
Bad debts written off for trade receivables	–	3,850
Operating cash flows before changes in working capital	(504,816)	1,212,215
Trade and other receivables	235,918	(231,098)
Other non-financial assets	4,160	16,280
Trade and other payables	8,334	(9,586)
Other non-financial liabilities	(35,900)	35,900
Net cash flows (used in) / from operating activities	<u>(292,304)</u>	<u>1,023,711</u>
<u>Cash flows used in investing activities</u>		
Purchase of office equipment	(1,718)	–
Cash restricted in use	(332,353)	(196,980)
Net cash flows used in investing activities	<u>(334,071)</u>	<u>(196,980)</u>
<u>Cash flows used in financing activities</u>		
Lease payments representing cash flows used in financing activities	<u>(14,249)</u>	<u>(28,500)</u>
Net (decrease) / increase in cash and cash equivalents	(640,624)	798,231
Cash and cash equivalents, statement of cash flows, beginning balance	<u>1,773,932</u>	<u>975,701</u>
Cash and cash equivalents, statement of cash flows, ending balance (Note 16A)	<u>1,133,308</u>	<u>1,773,932</u>

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

SINGAPORE INTERNATIONAL FILM FESTIVAL LTD

Notes to the Financial Statements 31 March 2022

1. General

Singapore International Film Festival Ltd (the "Company") is a not-for-profit organisation limited by guarantee, incorporated under the Companies Act 1967. The Company was registered as a charity under the Charities Act 1994 on 1 July 1997. The Company is also an approved Institutions of a Public Character ("IPC") under the Income Tax Act 1947. 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 8 members (2021: 8 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: 83B Rowell Road, Singapore 208015. The Company is situated in Singapore.

The board of directors approved and authorised these financial statements for issue on the date of statement by directors. The directors have the power to amend and reissue the financial statements.

Covid-19 pandemic and the aftermath

Management has reviewed the estimated potential impact and plausible downside scenarios, along with its responses as a result of the Covid-19 pandemic. The pandemic will continue to have an impact to the company's income from holding live events and sponsorships due to the decrease in productions. The Company's ability to generate sufficient cash flows from its operations and the availability of sufficient funds for its operations amidst the ongoing Covid-19 pandemic were important considerations in the use of going concern assumption to prepare the financial statements. Management continues to monitor the situation closely and to mitigate the financial impact, it is carefully managing its operations by adopting an operating cost reduction strategy.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967 and Charities Act 1994.

1. General (cont'd)

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.

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 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) Sale of tickets

Income from sale of tickets is recognised at point in time when the service has been rendered.

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

2A. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

(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.

Sponsorship-in-kind are recognised at point in time upon delivery of the goods or acceptance of the services. Sponsorship-in-kind are measured at the fair value of the goods received and services rendered at point in time.

(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.

(v) Government grants

A government grant is recognised at fair value in the statement of financial activities as an incoming resource when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grant 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.

Income tax

As a charity, the Company is exempted from tax on income and gains falling within section 13R of the Income Tax Act 1947 to the extent that these are applied to its charitable objects. No tax charges have arisen for the Company.

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.

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.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment.

Rental of office premise	–	Over the term of lease that has been assessed to be 2 years
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Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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

2A. Significant accounting policies (cont'd)

Carrying amounts 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.

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

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

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.
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 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.

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 and integral part of cash management.

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 to use in achieving any of its institutional purposes. An expense resulting from operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

2B. Other explanatory information

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

2C. Critical judgements, assumptions and estimation uncertainties

The 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 and the 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 currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Value of sponsorship-in-kind

Sponsorship-in-kind are measured at the fair value of the goods received and services rendered at a point in time. If not indicated by the donor, the fair value of the goods or services received is determined by available market prices of these goods or services.

The value of the sponsorship-in-kind recognised for the current year is \$193,002 (2021: \$1,702,000) and is disclosed in Note 6.

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 interest. 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.

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

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>2022</u>	<u>2021</u>
	\$	\$
Fees paid to companies in which certain directors have an interest	<u>(20,027)</u>	<u>(10,711)</u>

3B. Key management compensation:

	<u>2022</u>	<u>2021</u>
	\$	\$
Salaries and other short-term employee benefits	<u>137,355</u>	<u>133,175</u>

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 (2021: 2.5) times tax deduction for the donations made to the Company. The IPC status was initially granted by Ministry of Culture, Community and Youth for the period from 1 October 2018 to 30 September 2021. The IPC status was further extended from 1 October 2021 to 30 September 2023.

