Creative **Media**
CONNECTED SOCIETY

MEDIA DEVELOPMENT AUTHORITY

ANNUAL REPORT

2010 | 2011

CONTENTS

MISSION AND VALUES

The Media Development Authority of Singapore (MDA) promotes and regulates the media sector so as to contribute towards economic growth and help foster a cohesive and inclusive society.

Mission

To ensure a globally competitive Singapore media sector, MDA invests in:

- Enhancing the innovative capacity of the media sector;
- Developing competitive media infrastructure;
- Nurturing quality manpower;
- Supporting sustainable enterprise development; and
- Enabling Singapore media to go global.

At the same time, MDA formulates clear and consistent regulatory policies, based on these guiding principles:

- To foster a pro-business environment for industry players;
- To ensure fair market conduct and effective competition;
- To safeguard consumers' interests;
- To increase media choices for consumers;
- To uphold social values in tandem with societal expectations; and
- To foster a cohesive and inclusive society through quality content with wide reach and impact while promoting nation-building.

Core Values

These core values shape MDA's culture and guide us in our work:

- Integrity
- Care & Respect
- Professionalism
- Innovativeness

CHAIRMAN'S MESSAGE

Over the past year, the media industry saw strong growth in tandem with the strong performance of Singapore's economy.

According to the latest figures from the Department of Statistics and the Economic Development Board, the media sector contributed S$23.9 billion in revenue to the Singapore economy in 2009, recording a Compounded Annual Growth Rate (CAGR) of 7.1% over a five-year period from 2004 to 2009. From 2004 to 2009, Media Value-Added (VA) grew to S$6.4 billion and employment rose to 66,000, representing a 6.9% and 4.9% CAGR respectively. Nominal VA per worker of the media sector grew at 1.8% CAGR over the same period, outperforming the national average of 0.5% CAGR. These indicators show that Singapore's media sector is demonstrating healthy growth.

The most significant event of FY2010 was the abolition of the 48-year old Radio and TV (RTV) licence. The abolition saw MDA undertake a massive exercise to refund over 1.5m licences, amounting to S$82m. From a policy perspective, it did not make sense to continue to levy taxes on owners of television and radio sets when audio-visual and sound content was available through computers and other electronic devices. In this digital age, with global networks like the Internet, the need for good quality public service content has never been more important. From 2011, Public Service Broadcast (PSB) will be funded from Government's general tax revenue. In FY2010, MDA funded over 2,000 hours of locally produced PSB programmes, placing an emphasis on providing the public with a range of diverse, quality content. Performance measurements such as viewership and public satisfaction were introduced to ensure that content producers and broadcasters deliver increasingly engaging, quality content. PSB programmes have also received international accolades, garnering a total of 14 wins at international awards events. MDA will continue to engage the industry to deliver better content for Singaporeans to enjoy.

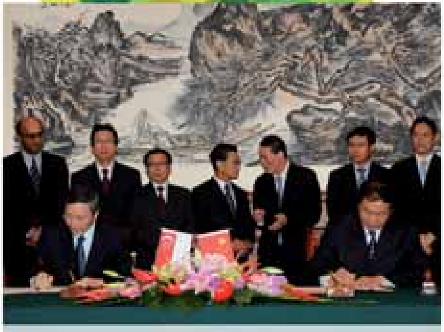
In 2010, MDA facilitated the introduction of 54 new TV channels, 330 new local publications, about 850 films, 16,000 videos and video games as well as 1,100 arts events to give consumers access to more content choices across a diverse range of platforms. Today, consumers enjoy a choice of more than 330 TV channels across multiple transmission platforms and 46 radio channels, up from 57 and 28 respectively in 2002.

Against the backdrop of greater content choices and rapid technological advances, governments grappled with convergence, intellectual property rights issues and demands for greater access versus concerns about erosion of moral values and safeguards for the young.

Recognising the rapidly changing media landscape, the Ministry of Information, Communications and the Arts (MICA)

In FY2010, MDA funded over 2,000 hours of locally produced PSB programmes convened an independent Censorship Review Committee to review Singapore's content policies and issues across various media sectors. The aim of the review was to ensure that standards and regulations adequately reflected societal and technological changes. Over 80% of the recommendations were accepted by the Government. I am pleased to note that MDA is on track to implement all of the recommendations, in phases, by end 2011. MDA will continue to engage the industry and the community on Internet safeguards and content standards.

Turning to industry development, a key priority of MDA has been capability development. In 2010, significant effort was put into developing capabilities in the area of animation, 3D films and TV, and interactive digital media. Another focus has been to build strategic partnerships through government-to-government agreements



Signing of the China-Singapore Film Co-production Agreement on 22 December 2010, to release Singapore-China films theatrically as local productions in China

and industry collaborations with countries such as China, Australia, United States, Canada, South Korea and the United Kingdom.

The global media landscape will continue to change. Amidst this change, MDA expects media companies to be responsive to consumer feedback, particularly in the area of content standards, consumer protection and quality of service. MDA will be enhancing its regulatory functions in order to safeguard consumer and public interests.

Audience enjoying 3D films in cinemas

I would like to thank my predecessor, Dr Tan Chin Nam, for steering MDA as Chairman over the last eight years, and to express my appreciation to the members of the 2009-2010 MDA Board.

I take this opportunity to welcome new members who were appointed to the MDA Board on 1 January 2011. They are: Mr Aubeck Kam, CEO of MDA, Mr Basskaran Nair, Mr Han Neng Hsiu, Mr Ganesh Rajaram, Mr Koh Buck Song, Mrs Mildred Tan and Mdm Moliah Binte Hashim.

Last but not least, I wish to thank our industry partners for their strong support, and all our MDA staff for their passion and hard work in advancing MDA's vision.

MR NIAM CHIANG MENG
CHAIRMAN
Media Development Authority
Singapore

BOARD OF DIRECTORS

MR NIAM CHIANG MENG

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IT & Technology

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MS LING **PEK LING**

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MS PAM HU

DIRECTOR
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DIRECTOR
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Quality Service Manager

MR THAM **WAI KIN**

DIRECTOR
Talent Development

MR THOMAS LIM

DIRECTOR
Interactive Media, Games & Publishing

CREATING AN IDEAL LOCATION FOR MEDIA BUSINESS

Media Financing

During the year of review, media investors and financiers continued to find Singapore a favourable base to conduct their media investment activities.

More than S$380 million in media funds were anchored in Singapore. One of the key funds established was the S$100 million Gobi China-Singapore Media Ventures Fund, aimed at financing digital media and technology companies in early to growth stages. Managed by Gobi Management (Singapore) Pte Ltd, the fund targets Singapore companies entering the Chinese market and enables Chinese companies to internationalise through Singapore.

Singapore-based RGM Media Ltd and News Corporation's Fox International Productions (FIP) also joined hands in injecting fresh funds into the Singapore film sector. RGM has committed to co-finance all of FIP's non-English movies for non-English-speaking markets such as China, India, Russia, Brazil, Korea and Japan. This collaboration signals growing confidence in Singapore's role as a gateway for media activities in Asia, and brings with it another opportunity for the Singapore film sector to work alongside a major international film company.

Flagship Media Trade Events

The higher levels of industry participation and visitorship in 2010 at MDA-hosted flagship media trade events, Asian Television Forum (ATF) and BroadcastAsia (BCA), affirmed Singapore's appeal as a trusted location to do media business.

ATF, the region's top content market, saw a record attendance of 2,862 participants. In tandem with the global economic recovery and Asia's rise as a content consumption base, the number of exhibiting companies increased by 15% to reach 830. Among the 53 countries represented, China, Finland and Japan had country pavilions for the first time. ATF generated a total of US$149 million worth of deals, representing a 68% increase over the previous year.

The Asian Television Forum 2010 saw a record attendance of 2,862 participants

BroadcastAsia 2010, with a focus on stereoscopic 3D technologies, attracted a total of 10,080 international and local trade visitors

BCA, with a focus on stereoscopic 3D technologies, attracted a total of 10,080 international and local trade visitors, a 7% increase over 2009. Its 616 exhibiting companies came from 41 countries with 63 being first-time participants.

Media Manpower Development

Singapore's largely bilingual and technologically-savvy workforce has been a key contributing factor towards the country's reputation as a regional media hub. In the year of review, MDA continued to grow Singapore's manpower capabilities in the media sector through various talent development initiatives.

In FY2010, the Media Education Scheme (MES) awarded 27 scholarships to students and industry professionals keen to pursue further studies in media-related courses locally and overseas. Over the year, 173 students and talents in various media disciplines have also benefited under the Media Training and Attachment (META) programme, through hands-on experience at some 50 media companies such as Side Effects, a visual effects developer in Santa Monica, and SMI Corporation in Hong Kong.

In addition, the International Media Manpower Programme also continued to anchor outstanding foreign media talents here, with the aim of developing the capabilities of Singapore's local talent pool and boosting the quality of work produced out of Singapore. One Animation, for instance, welcomed Mr Enrique Caballero and Mr Jeremy Hall who previously worked on Academy Award-winning best animated film *Happy Feet* and the Harry Potter series respectively. Other organisations such as Republic Polytechnic and World Scientific Publishing Company also benefited from the exchange of knowledge and experience with these international talents.

Wong Hock Hian was one of the 27 students awarded a scholarship under the Media Education Scheme (MES)

Animation work for Astro Boy by Wong Hock Hian

"Mediapolis Phase Ø, occupying 16,000 square metres of interim space in the Ayer Rajah Industrial Estate, is positioned to be an incubator for start-ups and budding entrepreneurs with facilities conducive for test-bedding and prototyping of innovative media concepts."

Mediapolis@one-north

Development of Mediapolis@one-north continued to be on track during the year of review. To be fully completed by 2020, the 19-hectare Mediapolis@one-north is a digital media hub, with state-of-the-art environment capable of supporting the entire media ecosystem from production to financing, distribution and trade.

Development has begun to house the country's first two soundstages, which are expected to be operational end 2012. In 2010, Singapore's national broadcaster MediaCorp also announced that it would relocate to Mediapolis by 2015.

In the meantime, the development of Mediapolis Phase Ø, has begun. Phase Ø, occupying 16,000 square metres of interim space in the Ayer Rajah Industrial Estate, is positioned to be an incubator for start-ups and budding entrepreneurs with facilities conducive for test-bedding and prototyping of innovative media concepts. The pioneering batch of tenants during the year of review included the Games Solutions Centre, a collaboration between MDA and the United Kingdom's Serious Games Institute.

The 19-hectare Mediapolis@one-north, will be fully completed by 2020

FOSTERING A COHESIVE & INCLUSIVE SOCIETY

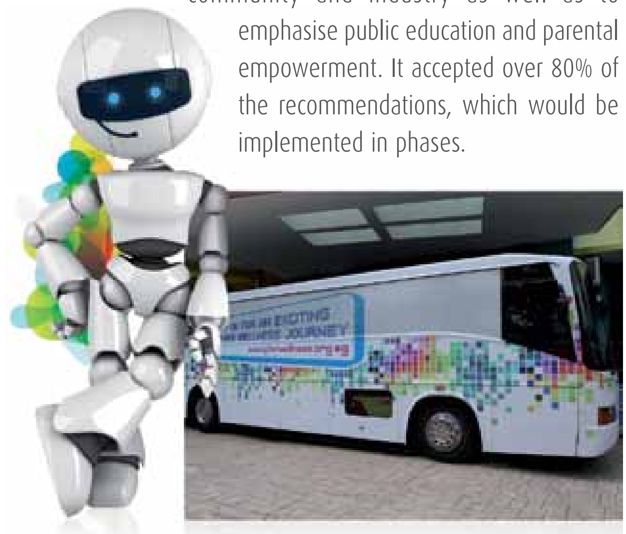
Introduction

Amidst a rapidly changing digital media landscape, MDA regularly reviews and enhances its regulatory framework to ensure it continues to be pro-enterprise, while safeguarding consumer interests through fair market conduct and effective competition. At the same time, MDA strives to empower consumers with the skills to make responsible and discerning media choices in the face of more content and service choices.

Promoting Informed Choice

The Censorship Review Committee (CRC), an independent committee appointed by then Acting Minister for Information, Communications and the Arts Mr Lui Tuck Yew in September 2009, completed a review of content policies and issues across the media sector. The review, completed in September 2010, aimed to ensure that standards and regulations adequately reflect societal and technological changes. It involved focus group sessions with the industry and community groups, and a nationwide public survey to gather views from across different segments of society.

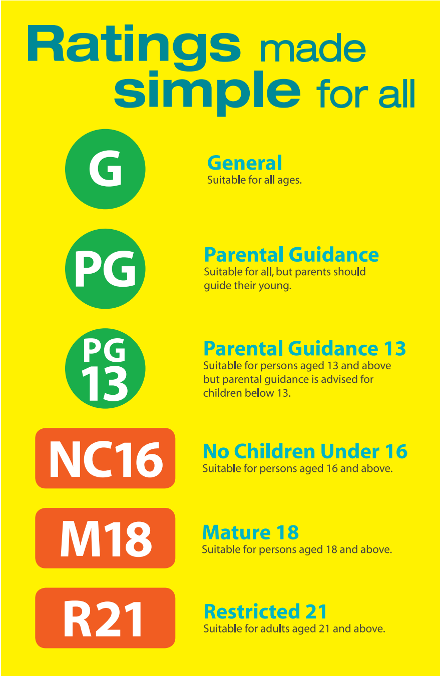
The Government expressed its support for the CRC's key recommendations to foster deeper collaboration among the Government, community and industry as well as to emphasise public education and parental empowerment. It accepted over 80% of the recommendations, which would be implemented in phases.



A roving bus was launched as part of the Cyber Wellness Campaign 2011 to inculcate a healthy cyber culture among students, parents and educators

In February 2011, MDA responded to the CRC's recommendation to step up on public education and empowerment. A nationwide Cyber Wellness Campaign and a resource portal were launched to inculcate a healthy cyber culture among students, parents and educators. In addition, MDA worked with Internet Service Providers (ISPs) to actively promote their Internet filters to subscribers, as part of their class licence obligations.

Efforts were likewise made to prepare for consistent rating symbols for TV, Films and Videos, a new film rating PG13 to provide additional information for parents on films more suited for older children, as well as a more calibrated approach on R21 content by allowing it on Video-On-Demand services on pay-TV. These are scheduled for implementation by end 2011. MDA also pushed ahead with industry self-regulation, by preparing a framework for the video industry to self-classify videos of ratings up to PG13.



A consistent set of rating symbols for TV, Films and Videos is scheduled for implementation by end 2011

Cross-Carriage Measure

MDA introduced the cross-carriage measure in March 2010 to address the high level of content fragmentation in the pay-TV market in Singapore. Previously, over 90 of the top 100 channels in Singapore were exclusively held by pay-TV retailers. By requiring pay-TV retailers to deliver exclusive content to subscribers on other TV platforms, the measure aimed to facilitate a more competitive and vibrant pay-TV market. Both pay-TV retailers and consumers are expected to benefit: pay-TV retailers can reach out to a widened customer base while consumers can enjoy more content and choices from different retailers via the same platform, using their existing set-top boxes. The measure applies to all contracts signed or renewed on or after 12 March 2010.

To ensure smooth implementation of the cross-carriage measure in the second half of 2011, three rounds of consultation with industry players and stakeholders were held from March 2010 to May 2011.

The pay-TV market has seen significant growth since the introduction of the measure. Retailers have since introduced over 35 new channels in the market, and as many as 16 channels could be available on more than one platform, up from the seven channels prior. Besides the increased channel offerings, new pay-TV players such as M1 and Kylin TV have entered the market, offering more choices to consumers.

Radio and Television Licence

In February 2011, the annual Radio and TV (RTV) licence was abolished in view of its diminished relevance in the new media age. MDA began its S$82 million of RTV fee refunds from March 2011, and completed the exercise ahead of schedule in April 2011.

The annual RTV licence fees, first introduced in 1963, were paid by households and non-residential premises such as hotels, offices, food and beverage and retail outlets with TV or radio sets. They were also paid by vehicle owners with in-vehicle radio sets as well as dealers engaged in the import or sale of broadcasting apparatus.

The fees collected were used to fund Public Service Broadcast (PSB) content. Following the abolition of the RTV licence, MDA will be supporting Public Service Broadcast (PSB) through Government funding to ensure Singaporeans continue to enjoy and benefit from PSB content. PSB content plays an important role in promoting racial harmony. It also strengthens the Singaporean identity as well as informs and educates the public.

In addition, to ensure the continued relevance of PSB content, MDA will be looking into making these programmes available on new platforms such as the Internet and mobile, in step with Singaporeans' changing media habits.

Public Service Broadcast

During the year of review, MDA supported over 2,000 hours of homegrown PSB programmes in four languages across seven free-to-air TV channels. PSB programmes continued to garner healthy ratings on free-to-air TV channels and were consistently ranked among the channels' most-watched programmes. In FY2010, drama series *With You* (我在你左右), *Point of Entry* and *Gerimis di Hati 2 (Cries of the Heart 2)* were the highest-rated dramas on MediaCorp Channels 8, 5 and Suria respectively, and *Sollameley (Without Saying)* was among the top three rated dramas on Vasantham.

Other highly rated programmes in FY2010 included the information series *Spirit of Singapore* on Channel NewsAsia, *Stars For A Cause 2* (明星志工队 2) on Channel U, *Food Source* (食在好源头) on Channel 8 and *Budaya 360 2 (Culture 360 Season 2)* on Suria. Children's programmes, such as *Club M.A.G.I.C*, a preschool series on okto, and *Manis Manja Hari Raya (Hari Raya Sweet & Pampered Kids)* on Suria, were well received. The arts programme *Knockout* was the highest-rated arts magazine series on okto.

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In FY2010, PSB also funded 'live' broadcasts of key sporting events. Over 3 million viewers watched 157 hours of games coverage for the 2010 Youth Olympics Games across MediaCorp's Channel 5, Channel U and okto. The 132-hour coverage of the 2010 Guangzhou Asian Games on Channel 5 and okto reached over 2 million viewers.

PSB programmes garnered a total of 14 international awards. Eight of these came from the New York Film Festivals 2011, including the Gold World Medal (Direction) and Silver World Medal (Biography/Profiles) for *The Elephant Messenger*, and the Finalist Certificate awards for documentaries such as *Food Nation* and *Frontline – Help! My Son is Hyperactive!* as well as legal drama *The Pupil*.

"During the year of review, MDA supported over 2,000 hours of homegrown PSB programmes in four languages across seven free-to-air TV channels."

At the 2010 Asia Television Awards, local talent Lim Kay Tong and Rebecca Lim netted Best Leading Actor (Drama) and Best Leading Actress (Drama) wins for their roles in *The Pupil*. *Almost Famous*, a documentary series produced by Vertigo Pictures and telecast on Channel NewsAsia, clinched the Highly-Commended award.

New Media Channels and Content

In 2010, MDA facilitated the introduction of 54 new TV channels, 330 new local publications, about 850 films, 16,000 videos and video games as well as 1,100 arts events to give consumers access to more content choices across a diverse range of platforms. Today, consumers enjoy a choice of more than 330 TV channels across multiple transmission platforms and 46 radio channels, up from 57 and 28 respectively in 2002.

Media Fiesta

The annual Media Fiesta returned for its third edition in March 2011. Themed *Celebrate and Discover Media*, the month-long media appreciation festival reached out to Singaporeans and educated consumers on the discerning and responsible use of media.

Award-winning PSB programmes – such as *Food Nation* documentary, *Almost Famous* documentary series and legal drama, *The Pupil*

Media Fiesta 2011 had four anchor events: a music showcase by young local talents; a story-writing and e-publishing workshop for children; the finals of the Singapore Game Box Inter-Tertiary Challenge that featured Singapore-made games; and screenings of classic and recent local movies.

The Media Transformer, a mobile display of interactive media technologies accompanying the anchor events, was another highlight. Singaporeans also attended a record-breaking slate of 70 partner events, which ranged from cyber wellness talks to podcast competitions, held all over Singapore. In all, Media Fiesta successfully attracted over 300,000 participants.

Cyber Wellness Campaign

To raise public awareness on responsible Internet use, MDA kicked off a nationwide Cyber Wellness Campaign in February 2011. The campaign, which will run until the end of 2012, aims to equip students, parents and educators with practical knowledge for handling cyber content and issues.

Media Fiesta 2011 – champions at the finals of the Singapore Game Box Inter-Tertiary Challenge that featured Singapore-made games

Headlining the campaign was a roving bus outfitted with interactive kiosks for primary school students. Other activities included an online diary-writing competition for children to share stories of their cyberspace experiences as well as talks organised by partners on cyber wellness tips and tools for parents and educators. A cyber wellness resource portal to help Singaporeans understand issues related to the Internet and gaming was also launched in February 2011.

The Cyber Wellness Campaign is supported by the Inter-Ministry Cyber Wellness Steering Committee (ICSC). MDA is the co-secretariat and member of the ICSC. Formed in 2009, the ICSC aims to develop and implement a national strategy to promote cyber wellness among the youth. To encourage greater public education on cyber wellness, the Committee has set aside

S$10 million to co-fund initiatives from the people, private and public sectors until 2013.

Apart from the Cyber Wellness Campaign, the fund has also supported 10 other projects, ranging from cyber wellness camps to counselling services for both students and parents. Since 2009, these projects have reached out to more than 30,000 participants.

Cyber Wellness Campaign 2011 – interactive kiosks for primary school students to equip them with practical knowledge for handling cyber content and issues

"A Day with the Classifiers" Workshops

The monthly "A Day with the Classifiers" public education workshops, launched in 2009, continued to be well received in FY2010. At these sessions conducted by MDA's content classifiers, participants learn how films and video games are classified and get to know more about the importance of media classification in helping Singaporeans make more informed choices.

In 2010, MDA brought the workshop to parent support groups in schools around the island. Sessions were held in Yew Tee Primary School, Nan Hua High School, Commonwealth Secondary School and Manjusri Secondary School.

Since 2009, the workshops have reached out to more than 2,200 participants.

CAPTURING WORLD AUDIENCES

Introduction

Thanks to Singapore's long-standing internationalisation strategy, many homegrown media companies are moving from offering services-for-hire to owning or co-owning the rights to the content they create. This has led to the growth of a globally competitive media sector as well as an increase in the export of Singapore-made content, services and applications.

International Markets and Platforms

Major international media trade markets continued to offer opportunities to showcase Singapore's creative talent and production capabilities to the world.

In FY2010, MDA led delegations to overseas markets under the Singapore Media Fusion identity, a unified brand that showcases local media industry's collective diversity. In all, 47 Singapore exhibitors participated in overseas markets such as MIPCOM, MIPTV, Cannes Film Market, American Film Market and British Education Trade & Technology Show.

At MIPTV 2010 in Cannes, France, Singapore was honoured as the Country of Focus, with Mr Lui Tuck Yew, Singapore's then Minister for Information, Communications and the Arts, officiating the opening of MIPTV as the Guest of Honour.

Mr Lui Tuck Yew, Singapore's then Minister for Information, Communications and the Arts, officiating the opening of MIPTV 2010 as the Guest of Honour

MDA announced plans for ScreenSingapore at the Cannes Film Market in May 2010. ScreenSingapore is a week-long business convention held in June 2011, aimed at drawing international media players from both the East and West to explore film business opportunities in the Asia Pacific region. ScreenSingapore also comprised a trade exposition, networking sessions, master classes as well as forums helmed by industry leaders.

In August 2010, homegrown interactive digital media companies showcased their cutting-edge technologies at the Singapore Pavilion at the Shanghai World Expo. Visitors had the chance to experience Singapore's first stereoscopic 3D racing game, next-generation learning products using augmented reality technology as well as the best of Singapore film, television and animation content presented in stereoscopic 3D and high-definition formats.

MDA also promoted and marketed Singapore as an ideal filming location to international filmmakers at the American Film Market in November 2010. For the first time, MDA joined hands with International Enterprise Singapore to lead a delegation of 11 Singapore companies on a business mission to Hollywood.

Visitors trying their hand at Singapore's first stereoscopic 3D racing game at the Shanghai World Expo

Revitalising China-Singapore Media Ties

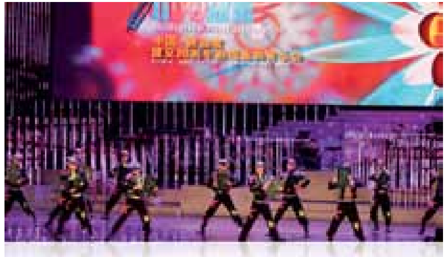
The year 2010 marked the 20th anniversary of diplomatic ties between China and Singapore. It was also a year which saw Singapore's continued cultivation of media ties with China through media exchange programmes and the signing of media cooperation agreements.