	<u>2022</u>	<u>2021</u>
	\$	\$
Donation income	<u>280,795</u>	<u>195,321</u>
Tax-exempt receipts issued for donations collected during the reporting year	<u>65,845</u>	<u>44,605</u>

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5. Government grants

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Restricted fund</u>		
Cultural Matching Fund (Note A)	212,625	392,178
<u>Unrestricted fund</u>		
Infocomm Media Development Authority Fund (Note B)	24,646	1,350,000
Refund of funds received in prior year (Note B)	(90,394)	–
Government grants from job support scheme (Note C)	35,900	182,842
National Youth Fund	4,044	–
Job growth Incentive and wage credit scheme	16,149	–
Others	11,527	–
Total government grants	<u>214,497</u>	<u>1,925,020</u>

Note A: The Cultural Matching Fund is a fund set up by the Ministry of Culture, Community and Youth to provide dollar-for-dollar matching grants for private cash donations to arts and heritage charities and IPC.

Note B: The Infocomm Media Development Authority (“IMDA”) Fund was received from IMDA to support the qualifying cost in relation to the film festival. In 2022, there was an accrual made for refund of \$90,394 to IMDA as certain conditions were not met.

Note C: The purpose of the job support scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19.

6. Programming/festival expenses

	<u>2022</u>	<u>2021</u>
	\$	\$
Advertising and promotions	89,603	104,642
Cinema and rental (Note A)	124,379	68,128
Film awards-silver screen (Note B)	123,589	113,740
Gala screening expenses (Note C)	59,515	1,603,736
Project and workshop expenses	117,879	160,408
Sub-contract expenses	59,122	55,064
Travelling and accommodation	21,995	–
Other miscellaneous expenses (Note D)	106,210	85,202
Total programming/festival expense	<u>702,292</u>	<u>2,190,920</u>

Note A: Included is an amount of \$18,002 (2021: \$Nil) relating to sponsorship in-kind.

Note B: Included is an amount of \$66,500 (2021: \$55,500) relating to sponsorship in-kind.

Note C: Included is an amount of \$50,000 (2021: \$1,600,000) relating to sponsorship in-kind.

Note D: Included is an amount of \$58,500 (2021: \$46,500) relating to sponsorship in-kind.

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7. Employee salaries and benefits expense

	<u>2022</u>	<u>2021</u>
	\$	\$
Employee salaries	461,508	477,347
Contributions to defined contribution plan	68,619	58,624
Total employee salaries and benefits expense	<u>530,127</u>	<u>535,971</u>

8. Other gains and (other losses)

	<u>2022</u>	<u>2021</u>
	\$	\$
Foreign exchange translation losses	—	(315)
Bad debts written off for trade receivables	—	(3,850)
Merchandise sales	950	2,947
Miscellaneous gains	4,654	6,873
Government grant	—	14,382
Interest income	1,417	4,528
Commissioned projects	—	70,650
	<u>7,021</u>	<u>95,215</u>
Presented in profit or loss as:		
Other gains	7,021	99,380
Other losses	—	(4,165)
Net	<u>7,021</u>	<u>95,215</u>

9. Finance cost

	<u>2022</u>	<u>2021</u>
	\$	\$
Interest on lease liabilities	<u>39</u>	<u>489</u>

10. Other expenses

	<u>2022</u>	<u>2021</u>
	\$	\$
Bank charges	6,262	4,962
Computer expenses	8,829	15,942
Professional fees	38,553	39,985
Telecommunication, internet and email	1,460	1,987
Transport	58	433
Other miscellaneous expenses	19,982	15,075
Total other expenses	<u>75,144</u>	<u>78,384</u>

11. Income tax

The Company is exempted from tax on income and gain falling within section 13R of the Income Tax Act 1947 to the extent that these are applied to its charitable objects. Therefore, no provision for income tax has been made in the financial statements.

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12. Office equipment

	Office equipment \$
<u>Cost:</u>	
At 1 April 2020 and 31 March 2021	11,265
Additions	1,718
At 31 March 2022	<u>12,983</u>
<u>Accumulated depreciation:</u>	
At 1 April 2020	9,611
Depreciation for the year	1,172
At 31 March 2021	<u>10,783</u>
Depreciation for the year	834
At 31 March 2022	<u>11,617</u>
<u>Carrying value:</u>	
At 1 April 2020	<u>1,654</u>
At 31 March 2021	<u>482</u>
At 31 March 2022	<u>1,366</u>

13. Right-of-use assets

The details of right-of-use assets in the statement of financial position are as follows:

	Office premise \$
<u>Cost:</u>	
At 1 April 2020 and 31 March 2021	67,330
Written off upon expiry	<u>(67,330)</u>
At 31 March 2022	<u>–</u>
<u>Accumulated depreciation:</u>	
At 1 April 2020	19,638
Depreciation for the year	33,665
At 31 March 2021	<u>53,303</u>
Depreciation for the year	14,027
Written off upon expiry	<u>(67,330)</u>
At 31 March 2022	<u>–</u>
<u>Carrying value:</u>	
At 1 April 2020	<u>47,692</u>
At 31 March 2021	<u>14,027</u>
As at 31 March 2022	<u>–</u>

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14. Trade and other receivables

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Trade receivables</u>		
Outside parties	4,180	9,000
Grant receivables	—	231,098
Total trade and other receivables	<u>4,180</u>	<u>240,098</u>
<u>Movements in above allowance:</u>		
Balance at beginning of the year	—	15,000
Bad debts written off	—	(15,000)
Balance at end of the year	<u>—</u>	<u>—</u>

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

15. Other non-financial assets

	<u>2022</u>	<u>2021</u>
	\$	\$
Deposits to secure services	<u>6,710</u>	<u>10,870</u>

16. Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
	\$	\$
Not restricted in use	1,133,308	1,773,932
Cash under restricted funds (Note 16A)	1,145,005	812,652
	<u>2,278,313</u>	<u>2,586,584</u>

Note A: Cash under restricted funds relates to deposits placed in bank for the Cultural Matching Fund (Note 17).

16A. Cash and cash equivalents in the statement of cash flows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Amount as shown above	2,278,313	2,586,584
Restricted in use	(1,145,005)	(812,652)
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>1,133,308</u>	<u>1,773,932</u>

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17. Fund accounts balance

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Unrestricted fund:</u>		
Accumulated Fund	1,013,747	1,670,618
Total unrestricted Fund	<u>1,013,747</u>	<u>1,670,618</u>
<u>Restricted fund:</u>		
Cultural Matching Fund	1,145,005	1,007,850
Total restricted fund	<u>1,145,005</u>	<u>1,007,850</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 (the "Trust Secretary"), 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, 13 December 2018 and 25 November 2021.

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.

18. Trade and other payables

	<u>2022</u>	<u>2021</u>
	\$	\$
Outside parties and accrued liabilities	41,423	110,582
Grant payable ^(a)	90,394	12,901
	<u>131,817</u>	<u>123,483</u>

^(a) Grant payable relates to the IMDA grant (2021: National Youth Fund grant) to be returned as the conditions were not met.

19. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Lease liabilities, current	<u>—</u>	<u>14,210</u>

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. The weighted average incremental borrowing rate applied to lease liabilities recognised was 1.65% (2021: 1.65%). The right-of-use asset is disclosed in Note 13.

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19. Lease liabilities (cont'd)

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	<u>2022</u> \$	<u>2021</u> \$
Expenses relating to short-term leases	<u>19,950</u>	<u>—</u>
Total commitments on short-term leases as at year end date	<u>14,250</u>	<u>—</u>

20. Other non-financial liabilities

	<u>2022</u> \$	<u>2021</u> \$
Deferred government grants	<u>—</u>	<u>35,900</u>

21. Financial instruments: information on financial risks

21A. 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:

	<u>2022</u> \$	<u>2021</u> \$
<u>Financial assets:</u>		
Financial assets at amortised cost	<u>2,282,493</u>	<u>2,826,682</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>131,817</u>	<u>137,693</u>

Further quantitative disclosures are included throughout these financial statements.

21B. 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.

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

21C. Fair values of financial instruments

The analysis 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.

21D. 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 general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach, the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired.

However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables. For credit risk on trade receivables and other financial assets, 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.

21E. Liquidity risk – financial liabilities maturity analysis

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, other than in relation to lease liabilities. The average credit period taken to settle trade payables is about 30 days (2021: 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.

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

21E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than one year \$	Two to three years \$	Total \$
Non-derivative financial liabilities:			
<u>2022:</u>			
Trade and other payables	131,817	–	131,817
At end of the year	<u>131,817</u>	<u>–</u>	<u>131,817</u>
Non-derivative financial liabilities:			
<u>2021:</u>			
Trade and other payables	123,483	–	123,483
Lease liabilities	14,250	–	14,250
At end of the year	<u>137,733</u>	<u>–</u>	<u>137,733</u>

21F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	<u>2022</u> \$	<u>2021</u> \$
Financial liabilities with interest		
Fixed rates	<u>–</u>	<u>14,210</u>

Sensitivity analysis: The effect on pre-tax profit is not meaningful.

22. 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 new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

23. 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. 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.

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

<u>FRS No.</u>	<u>Title</u>	Effective date for periods beginning <u>on or after</u>
FRS 1	Classification of Liabilities as Current or Non-current – Amendments to	1 Jan 2023
Various	Annual Improvements to FRSs 2018-2021	1 January 2022