The China-Singapore Film Co-production Agreement was concluded in 2010. It grants eligible feature films official co-production status, which enables the Singapore-China co-productions to be released theatrically in China as local productions. This significantly opens up the Chinese cinema-viewer market to Singapore producers.

During the year, MDA also signed an MOU with the China International TV Corporation and the China Radio Film TV Program Exchange Centre for programme exchanges, content co-production and mutual participation in annual TV trade markets hosted by both parties. This has resulted in China's inaugural participation in the Asia Television Forum held in Singapore in November 2010, as well as Singapore's participation in the International Film & TV Programme Exhibition held in Beijing in August 2010.

MDA also inked a tripartite MOU with the Central Newsreel Documentary Film Studio (CNDF) and China Information Business Network (CIBN) to co-produce a slate of five TV documentary series for global distribution over three years.

Capping a year of active media exchanges on a high note was the China Singapore IN-CONCERT 2010 (流光溢彩–中国新加坡建交20年影视金曲音乐会), organised by MDA and the China Broadcasting Performing-Arts Troupe on 16 September 2010. It featured over 400 artistes performing well-loved theme songs and music pieces from popular movies and television series in the last 20 years.



China Singapore IN-CONCERT 2010 featured over 400 artistes performing well-loved theme songs and music pieces from popular movies and television series

Celebrating Media Ties with the Region

Two music variety programmes were co-produced separately with Malaysia and Brunei Darussalam. The programmes were broadcast in Singapore as well as the two countries, raising the profile of Singapore's performing talents among the audiences across the region.

Staged in Singapore, the fifth edition of *Muzika Ekstravaganza* was telecast 'live' on 8 October 2010 on Singapore MediaCorp's Suria channel and Radio Television Malaysia's TV2 channel. In Brunei Darussalam, *Rapsodi*, an annual concert that entered into its 20th year, was a collaboration between MediaCorp's Suria channel and Radio Televisyen Brunei. It was one of the four annual television co-productions that come under the MOU Concerning Co-operation in the Field of Broadcasting between the two countries.

TV audiences in Indonesia and Singapore can look forward to a similar variety extravaganza beginning 2011. This was an outcome of the first Indonesia-Singapore Information and Communications Joint Committee meeting held in 2010 to discuss collaboration under the MOU between Singapore's Ministry of Information, Communications and the Arts and Indonesia's Ministry of Communications and Information Technology.

Industry Highlights

• Film

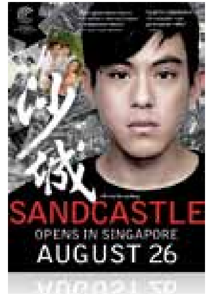
2010 was a fruitful year with the production of 14 feature films. Nine of these were theatrically released in local cinemas. Among them was *Homecoming* by Lee Thean-jeen. It was the first project supported by the Salon Integrated Media Fund, which was set up with MDA in 2008 to produce a slate of content over five years. The film, as well as Kelvin Tong's *It's a Great Great World*, opened in February 2011 during the Chinese New Year period. Both films performed well at the local box office, taking in S$1.4 million and S$2.4 million in earnings respectively.

Notable releases in 2010 included the MDA-supported *Homecoming*, which did well in both Singapore and Malaysia at the box office

Singapore films continued to do well on the international film circuit. Director Liao Jiekai's *Red Dragonflies* clinched the Special Jury Prize at the Jeongju International Film Festival, while a selection of Singapore films, including Glen Goei's *The Blue Mansion* and Boi Kwong's *The Days*, was screened at the 12th Taipei International Film Festival.

Of special mention was director Boo Junfeng's *Sandcastle*, which contended for the Camera d'Or award at the 63rd Cannes Film Festival. It marked the seventh consecutive year of Singapore films being in key sections of the Cannes programme.

Sandcastle received support from the Singapore Film Commission's New Feature Film Fund (NFFF), a scheme that helps first- and second-time directors make their feature films with the support of an experienced production company. Another NFFF recipient was T T Dhavamanni's *Gurushetram – 24 Hours of Anger*, a Tamil-language film that was well received by the local Tamil-speaking community. It made its way to cinemas in India, Malaysia and Sri Lanka from March 2011.



***Sandcastle* by Boo Junfeng contended for the Camera d'Or award at the 63rd Cannes Film Festival**

Forever by Wee Li Lin, which made its debut in Singapore's cinemas in March 2011, was another beneficiary of the NFFF scheme.

So was Yong Mun Chee's *Where the Road Meets the Sun*, which premiered in the United States at the Houston International Film and Video Festival in April 2011. The film secured a sales distribution deal in the United States and made its Asian premiere at ScreenSingapore in June 2011.

Production for Singapore's first stereoscopic 3D feature film, *BAIT*, began in 2010. A thriller about a pack of hungry tiger sharks, *BAIT* is the first official co-production under the Australia-Singapore Film Co-production Treaty. It is co-produced by Singapore's Blackmagic Design Films with Australian partners Arclight Films, Story Bridge Film and Pictures in Paradise. Targeted for release in 2012, it has been pre-sold to 24 territories. The Singaporeans among its international cast include Adrian Pang and Qi Yuwu.

• Television

Broadcasters around the world are beginning to explore the potential of 3D TV. In June 2010, MDA launched a one-year 3D TV technical trial to test transmission signals across free-to-air, cable and internet protocol TV platforms. The successful conclusion of the trial meant that MediaCorp, Starhub and SingTel can now transmit 3D content, including some that are locally produced, into homes.

On the production front, Beach House Pictures partnered with New Zealand-based NHNZ to deliver a 3D television series *Jewels of the World* for 3NET – the world's first fully dedicated 3D channel. Another TV production, *Wild Asia*, a Singapore-Germany high-definition co-production, will have a special-edition episode shot in 3D by Singapore's Oak3 Films.

Beach House Pictures partnered with New Zealand-based NHNZ to deliver a 3D television series *Jewels of the World* for 3NET – the world's first fully dedicated 3D channel

As new media content delivery channels proliferate, Singapore content producers are seizing the business opportunities made available by the shift in viewers' media habits. MediaCorp tied up with MDA to develop, finance and distribute original video content on its popular xinmsn online portal. The first series to emerge out of the collaboration was the Chinese web-drama *Let's Play Love*, which allowed online viewers to shape the drama and decide on the outcome of the show.

MDA also partnered with AETN All Asia Networks to develop TV series that leverage the interactive capabilities of new-media platforms. Two interactive TV titles emerged from this partnership. *Hidden Cities* is an off-the-beaten-track travelogue series supplemented by a blog, Facebook page and microsite produced by Singapore's Beach House Pictures. *Partners in Crime*, produced by Singapore's Very! Productions, was a TV series focusing on forensic criminal investigations complemented with web-exclusive video vignettes.

In the pipeline are two projects that received funding from MDA and South West Screen, its counterpart in the South West of England, under the Multi-Platform Content Across Continents Initiative. The first project is *Eco Gone Mad*, a factual entertainment series in TV and web formats by Singapore's Apostrophe Films and UK's Junction K. Another is *iLand*, touted as an animation experience that comprises a TV and online series, flash games and mobile games, which is jointly developed by Singapore's Scrawl Studios and UK's Wonky Films.

• **Animation**

Singapore's first stereoscopic 3D animated TV series *Dream Defenders*, produced by Tiny Island Productions, made its debut at the Asia Television Forum in November 2010. Singapore-based Sparky Animation and The Jim Henson Company also announced their collaboration on the second season of the highly successful preschool animation TV series *Dinosaur Train*.

The first season of *Dinosaur Train* was a hit around the world, snapped up by broadcasters from Europe to the Middle East to Asia. It was ranked among the top five children's programmes for kids aged two to five on PBS KIDS channel in the United States in December 2009. It was also nominated for the 2011 Emmy Awards in the Outstanding Children's

Singapore's first stereoscopic 3D animated TV series *Dream Defenders* made its debut at the Asia Television Forum in November 2010

Animated Program and Outstanding Writing in Animation categories.

The year of review also saw other Singapore companies, such as Scrawl Studios, working on a number of international co-productions. These included *Almost Extinct*, an original 3D animated TV series with Canada's CCI Entertainment; *Hunter the Wereboy*, a 2D animated TV series with France's Planet Nemo Animation; and *Guess How Much I Love You – The Adventures of Little Nutbrown Hare*, with Australia's SLR Productions. Singapore's Infinite Frameworks is partnering with Canada's Nelvana Enterprises on a 26-part CG-animated series, *Franklin and Friends*, which is based on the well-loved character *Franklin the Turtle*.

The local animation industry welcomed more production work when Singapore's August Media and international entertainment company, Classic Media, signed a US$60 million deal to produce up to 10 television series. These series are based on children's properties from Classic Media's catalogue, which includes film and TV titles like *George of the Jungle* and *Mr Magoo*. The collaboration also provided opportunities for other Singapore companies engaged to play various roles in the production process to break into international territories.

• Publishing

The global publishing industry is undergoing major changes as more readers embrace broadband and digital devices, content and services. To help Singapore's publishing industry remain competitive in the digital era, MDA rolled out its Spearheading Publishing Innovation for New Enterprise (SPINE) initiative to support homegrown media companies to create new intellectual properties and extend existing ones onto multiple media platforms.

One of the beneficiaries was Magazines Integrated, which added online and mobile formats to the print magazines, *Pets* and *Epicure*. Another company, Ten Alps Communication Asia, launched two business-to-business publications targeted at the China market – *Control Engineering Asia* and *Logistics Insight Asia China* – in both print and digital editions.

• Games

Singapore games companies continued to make a name for themselves internationally. In January 2011, MDA led a delegation of eight companies to the British Educational and Training Technology (BETT) Show in London to explore partnership opportunities with British games companies. The expedition marked the

MDA led a delegation to the British Educational and Training Technology (BETT) Show in London to explore partnership opportunities

first time Singapore had a country pavilion at BETT, signalling MDA's interest to cultivate the British games market, particularly in the Serious Games segment.

To facilitate collaborations between Singapore and British games companies, MDA launched a joint call for proposals for the development of serious games with the UK's Serious Games Institute. MDA and the Serious Games Institute also collaborated on the Games Solutions Centre, which will be established at Mediapolis Phase Ø in the third quarter of 2011. The Centre will provide services and resources for Singapore games companies to test-bed and prototype their games. The Serious Games Institute will also provide training and mentorship to companies interested in developing serious games through the Centre.

In 2010, Singaporean gamers had more opportunities to try out locally produced games. The inaugural Singapore GameFEST, organised by Singapore's Cybersports and Online Gaming Association in November 2010, introduced locally designed games to 24,000 participants and provided a platform for more than 120 Singapore games professionals to

Singapore GameFEST 2010, organised by Singapore's Cybersports and Online Gaming Association, introduced locally designed games to 24,000 participants

share their knowledge and network with fellow industry players.

Singapore's game developers also welcomed a strong push by MDA to connect games to gamers. To date, more than 20 games have received support for development in emerging

Awards and Accolades

- *Ratloop Asia's Helsing's Fire, a puzzle game for the iPhone, iPod Touch and iPad, won Best Mobile Game at the 2011 Independent Games Festival San Francisco. The game scored with its intuitive touchscreen controls, captivating gameplay and stylish visuals. It was also awarded Honourable Mentions for Excellence in Visual Art and Excellence in Design.*

- *Nekomura Games, which specialises in story-driven role-playing games, has rolled out another winner. ButaVX: Justice Fighter beat 107 other entries from around the world to clinch the Excellence in Visual Arts title at the Independent Games Festival China 2010.*

- *Paper Ninja, an iPhone action strategy game developed by Yang Ruizhi and Koh Siang Leng, was the most downloaded app in the Apple App Store in the United States in December 2010. It also took the top spot in the Apple App Stores in Singapore, Malaysia, Indonesia, the Philippines, Taiwan and Macau. Since its launch in July 2010, the game has been downloaded over half a million times.*

platforms such as social networking sites and mobile devices.

• Interactive Media

The Cross-Sector (X-sector) Initiative was introduced in 2010 to encourage the development of new Interactive Digital Media (IDM) content, applications or platforms for five sectors: education, learning and training; advertising; healthcare and wellness; tourism and hospitality; and sports. A total of 10 projects had since received support under the initiative.

Digital advertising is the revenue source for many IDM companies. Its growth will support the sustainability of the larger IDM ecosystem. MDA and the multi-agency Interactive Digital Media Research & Development Programme Office (IDMPO) has committed to invest S$30 million from 2010 to 2013 to expand digital advertising's contribution towards total advertising spending in Singapore from the current 5.3% to 20% by 2020. The funding will go towards supporting Research and Development (R&D) and commercialisation projects in the area of analytics, payments and digital advertising applications and services. To date, four R&D projects have received funding from the IDMPO.

• Interactive Digital Media Research & Development

Technology is evolving at an unprecedented pace, with continuous innovation and exponential growth threatening to displace even the most entrenched strongholds of the traditional media sector. To ensure relevance and to remain ahead of the curve, Singapore has been steadily investing in and developing the R&D capabilities in the digital media realm.

Leading the way forward is the multi-agency IDMPO hosted by MDA, which aims to build a vibrant industry fuelled by world class R&D and entrepreneurship.

Since its establishment in 2006, the IDMPO has continued to see success, with the emergence of world-class companies and early commercialisation of R&D projects. IDMPO's top three funded companies now have more than 80 million registered users in 200 territories. The games company Garena has seen its registered users grow from 4 million to over 60 million users over the past three years. Another company that stood out was KAI Square, a specialist in intelligence surveillance data processing, which clinched the prestigious Emerging Enterprise Award 2010 co-presented by *The Business Times* and OCBC Bank.

2010 was also a bumper year for the IDMPO's i.ROCK (IDM Research Oriented Centres of Knowledge) initiative, which seeks to build a network of local and international research organisations and facilitate research with world-class talent.

Since its inception, the IDMPO has established eight International Research Centres with Europe, US and Asia. Adding to the IDMPO's stable of research collaborations were the following five International Research Centres established in 2010:

- **NUS-Tsinghua Extreme Search Centre (NExT Search Centre)**

NExT is a joint collaboration between National University of Singapore (NUS) and Tsinghua University in China focusing on social contextual media search targeting spontaneous, live and dynamic streams of user-generated content.

- **Fraunhofer IDM Centre@NTU**

Aimed at developing IDM-based technologies for virtual and augmented worlds, Fraunhofer IDM Centre@NTU is a collaboration between Fraunhofer-Gesellschaft, Europe's largest institution for applied IDM research, and the Nanyang Technological University (NTU).

- **Centre of Social Media Innovations (COSMIC)**

COSMIC is the first cross-disciplinary collaboration between researchers from School of Computing at NUS; School of Art, Design and Media at NTU; and the Industrial Design Centre of Indian Institute of Technology in Mumbai. Its research focuses on the integration of technology, social and design know-how to develop social media innovations for users at the middle-of-the-pyramid.

- **BeingThere Centre**

BeingThere Centre aims to make major technological advances in sophisticated forms of interactive real-time 3D communication known as telepresence and telecollaboration. It is a collaboration between Swiss Federal Institute of Technology, Zurich (ETH), the University of North Carolina (Chapel Hill) and the Nanyang Technological University.

- **Living Analytics Research Centre (LARC)**

LARC is a partnership between the Singapore Management University and the Carnegie Mellon University in the United States. It is aimed at developing new techniques to acquire data on consumer and social behaviours, and seeks to pioneer new applications for individual consumers as well as service providers in business and the public sector across a range of lifestyle, consumer and industry settings.

Awards and Accolades

- *The Razer Switchblade, a breakthrough netbook-sized gaming device that allows gamers to play on the move, won the CES People's Voice for the Best of CES Award at the 2011 Consumer Electronics Show (CES), the world's largest consumer electronics show. It was partially developed at the Razer IDM Lab, which received funding from IDMPO.*

- *Singapore-MIT GAMBIT Game Lab's CarneyVale: Showtime became the first Singapore game to be distributed on all three Microsoft platforms – Games for Windows-LIVE (PC), Xbox Indie Games and Windows Phone 7. Symon, one of the 2010 summer game prototypes developed by GAMBIT interns over their nine-week stint at the GAMBIT Lab won the Best Browser Game category in the Indie Games Challenge 2011 held in Las Vegas.*

- *Singapore-based payment service provider 2C2P edged out 19 other finalists from Asia, USA and Europe to emerge the winner of the Global Mobile Internet Conference 2010 Innovation Show held in Beijing, China.*

- *In 2010, the paper "K-set tileable surfaces", co-authored by IDM researcher Asst. Prof He Ying as part of his IDM funded project was the first paper accepted at SIGGRAPH where all the leading authors were from Singapore. A second paper by Asst. Prof He Ying "Making Burr Puzzles from 3D objects" was accepted at SIGGRAPH 2011.*

- *The Keio-NUS Centre for Ubiquitous Technologies for Embodiment (CUTE) had previously been awarded 10 million yen for work on Kitchen Media with the NEC Corporation of Japan. CUTE was recently awarded another 10 million yen by NEC for continued work on technologies to convert kitchens into enhanced communication environments that bring families together.*

- *In September 2010, CUTE's presentation on "Confucius Chat: Mediating Cultural Communication between Elderly and Children using New Media" was awarded the second runner-up for Best Presentation at the Young Researchers' Workshop – Research on Innovations Solution for Elderly Workshop Programme in Denmark. CUTE's research work has also resulted in a spin-off, Artisan Creations, which aspires to be the de facto technology solutions provider in enabling businesses to create true 3D mobile augmented reality experiences.*

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School of Interactive & Digital Media
Nanyang Polytechnic

MRS KIANG-KOH LAI LIN
Director
Reading Initiatives
National Library Board

MR JAWAHAR KANJILAL
Global Head
Emerging Market Services
Nokia Pte Ltd

MR FAHMI A RAIS
Chief Executive Officer
iBrand

MR JAMES SENG
King Content Pte Ltd

MS GRACE CHNG
Editor
Singapore Press Holdings

MR KENNETH JAMES
Technology Editor
The Business Times
Singapore Press Holdings

MR NICHOLAS KHOO
Co-Founder
SCOGA

MR JOHN ANG
President
Fei Yue Community Services

MR EFFENDY IBRAHIM
Internet Safety Advocate & Norton Business Lead
Asia South Region
Symantec

MR TAN KIM KEE
Group Director
People Cluster
People's Association

MR CHRISTOPHER ONG SIU JIN
Deputy Public Prosecutor / State Counsel
Criminal Justice Division

MS ANGELA WEE
Director & Principal Lecturer
School of InfoComm Technology
Ngee Ann Polytechnic

MR ALAN CHOU
Xbox and PC games Business Lead for Southeast Asia
Microsoft

MS IRIS WEE
Head
Marketing
Starhub

MR FELIX SOH
Digital Media Editor
Singapore Press Holdings
Razor TV

MS NG MIE LING
Coordinating Director
Family Development Group
Ministry of Community Development, Youth and Sports

MR EDWARD YING
Chief
Content and Media Services Group
SingTel

MR SHAUN SEOW
Chief Executive Officer
MediaCorp Pte Ltd

DR CHEAH HORN MUN
Director of ETD
Ministry of Education

Films Consultative Panel (FCP) (1 Nov 2009 to 31 Dec 2011)

CHAIRPERSON
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Director
Elasticity

1ST VICE-CHAIRPERSON
DR CHRISTINE YAP
Consultant, Obstetrician and Gynaecologist, IVF Clinician
Women's Health and Fertility Centre

2ND VICE-CHAIRPERSON
DR JASBIR SINGH
Research Scientist
Science and Engineering Research Council
A*STAR

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MR ALMAHDI AL-HAJ BIN IBRAHIM @NADIPUTRA
Managing Director
Nadivision

MR ELAMAARAN BALAKRISHNAN
Director
Family and Youth Development Division
Singapore Indian Development Association (SINDA)

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Chief Executive Officer
Frasers Centrepoint Trust

MR CHIA TI YU
Divisional Director
Finance
Institute of Technical Education

MR GABRIEL CHONG YEW MUN
Sector Planning Executive
Ministry of Community Development, Youth and Sports

MR PHILEMON LOH WHEE KHEE
General Manager
Synphonics Pte Ltd

MS AMY GAY SUAN CHOO
Deputy Director
Corporate Communications
Chief Executive's Office
National Library Board

MR IDHAM KHALID MOHAMED
Flight Operations Controller / Internal Auditor
Singapore Airlines

MR JACKIE GOH WEI CHIN
Businessman / Director
Eclub Pte Ltd

DR ANGELINE KHOO
Associate Professor
Psychological Studies
National Institute of Education
Nanyang Technological University

MR K KANNAPPAN
Retiree

MR LEE TIONG PENG
Senior Vice President
CapitaLand and Institute of Management & Business (CLIMB)
CapitaLand Ltd

MS ANNA LEONG
Homemaker

MR LI CHING LIANG
Visual Producer
Resorts World Sentosa

MS LIEW CHAI HOON
Business Analyst
A-IT Software Services

MS CHERYL NG
Director
Great Expectations Communications Laboratory

MS NG WEI CHIN
Independent Filmmaker
TheVeryQuietStudio

MR ADELBERT NGUI HIN LIANG
Senior Development Officer
Building & Construction Authority

MR V BIMEL RAM
Director
AIM Connections Pte Ltd

MR JORDAN WOO CHI YONG, COL (NS)
Chief Operating Officer
Artfusion Media Pte Ltd

MR ALAN YEO KONG LEONG
Counsellor / Psychotherapist / Psychologist
Balanced Consulting

DR OLIVER SEET BENG HEAN
Retiree

MR SUHARDI SAABAN
Educationist

MR LIONEL WONG KOK MUN
Consultant / Director
Linburger & Wolfe
Part-time Lecturer
DigiPen Institute & PSB Academy

MS JOYZ TAN DUNLIN
Senior Social Worker / Assistant Manager
Project 180
Youth Services
Fei Yue Community Services

PROFESSOR TAN HUN TONG
Director
Centre for Accounting & Auditing Research
National Technological University

DR TAN SU-MING
Private Practitioner
Changi Clinic

MS JACQUELINE KEH
Category Strategy Manager
Pfizer

MR JOSEPH ONG HOCK CHYE
Technical Officer
MINDEF

MR WU WAI TUCK
Educational Technology Officer
Ministry of Education

MR RAY CHUA SWEE BOON
Assistant Manager
Counselling & R&D
TOUCH Cyber Wellness
TOUCH Community Services Limited

MR FELIX SOH
Digital Media Editor
Singapore Press Holdings

MS SHARON GOON
Marketing Communications Manager
MediaCorp Pte Ltd

MR ALBERT TAN CHONG KIT
Lecturer
School of Engineering-Manufacturing
(SEGM) Mechatronics & Systems Integration Grp
Nanyang Polytechnic

MS ZARINA YUSOF
Adjunct Lecturer and Trainer
Ngee Ann Polytechnic, Singapore Polytechnic and
Singapore Institute of Management

MS ELVYNN SEETHO
Business Consultant
SecureAge Technology Pte Ltd

MS SITI AIDAYANTIE BINTE AHMAD
Planner
Jurong Consultants Pte Ltd

MR HERALD BANGRAS
Senior Lecturer & Internship Manager
Ngee Ann Polytechnic

MS NG GEOK LAN
Admin Officer
Ng Soh Construction Co Pte Ltd

MR KOH YIAK KHENG
Educationist

MR WONG YU HAN
Legal Executive
A C Cheong & Co

MR LIM TAT KUAN
General Counsel
Jurong Port Pte Ltd

MS MONA LIM
Freelance Consultant and Educator

MR JT KOH
TV Writer and Producer

MR EDWARD ONG KENG WAN
Managing Director
V C Edwardt Pte Ltd

MRS MURGIANA HAQ
Lawyer
HSLegal LLP

MR DOUGLAS FOO PEOW YONG
Chief Executive Officer
Sakae Holding Ltd

MS FOO SOO JEN
Senior Therapist
Counselling and Care Centre

MS LYNETTE LIM QING MEI
Account Manager
Ogilvy Public Relations Worldwide

MR SHERWIN LIM EN TECK
Projects & Events Manager
Centre for Governance, Institutions & Organizations (CGIO)
National University of Singapore
Business School

MR WARREN FERNANDEZ
Regional Director
Communications Strategy Asia Pacific
Shell Eastern Petroleum

MR HARRIS RUSDI CHAI
Foreign Service Officer
Ministry of Foreign Affairs

MR QUAK HIANG WHAI
General Manager
Corporate Communications and Investor Relations
UOL Group

MS EVELYN WOELS
Senior Curriculum Specialist
Theatre Studies & Drama, Debates & Oracy
Ministry of Education

MR NG TEE LIM
Undergraduate
National University of Singapore

DR EDNA LIM
Lecturer
Department of English Language and Literature
National University of Singapore

MS AIDAROYANI ADAM
Assistant Director
Education
Yayasan Mendaki

Films Appeal Committee (FAC) (1 Jul 2010 to 30 Jun 2013)

CHAIRPERSON
MR TAN BOON HUAT
Retired
Singapore Administrative Service

MEMBERS
PROFESSOR WALTER WOON
David Marshall Professor of Law
Faculty of Law
National University of Singapore

MR MANOGARAN S/O SUPPIAH
Deputy Director
Teachers' Network
Ministry of Education

MRS JONI ONG
Managing Director
ThYnk Consulting

MR CHANDRA MOHAN S/O K NAIR
Advocate & Solicitor
Tan Rajah & Cheah

MDM LIM HONG PENG
Principal
Temasek Secondary School

DR ABDUL RAZAKJR BIN OMAR
Consultant Cardiologist
National University Hospital

MS ANG BEE LIAN
Chief Executive Officer
National Council of Social Service

DR CHIN KWEE NYET
Senior Lecturer
Centre for Language Studies
National University of Singapore

MR DAREN SHIAU
Lawyer / Partner
Allen & Gledhill

MR EDMUND PHANG CHIN SIAN
Manager
Family Services
Ministry of Community Development, Youth and Sports

MR LIM HUAN CHIANG
Vice President
Cultural Industry Promotion
Chinese Newspapers Division
Singapore Press Holdings

MR RAYMOND LYE HOONG YIP
Executive Director
CitiLegal LLC

MDM SITI HASLINDA PUTRI HARUN
Director
The Kids Dentist

MR WONG LIN TAM
Managing Director / Media Consultant
Wang Media Consulting Pte Ltd

Political Films Consultative Committee (PFCC) (26 May 2009 to 25 May 2011)

CHAIRPERSON
MR RICHARD MAGNUS
Chairman
Casino Regulatory Authority

MEMBERS

PROFESSOR LILY KONG
Vice-President
University & Global Relations
National University of Singapore

MR MUHAMMAD HANIFF BIN HASSAN
Associate Research Fellow
S Rajaratnam School of International Studies
Nanyang Technological University

MR TERRY LEE KOK HUA
President
Singapore Insurance Employees' Union

MR LIM JIM KOON
Editor
Lianhe Zaobao

MR M RAJARAM
Senior Director
Straits Law Practice LLC

MR DANIEL YUN
Chief Executive Officer
Homerun Pictures Pte Ltd

Singapore Film Commission Committee (SFC) (16 Jun 2010 to 15 Jun 2012)

CHAIRPERSON

MS JENNIE CHUA
Chief Corporate Officer
Capitaland Limited

MEMBERS

MR RICHARD TAN
Consultant
Stamford Law Corporation
Adjunct Associate Professor
National University of Singapore

MS CHOO MEILEEN
Executive Director
Cathay Organisation Holdings Pte Ltd

MR FREDDIE YEO
General Manager
Infinite Frameworks

DR WOFFLES WU
Medical Director
Woffles Wu Aesthetic Surgery and Laser Centre

MR YEO CHUN CHENG
Director
Singapore Film Commission
Chief Information Officer
Media Development Authority

MR MAN SHU SUM
Managing Director
Enterprises
MediaCorp Raintree Pictures Pte Ltd

MS JACQUELINE TAN
Assistant General Manager
Lucas Film Animation Singapore

MS ZAIHIRAT BANU CODELLI
Chief Executive Officer
Oak3 Films Pte Ltd

MR RICHARD EU
Group Chief Executive Officer
Eu Yan Sang International Ltd

MR EFFENDY IBRAHIM
Artistic Director
The Substation

ANNEX AND TABLE

PART I — KEY PERFORMANCE INDICATORS AND PERFORMANCE FOR PUBLIC SERVICE BROADCAST PROGRAMMES (FINANCIAL YEAR ENDED 31 MARCH 2011)

In the financial year ended 31 March 2011 ("FY10"), the following key performance indicators were applied to measure the effectiveness of Public Service Broadcast ("PSB") television programmes:

(I) Number of PSB television programme hours fulfilled[1]; and
(II) Average viewership of PSB television programmes.

(I) Number of PSB Television Programme Hours Fulfilled

In FY10, MDA required MediaCorp to telecast a minimum of 4,155 hours of (funded) PSB television programmes across MediaCorp's seven free-to-air television ("FTA TV") channels. The requirement was fulfilled as follows:

Minimum Number of PSB Hours Required		Actual Number of PSB Hours Fulfilled by MediaCorp	
Total	4,155	Total	5,398
Locally Produced	2,185	Locally Produced	2,480
Acquired[2]	1,970	Acquired	2,918

(II) Average Viewership of PSB Television Programmes

Viewership targets for (funded and locally produced) PSB programmes are set by television channel and genres based on the channel's target demographic group. The range of genres supported across channels includes information, children's, arts/culture and sports programmes, drama, variety and minority language news.

Of the viewership targets[3] set, the average percentage of targets met across the channels was 86%[4]. The total reach of these PSB programmes in FY10 was 93.7% or 4,472,000 viewers aged four and above.

[1] Refers to the total number of locally produced and foreign acquired PSB television programmes fulfilled by MediaCorp against minimum PSB hours required by MDA for funding provided. Locally produced programmes are in-house productions by MediaCorp and outsourced productions to independent production companies.

[2] Foreign acquired PSB programmes are supported to supplement the total provision of PSB content on special interest/minority language channels, accounting for about 7% of funding allocation for PSB programmes on FTA TV.

[3] Refers to ratings and reach targets. "Ratings" measures the percentage (or number) of viewers watching a programme at any one point during the programme's telecast. "Reach" is the total percentage (or number) of unduplicated individuals who tune into a TV programme over a given time period (based on the Kantar Media "Television Audience Measurement" system).

[4] Based on a total of 82 targets (set by genre and channel).

A summary of the average viewership of the PSB programmes across channels in FY10[5] is as follows:

TV Channel	Target Demographic	Channel Descriptions/Prime Time[6] Ratings in FY10	Average Prime Time Ratings of Local PSB Programmes Across Genres	Total Reach[7] of Local PSB Programmes (by Channel)
Channel 5	P4+[8]	24-hour English entertainment channel targeting a mass audience with local productions, including news, and foreign acquired programmes. Average prime time rating of 2.9% (140,000).	3.2% (153,000)	72.4% (3,459,000)
Channel 8	P4+	24-hour Mandarin general entertainment channel targeting a mass audience with local productions, including news, and foreign acquired programmes. Average prime time rating of 11.8% (564,000).	11.1% (531,000)	76.1% (3,632,000)
Channel U	CUME P15+[9]	Mandarin entertainment channel targeting youth and working professionals with local productions, including news, and foreign acquired programmes. Average prime time rating of 4.7% (195,000).	5.6% (242,000)	61.9% (2,587,000)
Channel NewsAsia (Singapore)	CUME PMEB[10] (above $5k)	Special interest news and information channel targeting working professionals with the provision of primarily locally produced content. Average prime time rating of 0.8% (2,000).	3% (6,000)	51.5% (96,000)
okto	P4-12[11]; and P15+	Special interest channel with daytime/early evening timebelts for children and evening timebelt for youth/the local arts community. Offers a mix of locally produced and foreign acquired children's, information and arts/culture programmes. Average prime time rating of 5.4% (26,000) for the children's belt and 0.9% (37,000) for the arts/culture belt.	▪ P4-12: 5.3% (25,000) ▪ P15+: 0.6% (25,000)	▪ P4-12: 73% (340,000) ▪ P15+: 30% (1,250,000)

TV Channel	Target Demographic	Channel Descriptions/Prime Time Ratings in FY10	Average Prime Time Ratings of Local PSB Programmes Across Genres	Total Reach of Local PSB Programmes (by Channel)
Suria	M4+[12]	Malay language general entertainment channel catering to the community with local productions and acquired programmes from the region. Average prime time rating of 10.8% (67,000).	12.6% (78,000)	95.6% (584,000)
Vasantham	Ind4+[13]	Tamil language general entertainment channel catering to the Indian community with local and acquired productions from Indian markets. Average prime time rating of 8.1% (38,000).	7.2% (33,000)	88.3% (395,000)

[5] The average viewership for FY10 (i.e. from April 2010 to March 2011) is based on the viewership spanning two calendar years, 2010 and 2011 due to the period covered.

[6] Channels' prime time refers to 7pm-11pm for Channels 5, 8, U, CNA, Suria and Vasantham and weekdays 7pm-9pm/weekends 9am-1pm for okto's kids' belt, and weekdays 9pm-11pm/weekends 7pm-11pm for okto's info/arts belt. This would include PSB-funded and non-funded programmes.

[7] Based on whole-day viewing.

[8] "P4+" refers to people aged 4 and above (2010 and 2011 viewer base at 4,775,000 and 4,825,000).

[9] "CUME" refers to the cumulative figure of the ratings of a programme telecast across one week and "P15+" refers to viewers aged 15 years and above (P15+ viewer base in 2010 and 2011 at 4,178,000 and 4,179,000).

[10] "PMEB" (above $5k) refers to professionals, managers, executives and businessmen with monthly income of S$5,000 and above (2010 and 2011 viewer base at 193,000 and 203,000).

[11] "P4-12" refers to people aged 4 to 12 (2010 and 2011 viewer base at 461,000 and 506,000).

[12] "M4+" refers to Malays aged 4 and above (2010 and 2011 viewer base at 611,000 and 628,000).

[13] "Ind4+" refers to Indians aged 4 and above (2010 and 2011 viewer base at 446,000 and 468,000).

(III) Other Performance Measurements

In the financial year of review, MDA conducted a PSB public perception survey, which measured levels of public satisfaction with PSB content.

Of the 1,000 people sampled, 58% indicated a high level of satisfaction with PSB content. (The figure is based on a satisfaction score of 7 out of 10. The percentage of respondents that gave a satisfaction score of at least 6 out of 10 was 80%.)

PART II — BREAKDOWN OF ACTUAL RADIO AND TV (RTV) REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	FY10
	S$'m
REVENUE	
RTV Licence Fees	103.7
EXPENDITURE	
Public Service Broadcast Funding[14]	102.9
PSB Administration	2.3
Collection Related Expenses	10.4
Total Expenditure	**115.6**
Deficit before Grant	(11.9)

Accumulated PSB Reserves from Unutilised Radio and Television Licence Fees as at 31 March 2011

The reserves accumulated over the years [from FY03 to FY10] from unutilised Radio and Television licence fees amounted to S$76.5m as at 31 March 2011. This includes pending RTV fees, fines and late payment fees yet to be collected (net of provision for doubtful debts) of S$16.5m as at 31 March 2011.

[14] PSB funding is provided for TV, radio, new media content and related PSB initiatives.

FINANCIAL STATEMENTS

2010 | 2011

FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2011

CONTENTS

Statement by Media Development Authority

For the Financial Year Ended 31 March 2011

Media Development Authority Singapore

In the opinion of Media Development Authority (the "Authority"),

(a) the financial statements as set out on pages 5 to 116 are drawn up so as to give a true and fair view of the state of affairs of the Authority as at 31 March 2011 and of the results, changes in capital, funds and accumulated surplus of the Authority and cash flows of the Authority for the financial year then ended; and

(b) proper accounting and other records have been kept including all records of all assets of the Authority whether purchased, donated or otherwise; and

(c) the receipt, expenditure and investment of monies by the Authority during the financial year have been in accordance with the provisions of the Media Development Authority Act (Chapter 172) (the "Act").

On behalf of the Authority

Niam Chiang Meng
Chairman
30 June 2011

Aubeck Kam Tse Tsuen
Chief Executive Officer
30 June 2011

Independent Auditor's Report to Media Development Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Media Development Authority (the "Authority") set out on pages 5 to 116, which comprise the balance sheet as at 31 March 2011, the statement of comprehensive income, the statement of changes in capital, funds and accumulated surplus and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Media Development Authority Act (Chapter 172) (the "Act") and Singapore Statutory Board Financial Reporting Standards ("SB-FRS"), 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, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the Authority are properly drawn up in accordance with the provisions of the Act and SB-FRS so as to give a true and fair view of the state of affairs of the Authority as at 31 March 2011, and the results, changes in capital, funds and accumulated surplus and cash flows of the Authority for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing came to our notice that caused us to believe that the receipt, expenditure, investment of monies and the acquisition and disposal of assets by the Authority during the financial year have not been in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants
Singapore, 30 June 2011

Statement of Comprehensive Income

	Note	2011			(Restated) 2010		
		General Fund	**Restricted Funds**	**Total**	General Fund	Restricted Funds	Total
		$'000	**$'000**	**$'000**	$'000	$'000	$'000
Income							
Radio and television licence fees		**103,815**	**-**	**103,815**	137,260	-	137,260
Broadcast licence fees		**18,101**	**-**	**18,101**	16,073	-	16,073
Film and video fees		**6,660**	**-**	**6,660**	7,853	-	7,853
Revenue from completed films		**1,228**	**-**	**1,228**	781	-	781
		129,804	**-**	**129,804**	161,967	-	161,967
Other income	5	**1,307**	**-**	**1,307**	2,908	-	2,908
Net income from bank deposits, derivative financial instruments and financial assets, at fair value through profit and loss	4	**19,731**	**-**	**19,731**	71,461	-	71,461
Expenses							
Public service broadcast expenses		**(102,929)**	**-**	**(102,929)**	(93,182)	-	(93,182)
Employee compensation	6	**(29,253)**	**-**	**(29,253)**	(28,087)	-	(28,087)
Licensing expenses		**(8,441)**	**-**	**(8,441)**	(6,938)	-	(6,938)
Allowance for trade receivables		**(105)**	**-**	**(105)**	(326)	-	(326)

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

Statement of Comprehensive Income (cont'd)

	Note	2011			(Restated) 2010		
		General Fund	**Restricted Funds**	**Total**	General Fund	Restricted Funds	Total
		$'000	**$'000**	**$'000**	$'000	$'000	$'000
Depreciation and amortisation expenses	17 & 18	**(13,020)**	**(10)**	**(13,030)**	(13,425)	-	(13,425)
Rental on operating leases		**(3,647)**	**-**	**(3,647)**	(3,581)	-	(3,581)
Fund management expenses		**(2,670)**	**-**	**(2,670)**	(2,421)	-	(2,421)
Board members' fees		**(123)**	**-**	**(123)**	(106)	-	(106)
Training and recruitment		**(422)**	**-**	**(422)**	(349)	-	(349)
Professional and consultancy fees		**(5,644)**	**-**	**(5,644)**	(3,225)	-	(3,225)
Marketing and communications expenses		**(2,591)**	**-**	**(2,591)**	(2,141)	-	(2,141)
Standard ICT operating environment expenses		**(1,578)**	**-**	**(1,578)**	(473)	-	(473)
Information technology expenses		**(10,866)**	**-**	**(10,866)**	(7,523)	-	(7,523)
Irrecoverable GST		**(2,885)**	**-**	**(2,885)**	(2,462)	-	(2,462)
Write off of property, plant and equipment		**(126)**	**-**	**(126)**	(416)	-	(416)
Other operating expenses		**(5,860)**	**-**	**(5,860)**	(9,049)	-	(9,049)
Total operating expenditure		**(190,160)**	**(10)**	**(190,170)**	(173,704)	-	(173,704)
(Deficit)/surplus before industry development expenses		**(39,318)**	**(10)**	**(39,328)**	62,632	-	62,632

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

Statement of Comprehensive Income (cont'd)

	Note	2011 General Fund $'000	2011 Restricted Funds $'000	2011 Total $'000	(Restated) 2010 General Fund $'000	(Restated) 2010 Restricted Funds $'000	(Restated) 2010 Total $'000
Industry development expenses							
Industry promotional expenses	7	**(6,421)**	**(32,003)**	**(38,424)**	(1,166)	(23,070)	(24,236)
Fund management expenses for financial assets, available for sale	7	**(531)**	**-**	**(531)**	-	-	-
Amortisation of financial guarantees	12	**(110)**	**-**	**(110)**	(190)	-	(190)
Allowance for impairment of financial guarantees	12	**(6,873)**	**-**	**(6,873)**	(8,890)	-	(8,890)
Loss on financial guarantees		**(809)**	**-**	**(809)**	-	-	-
Allowance for impairment of industry loans	13	**(1,250)**	**-**	**(1,250)**	-	-	-
Amortisation of fair value of convertible loans	13	**(49)**	**-**	**(49)**	(13)	-	(13)
Total industry development expenses		**(16,043)**	**(32,003)**	**(48,046)**	(10,259)	(23,070)	(33,329)
(Deficit)/surplus before grants		**(55,361)**	**(32,013)**	**(87,374)**	52,373	(23,070)	29,303
Government grants	8	**8,217**	**29,398**	**37,615**	2,105	14,951	17,056
(Deficit)/surplus before contribution to Consolidated Fund		**(47,144)**	**(2,615)**	**(49,759)**	54,478	(8,119)	46,359
Contribution to Consolidated Fund	22	**-**	**-**	**-**	-	-	-
Net (deficit)/surplus and total comprehensive (loss)/income		**(47,144)**	**(2,615)**	**(49,759)**	54,478	(8,119)	46,359

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

Balance Sheet

	Note	2011 $'000	(Restated) 2010 $'000	(Restated) 2009 $'000
ASSETS				
Current assets				
Cash and cash equivalents	9	**167,384**	106,076	130,171
Financial assets, at fair value through profit and loss	10	**153,422**	261,722	188,057
Trade and other receivables	11	**28,028**	27,646	21,050
Deferred subsidies	12	**122**	473	126
Loan receivables	13	**616**	7,355	5,275
Derivative financial instruments	15	**1,978**	327	106
Other current assets	16	**2,049**	3,844	2,905
		353,599	407,443	347,690
Non-current assets				
Property, plant and equipment	17	**12,334**	23,407	33,291
Intangible assets	18	**5,960**	7,066	3,822
Deferred subsidies	12	**-**	22	271
Loan receivables	13	**306**	218	428
Financial assets, available for sale	14	**31,478**	20,000	10,000
		50,078	50,713	47,812
Total assets		**403,677**	458,156	395,502

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

Balance Sheet (cont'd)

	Note	2011 $'000	(Restated) 2010 $'000	(Restated) 2009 $'000
LIABILITIES				
Current liabilities				
Trade and other payables	21	**100,414**	58,315	64,756
Licence fees received in advance		**220**	61,619	60,825
Advances and deposits		**38,928**	15,146	6,587
Provision for financial guarantees	12	**616**	7,175	-
Provision for deferred subsidies	12	**122**	473	126
Provision for pensions and gratuities	23	**1,719**	1,697	1,785
		142,019	144,425	134,079
Non-current liabilities				
Provision for unclaimed monies		**1,092**	856	-
Provision for pensions and gratuities	23	**18,845**	19,628	16,801
Provision for ex-gratia payments		**275**	305	342
Provision for reinstatement of property, plant and equipment		**837**	837	-
Provision for financial guarantees	12	**-**	1,715	-
Provision for deferred subsidies	12	**-**	22	271
		21,049	23,363	17,414
Total liabilities		**163,068**	167,788	151,493
NET ASSETS		**240,609**	290,368	244,009

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

Balance Sheet (cont'd)

	Note	**2011**	(Restated) 2010	(Restated) 2009
		$'000	$'000	$'000
Net assets of trust and agency funds				
- Singapore Film Commission	19	**1,734**	2,912	4,055
- Interactive Digital Media R&D	20	**(3,127)**	(3,464)	(5,996)
		(1,393)	(552)	(1,941)
		239,216	289,816	242,068
CAPITAL, FUNDS AND ACCUMULATED SURPLUS				
Share capital	24	**1,201**	1,201	1,201
Capital account	25	**131,614**	131,614	131,614
Accumulated surplus		**107,794**	157,553	111,194
		240,609	290,368	244,009
Net assets of trust and agency funds				
- Singapore Film Commission	19	**1,734**	2,912	4,055
- Interactive Digital Media R&D	20	**(3,127)**	(3,464)	(5,996)
		(1,393)	(552)	(1,941)
		239,216	289,816	242,068

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

Statement of Changes in Capital, Funds and Accumulated Surplus

	Note	Share capital	Capital account	Accumulated surplus: General fund	Accumulated surplus: Restricted funds	Accumulated surplus: Subtotal	**Total**
		$'000	$'000	$'000	$'000	$'000	**$'000**
2011							
Beginning of financial year							
- as previously reported		**1,201**	**131,614**	**101,560**	**42,462**	**144,022**	**276,837**
- prior year adjustments	30	**-**	**-**	**13,531**	**-**	**13,531**	**13,531**
- as restated		**1,201**	**131,614**	**115,091**	**42,462**	**157,553**	**290,368**
Net deficit and total comprehensive loss for the financial year		**-**	**-**	**(47,144)**	**(2,615)**	**(49,759)**	**(49,759)**
End of financial year		**1,201**	**131,614**	**67,947**	**39,847**	**107,794**	**240,609**
2010 (Restated)							
Beginning of financial year							
- as previously reported		1,201	131,614	74,326	29,881	104,207	237,022
- prior year adjustments	30	-	-	6,987	-	6,987	6,987
- as restated		1,201	131,614	81,313	29,881	111,194	244,009
Transfer of funds	28	-	-	(20,700)	20,700	-	-

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

Statement of Changes in Capital, Funds and Accumulated Surplus (cont'd)

	Note	Share capital	Capital account	Accumulated surplus: General fund	Accumulated surplus: Restricted funds	Accumulated surplus: Subtotal	**Total**
		$'000	$'000	$'000	$'000	$'000	**$'000**
2010 (Restated) (cont'd)							
Net surplus/(deficit) and total comprehensive income/(loss) for the financial year							
- as previously restated		-	-	47,934	(8,119)	39,815	39,815
- prior year adjustments	30	-	-	6,544	-	6,544	6,544
- as restated		-	-	54,478	(8,119)	46,359	46,359
End of financial year		1,201	131,614	115,091	42,462	157,553	290,368

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

Statement of Cash Flows

	Note	2011	(Restated) 2010
		$'000	$'000
Cash flows from operating activities			
(Deficit)/surplus before grants		**(87,374)**	29,303
Adjustments for:			
- Depreciation and amortisation expense		**13,032**	13,425
- Loss on disposal of property, plant and equipment		**-**	21
- Write off of property, plant and equipment		**126**	416
- Income from bank deposits, derivative financial instruments and financial assets, at fair value through profit and loss		**(19,731)**	(71,461)
- Management fee expense for financial assets, available for sale		**200**	-
- Allowance impairment of trade receivables		**105**	326
- Amortisation of fair value of convertible loans (net)		**45**	7
- Allowance for impairment of industry loans		**1,250**	-
- Allowance for impairment of financial guarantees		**6,873**	8,890
- Loss on financial guarantees		**809**	-
- Provision for reinstatement of property, plant and equipment		**-**	837
- Provision for unclaimed monies		**236**	856
- Provision for pensions, gratuities and ex-gratia		**906**	4,487
		(83,523)	(12,893)

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

Statement of Cash Flows (cont'd)

	Note	2011 $'000	(Restated) 2010 $'000
Change in working capital			
- Trade and other receivables		**(1,159)**	(6,231)
- Other current assets		**1,795**	(939)
- Trade and other payables		**42,602**	(8,966)
- Advances and deposits		**23,782**	8,559
- Licence fees received in advance		**(61,399)**	794
Cash utilised in operations		**(77,902)**	(19,676)
Payment of pension and gratuities		**(1,697)**	(1,785)
Net cash utilised in operating activities		**(79,599)**	(21,461)
Cash flows from investing activities			
Net purchases of property, plant and equipment		**(958)**	(7,901)
Net proceeds from sale of property, plant and equipment		**-**	1,195
Purchases of intangible assets		**(19)**	(516)

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

Statement of Cash Flows (cont'd)

	Note	2011 $'000	(Restated) 2010 $'000
Net proceeds from sale/(purchase) of financial assets, at fair value through profit and loss		**116,604**	(15,954)
Net proceeds from sale of derivative financial instruments		**3,388**	5,451
Purchases of financial assets, available for sale		**(11,678)**	(10,000)
Interest received		**5,245**	5,556
Dividend received		**1,813**	1,836
Net cash provided by/(utilised in) investing activities		**114,395**	(20,333)
Cash flows from financing activities			
Net disbursement of loan receivables		**(1,225)**	(1,882)
Payment of financial guarantees		**(9,375)**	-
Government grants received		**37,615**	17,056
Net cash provided by financing activities		**27,015**	15,174
Net increase/(decrease) in cash and cash equivalents		**61,811**	(26,620)
Cash and cash equivalents at beginning of financial year		**93,761**	120,381
Cash and cash equivalents at end of financial year	9	**155,572**	93,761

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

Notes to the Financial Statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Media Development Authority, a Statutory Board under the Ministry of Information, Communications and the Arts ("MICA"), was established in The Republic of Singapore under the Media Development Authority Act (Chapter 172) on 1 January 2003.

The establishment of the Authority was by way of a merger of the Singapore Broadcasting Authority, the Singapore Film Commission and the Films and Publications Department from the Ministry of Information, Communications and the Arts.

The registered office and principal place of operations of the Authority is located at 3 Fusionopolis Way, #16-22, Symbiosis, Singapore 138633.

The Authority is the national regulatory authority for media in Singapore and is engaged in the following principal activities:

(a) to exercise licensing and regulatory functions in respect of media services in Singapore, including the establishment of guidelines and standards relating to the content of media services, and any equipment or facility used in connection with the provision of media services;

(b) to encourage, promote and facilitate the development of the media industries in Singapore;

1. General information (cont'd)

(c) to advise and make recommendations to the Government on matters, measures and regulations related to or connected with the media;

(d) to facilitate the provision of an adequate range of media services in Singapore which serve the interests of the general public;

(e) to maintain fair and efficient market conduct and effective competition in the media industries in Singapore or, in the absence of a competitive market, to prevent the misuse of monopoly or market power;

(f) to ensure that media services in Singapore are maintained at a high standard in all respects and, in particular, in respect of the quality, balance and range of subject-matter of their content;

(g) to encourage and regulate public service broadcast programming by broadcasting licensees; and

(h) to ensure that nothing is included in the content of any media service which is against public interest or order, or national harmony, or which offends against good taste or decency.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Media Development Authority Act (Chapter 172) (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with SB-FRS requires management to exercise its judgement in the process of applying the Authority's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2010

On 1 April 2010, the Authority adopted the new or amended SB-FRS that is mandatory for application from that date. Changes to the Authority's accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS.

The adoption of this new or amended SB-FRS did not result in substantial changes to the Authority's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (cont'd)

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured. The following restricted recognition criteria must also be met before revenue is recognised:

(a) Radio and television ("RTV") licence fees

Radio and television licence fees are recognised when the licences are granted and recognised evenly over the licence period.

(b) Broadcast licence fees

Broadcast licence fees are recognised when broadcasters' services are rendered.

Broadcast licence fees are computed based on a percentage of the broadcasters' total qualifying income. Concession rates are accorded to broadcasters providing new or innovative services.

(c) Film and video licence fees

Film and video licence fees are recognised when the licences are granted and recognised evenly over the licence period.

2. Significant accounting policies (cont'd)

2.2 Revenue recognition (cont'd)

(d) Film and video censorship fees

Film and video censorship fees are recognised when services are rendered.

(e) Revenue from completed films

Under the Authority's industry developments schemes, the share of returns from the marketing and sale of the completed films, TV programmes, digital media and publishing projects are recognised as revenue when sold by the production companies to their customers.

(f) Interest income

Interest income is recognised as using the effective interest method.

(g) Unclaimed monies

Unclaimed monies held by the Authority which are not claimed within 6 years of its receipt, the monies are recognised in the profit or loss as "Other income".

2. Significant accounting policies (cont'd)

2.2 Revenue recognition (cont'd)

(h) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.3 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be compiled with.

Government grants received for the purchase or the construction of depreciable assets are accounted for as deferred capital grants. The deferred capital grants are amortised and charged to the statement of comprehensive income over the period necessary to match the annual depreciation charge of these assets or when the assets are disposed or written off. Where the grants relate to an expense item, it is recognised in the profit or loss over the periods necessary to match them on a systematic basis, to the costs, which it is intended to compensate.

2.4 Trust Funds

These are monies received from government and other organisations where the Authority acts as a custodian, trustee or agent but does not exercise control of the funds. They are accounted for as agency funds held in trust.

2. Significant accounting policies (cont'd)

2.4 Trust Funds (cont'd)

The assets and liabilities of agency funds of the Authority– Singapore Film Commission ("SFC")'s film development funds, as well as Interactive Digital Media ("IDM") R&D development funds, held in trust for the Government are presented as "Net assets of Trust and agency funds". The receipts and expenses in respect of the agency funds held in trust are directly taken to the fund accounts and their net assets are shown under the Capital Funds and Accumulated Surplus on the balance sheet.

2.5 Restricted Funds

In accordance with Guidance Note 3 issued by Accountant General Department ("AGD"), these are funds received for specific purposes and for which separate disclosure is necessary as these funds are material and there are restrictions on the ability of the Authority to distribute or otherwise apply its funds. Restricted funds in the Authority include the Singapore Media Fusion Plan ("SMFP") and Media 21 funds. These funds are set up to account for contributions received from other government agencies and from within the Authority for specified purposes.

2.6 Employee compensation

(a) Defined contribution plans

The Authority's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

2. Significant accounting policies (cont'd)

2.6 Employee compensation (cont'd)

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(c) Pensions and gratuities

The Authority operates one defined pension plan and has also provided for certain additional post-employment healthcare benefits. These benefits are unfunded.

The pension and gratuities are valued by independent professional valuers on an annual basis.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense in the profit or loss when the net cumulative unrecognised actuarial gains and losses for each individual plan at the end of the previous reporting year exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans.

2. Significant accounting policies (cont'd)

2.6 Employee compensation (cont'd)

(c) Pensions and gratuities (cont'd)

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised, reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate of the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognised immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service cost of the current period are recognised immediately.

2. Significant accounting policies (cont'd)

2.6 Employee compensation (cont'd)

(c) Pensions and gratuities (cont'd)

Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above are recognised immediately if the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service cost of the current period are recognised immediately.

The Authority's right to be reimbursed of some or all of the expenditure required to settle a defined obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

(d) Provision for ex-gratia payments

This amount is provided for payments to be made to former Singapore Broadcasting Corporation ("SBC") staff transferred from Singapore Broadcasting Authority to the Authority. The provision is computed based on the guidelines contained in the Ministry of Finance (Revenue) Circular No. 4/94 dated 10 August 1994.

2. Significant accounting policies (cont'd)

2.7 Operating lease payments

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

2.8 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Vehicles	5 years
Furniture, fittings and equipment	5 years
Computers	3 years
Renovation	3 years

No depreciation is provided for capital projects in progress.

2. Significant accounting policies (cont'd)

2.8 Property, plant and equipment (cont'd)

Plant and equipment costing less than $2,000 each are charged to profit or loss in the year of purchase.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

2.9 Impairment of non-financial assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever there is any indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its

2. Significant accounting policies (cont'd)

2.9 Impairment of non-financial assets (cont'd)

recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.10 Intangible assets

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as expenses when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three years.

2. Significant accounting policies (cont'd)

2.10 Intangible assets (cont'd)

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.11 Cash and cash equivalents

Under the Accountant-General Circular No.4/2009 dated 2 November 2009, the Authority is required to participate in the Centralised Liquidity Management Framework ("CLM"). Under the CLM, all bank accounts maintained with selected banks will be linked up with AGD's bank accounts such that excess available cash can be automatically aggregated for central management on a daily basis. The Authority will continue to own/act as trustees for their funds and operate its bank accounts, including giving instructions for payment and revenue collection. These balances are included in cash and cash equivalents as "Deposits held with Accountant-General's Department ("AGD").

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and at bank, deposits held with AGD and deposits with financial institutions which are subject to an insignificant risk in change in value.

2.12 Trade and other receivables

Trade and other receivables including industry loans are classified and accounted for as loans and receivables under SB-FRS 39. The accounting policy for this category of financial assets is stated in Note 2.13.

2. Significant accounting policies (cont'd)

2.13 Financial assets

(a) Classification

The Authority classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable.

(i) Financial assets, at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Authority investment strategy. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

2. Significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

(a) Classification (cont'd)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

Loans and receivables are presented as "trade and other receivables", "loan receivables" and "cash and cash equivalents" on the balance sheet.

(iii) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

2. Significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Authority commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised immediately in profit or loss.

2. Significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

(d) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on financial assets, available-for-sale are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income, together with the related currency translation differences.

2. Significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

(e) Impairment

The Authority assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

2. Significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

(e) Impairment (cont'd)

(i) Loans and receivables (cont'd)

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

(ii) Financial assets, available for sale

In addition to the objective evidence of impairment described in Note 2.13 (e), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2. Significant accounting policies (cont'd)

2.14 Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligations using the pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligations. The increase in the provision due to the passage of time is recognised in profit or loss as finance income. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise. Present obligations arising under financial guarantees are recognised and measured as provisions for financial guarantees.

2.15 Contribution to Consolidated Fund

Contribution to the Consolidated Fund for current period is recognised at the amount expected to be paid, using the contribution rate pegged to the corporate tax rate that has been enacted or substantively enacted by the balance sheet date. Deferred tax asset for contribution to the Consolidated Fund is recognised to the extent that it is probable that future surplus will be available against which the deficits can be utilised.

2. Significant accounting policies (cont'd)

2.15 Contribution to Consolidated Fund (cont'd)

Deferred tax asset for contribution to Consolidated Fund are measured at the contribution rates that are expected to apply when the deferred tax asset for contribution for Consolidated Fund is realised based on the contribution rates pegged to the corporate tax rate that has been enacted or substantively enacted by the balance sheet date.

Contribution to the Consolidated Fund and deferred tax asset for contribution to the Consolidated Fund are recognised in profit or loss.

2.16 Fair value estimation of financial assets and liabilities

The fair values of current assets and liabilities carried at amortised cost appropriate their carrying amounts.

The fair values of financial assets traded in active markets are based on quoted bid prices at the balance sheet date. The quoted market price used for financial assets held by the Authority is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. The fair values of forward currency exchange contracts are determined using actively quoted foreign currency rates.

2.17 Financial guarantees and deferred subsidies

Financial guarantees and deferred subsidies are initially recognised at their fair values plus transaction costs in the Authority's balance sheet.

2. Significant accounting policies (cont'd)

2.17 Financial guarantees and deferred subsidies (cont'd)

Financial guarantees and deferred subsidies are subsequently amortised to the profit or loss over the period of the guarantee, unless it is probable that the Authority will reimburse an amount higher than the unamortised amount. In this case, the financial guarantees and deferred subsidies shall be carried at the expected amount payable in the Authority's balance sheet.

2.18 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Derivatives that do not qualify for hedge accounting

External fund managers enter into derivative financial instruments on behalf of the Authority. These derivative financial instruments do not qualify for hedge accounting. Fair value changes for such derivative instruments that do not qualify for hedge accounting are included in profit or loss in the financial year when the changes arise.

2. Significant accounting policies (cont'd)

2.19 Currency translation

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

Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on these items are included in the fair value reserve.

2.20 Trades and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.21 Dividends

Dividends to Ministry of Finance, the ultimate shareholder, are recognised when the dividends are approved by the Authority.

2. Significant accounting policies (cont'd)

2.22 Share capital

Ordinary shares issued in accordance with FCM 26/2008 – Capital Management Framewalk, are classified as equity. The shares issued are held by the Minister of Finance, incorporated by the Minister of Finance (Incorporation) Act.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment of loan receivables and trade receivables

Management reviews its loan receivables and trade receivables for objective evidence of impairment at least annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

3. Critical accounting estimates, assumptions and judgements (cont'd)

(a) Impairment of loan receivables and trade receivables (cont'd)

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. In determining this, management uses estimates based on available information as at the balance sheet date.

(i) Loan receivables

The Authority's allowance for impairment on loan receivables as at 31 March 2011 was $9,581,000 (2010: $1,750,000).

If the net present values of estimated cash flows increase/decrease by 10% from management's estimates for all past due loan receivables, the Authority's allowance for impairment will decrease/increase by $958,100.

(ii) Trade receivables

The Authority's allowance for impairment of trade receivables as at 31 March 2011 was $2,960,000 (2010: $2,868,000). The allowance for impairment has been made taking into consideration the likelihood of recovery on outstanding receivables for which summons and warrants of arrest had been issued and the Limitation Act which stipulates that no action can be brought against a licensee for outstanding receivables after the expiration of 6 years from the date on which the licensee's liability to pay the receivables arose.

3. Critical accounting estimates, assumptions and judgements (cont'd)

(b) Provision for pensions and gratuities

The provision for pension and gratuities relate to benefits payable upon retirement of officers who were transferred to the Authority from the Singapore Broadcasting Authority upon the establishment of the Authority on 1 January 2003. The provision for pensions and gratuities of the Authority as at 31 March 2011 is $20,564,000 (2010: $21,325,000). The provision has been computed based on certain assumptions and estimates as disclosed in Note 23 and the revisions to the assumptions and estimates could impact the provision made.

(c) Deferred income tax asset on contribution to Consolidated Fund

Deferred income tax asset have not been recognised on unrecognised deficits of $60,873,000 (2010: $11,114,000) (Note 22) as MDA expects to continue to be in operating deficit, excluding any investment income and fair value gains or losses from its financial assets held at fair value through profit or loss. Management believes that the probability of utilising the carried forward deficits is dependent on market performance and does not expect significant gains in its investments and financial assets held at fair value through profit or loss to offset its operating deficit. Accordingly, MDA has not recognised any deferred income tax assets for contribution to Consolidated Fund.

4. Net income from bank deposits, derivative financial instruments and financial assets, at fair value through profit and loss

	2011	2010
	$'000	$'000
Interest income		
- Short-term deposits and cash at bank	**331**	200
- Financial assets, fair value through profit and loss	**6,275**	7,718
Fair value gain from financial assets designated as fair value through profit or loss at initial recognition	**625**	47,658
Fair value gain from derivative financial instruments	**5,134**	5,839
Gain on disposal of financial assets at fair value through profit and loss	**833**	5,367
Loss on disposal of derivative financial instruments	**(95)**	(167)
Dividend income	**1,813**	1,836
Foreign exchange gain (net)	**4,815**	3,010
	19,731	71,461

5. Other income

	2011	(Restated) 2010
	$'000	$'000
Financial guarantee income	**110**	190
Broadcast frequency management fees	**111**	106
Finance income arising from amortisation of fair value on convertible loans (Note 13)	**4**	5
Unclaimed monies	**225**	1,442
Reimbursement of expenses from MICA	**270**	432
Foreign exchange loss – financial guarantees/financial assets, available-for-sale	**(313)**	-
Others	**900**	733
	1,307	2,908

6. Employee compensation

	2011	2010
	$'000	$'000
Wages and salaries	**25,690**	21,008
Employer's contribution to Central Provident Fund	**2,550**	2,394
Pension and gratuities (Note 23)	**936**	4,524
Other benefits	**77**	161
	29,253	28,087

7. Industry promotional expenses

	2011	2010
	$'000	$'000
Comprising of:		
General fund	**6,952**	1,166
Restricted funds	**32,003**	23,070
	38,955	24,236

7. Industry promotional expenses (cont'd)

The Authority finances and co-finances film production, digital media and publishing projects. The financial assistance and financing is provided in the form of industry promotional expenses in respect of individual film development or film production projects. These give the Authority the right to participate in the share of revenues or profits from the film, digital media and publishing project.

Due to the financial risk profile of the film, digital media and publishing project, and their historic revenue or profit performance, the expenditure is recognised in the profit or loss upon disbursement.

Income from the marketing and sale of the completed films, digital media and publishing projects are recognised as revenue when sold by the production companies to their customers (Note 2.2 (e)).

8. Government grants

	2011	2010
	$'000	$'000
MICA grant for Singapore Media Fund Plan ("SMFP") (Note 27)	**29,398**	14,951
MICA and other agencies grant for Public Service Broadcast	**1,715**	1,918
Other grants from MICA	**6,502**	187
	37,615	17,056

9. Cash and cash equivalents

	2011 $'000	(Restated) 2010 $'000
Cash at bank and on hand		
- Held by the Authority	**35,710**	2,350
- Held by fund managers (Note 10)	**5,738**	5,581
	41,448	7,931
Short-term bank deposits		
- Held by fund managers (Note 10)	**1,151**	947
Deposits held with AGD		
- The Authority	**112,973**	84,883
- Trust and agency funds (Notes 19 & 20)	**11,812**	12,315
	124,785	97,198
	167,384	106,076

Short-term bank deposits are made for varying periods of between one week and one year depending on the immediate cash requirements of the Authority, and earn interests at the respective short-term deposit rates.

9. Cash and cash equivalents (cont'd)

Deposits held with AGD earned interest based on fixed deposit rates determined by the financial institutions with which AGD deposits the monies.

In accordance with Guidance Note 3: Accounting and Disclosure for Trust Funds, cash of trust funds that are maintained with the Authority's cash and cash equivalents are to be included as part of the cash and cash equivalents of the Authority in the balance sheet. Cash belonging to the trust funds are excluded as part of the Authority's cash and cash equivalents in the statement of cash flow.

For the purpose of presenting the statement of cash flow, the cash and cash equivalents comprise the following:

	2011	(Restated) 2010
	$'000	$'000
Cash and cash equivalents (as above)	**167,384**	106,076
Less: Trust and agency funds	**(11,812)**	(12,315)
Cash and cash equivalents per statement of cash flow	**155,572**	93,761

10. Financial assets, at fair value through profit or loss

	2011	2010
	$'000	$'000
Financial assets, at fair value through profit and loss		
- Quoted equity securities	**29,207**	86,437
- Quoted bonds	**124,215**	153,854
- Quoted investment fund, Global Reits (Invesco)	**-**	21,431
	153,422	261,722

According to the revised Investment Guideline issued by Ministry of Information, Communications & the Arts dated 11 December 2009, the Authority's short-term (1 or 2 years) cash flow needs could be invested in instruments with capital preservation as the primary objective to protect the principal sum invested to ensure that the funds are available when required.

For the Authority's longer-term (3 or 4 years and beyond) cash flow needs, the return on investment will be pegged to MOF's cost of capital rate with a deviation band of (+) or (-) 1%. The objective is to recover the opportunity cost of holding the funds and minimise the loss in real value of the monies over the longer term.

The above financial assets are managed by external funds managers. As at 31 March 2011, the funds placed with the external fund managers are $162,140,000 (2010: $267,921,000). The Authority has the following amounts placed under fund managers.

10. Financial assets, at fair value through profit or loss (cont'd)

	Note	**2011**	2010
		$'000	$'000
Quoted equity securities	10	**29,207**	86,437
Quoted bonds	10	**124,215**	153,854
Quoted investment fund, Global Reits (Invesco)	10	**-**	21,431
Derivative financial instruments	15	**1,978**	327
Short-term bank deposits	9	**1,151**	947
Cash at bank and on hand	9	**5,738**	5,581
Amount due from brokers	11	**904**	3,820
Accrued interest under fund management	11	**1,132**	2,316
Amount due to brokers	21	**(2,185)**	(6,792)
		162,140	267,921

These items have been included in the respective current assets and liabilities categories in the balance sheet.

The terms of the management agreements, which are subject to review every 3 years, provide the following:

(a) base fee payable on a quarterly basis; and

(b) performance fee payable to fund managers (determined at the end of the relevant fund management period) for out-performance against relevant benchmarks.

11. Trade and other receivables

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Trade receivables			
- Licence and penalty fees	**19,514**	16,967	9,779
- Broadcasting fees	**2,711**	10	-
- Agencies	**-**	4,753	6,170
- Others	**694**	-	-
	22,919	21,730	15,949
Less: Allowance for impairment of trade receivables	**(3,153)**	(3,048)	(2,723)
	19,766	18,682	13,226
Other receivables			
- Accrued interest under fund management (Note 10)	**1,132**	2,316	1,852
- Amount due from brokers (Note 10)	**904**	3,820	72
- Amount due from MICA	**4,211**	1,255	525
- Interest receivables	**229**	46	24
- Others	**1,786**	1,527	5,351
	8,262	8,964	7,824
	28,028	27,646	21,050

12. Deferred subsidies and financial guarantees

	2011	2010
	$'000	$'000
Current		
Financial guarantees	**616**	7,175
Deferred subsidies	**122**	473
	738	7,648
Non-current		
Financial guarantees	**-**	1,715
Deferred subsidies	**-**	22
	-	1,737

(a) Provisions for financial guarantees

As at 31 March 2011, the Authority authorised its bank to issue standby letters or credits amounting to $4,519,000 (2010: $23,989,000) to financial institutions for loans extended to film and animation projects managed by media companies under its Loan Guarantee Programme. A provision for financial guarantee is recognised at the balance sheet date for expected default by the media companies.

12. Deferred subsidies and financial guarantees (cont'd)

(a) Provisions for financial guarantees (cont'd)

Movement in the provision for financial guarantees are as follows:

	2011 $'000	2010 $'000
Beginning of financial year	**8,890**	-
Provision made	**6,873**	8,890
Provision utilised	**(8,566)**	-
Reclassification to allowance for impairment of convertible loan (Note 13)	**(6,581)**	-
Balance at end of financial year	**616**	8,890

(b) Provision for deferred subsidies

The financial guarantees provided by the Authority are carried at the higher of the loan amounts guaranteed and the initial amounts recognised, less cumulative amortisation recognised as income over the terms of the guarantees. Since the media companies are paying at a preferential rate for the financial guarantees, corresponding deferred subsidies are recognised on the balance sheet, less cumulative amortisation recognised as expense over the terms of the guarantees.

12. Deferred subsidies and financial guarantees (cont'd)

(b) Provision for deferred subsidies (cont'd)

Movement in provision for deferred subsidies are as follows:

	2011	2010
	$'000	$'000
Deferred subsidies		
Beginning of financial year	**495**	397
Amortisation charged	**(110)**	(190)
Write-back on provision	**(336)**	-
Provision made	**70**	347
Currency translation differences	**3**	(59)
Balance as at end of financial year	**122**	495
Comprising of:		
- Current	**122**	473
- Non-current	**-**	22
	122	495

13. Loan receivables

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Convertible loans (at cost)			
- Current	**1,732**	3,753	3,500
- Non-current	**5,324**	222	400
	7,056	3,975	3,900
Less: Allowance for impairment of convertible loans	**(6,581)**	(1,750)	(1,750)
	475	2,225	2,150
Less: Accumulated amortisation on fair value on convertible loans	**(53)**	(8)	-
	422	2,217	2,150
Industry loans (at cost)			
- Current	**2,887**	5,356	-
- Non-current	**613**	-	3,548
	3,500	5,356	3,548
Less: Allowance for impairment for industry loans	**(3,000)**	-	-
	500	5,356	3,548
Staff loans			
- Current	**-**	-	5
	922	7,573	5,703

13. Loan receivables (cont'd)

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Comprising of:			
- Current	**616**	7,355	5,275
- Non-current	**306**	218	428
	922	7,573	5,703

Movement in allowance for impairment of loan receivables are as follows:

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Beginning of financial year	**1,750**	1,750	-
Reclassification from provision for financial guarantees (Note 12)	**6,581**	-	-
Allowance made	**1,250**	-	1,750
Balance at end of financial year	**9,581**	1,750	1,750

13. Loan receivables (cont'd)

Accumulated amortisation of fair value on convertible loans and industry loans

Convertible loans and industry loans disbursed by the Authority to media companies yield zero or lower market interest rates as compared to commercial interest rates. Provision for amortisation on the fair value on convertible loans and industry loans are made for the lower rates at which the Authority disburses these loans representing the time value loss of money of interest income that the Authority could have earned had these loans been made at the market interest rates.

Movement in accumulated amortisation of fair value on convertible loans and industry loans are as follows:

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Beginning of financial year	**8**	-	-
Amortisation charge	**49**	13	-
Credited to profit or loss (Note 5)	**(4)**	(5)	-
Balance at end of financial year	**53**	8	-
Comprising of:			
- Current	**53**	4	-
- Non-current	**-**	4	-
	53	8	-

13. Loan receivables (cont'd)

(a) Industry loans

The Authority has extended loans to certain companies in the media industry.

During the financial year, an allowance for impairment of $1,250,000 (2010 and 2009: $Nil) was made against industry loans.

(b) Convertible loans

Included in the industry loans is an amount of $7,056,000 (2010: $3,975,000 ; 2009: $3,900,000) which relates to convertible loans where the Authority can convert into equity or require the companies to repay principal with interest at the repayment date. Interest rates for the convertible loans are fixed between 3.6% and 4.6% (2010: 1.7% and 4.6% ; 2009: 4.6%) per annum. These interest rates are lower compared to the commercial interest rates.

The value of the embedded conversion option in the convertible loans is deemed to be negligible, on the basis that the underlying equities are unquoted and the valuation cannot be reliably determined.

During the financial year, the Authority has measured and recognised the time value loss on the convertible loans of $53,000 (2010: $8,000 ; 2009: $Nil) and an allowance for impairment of $6,581,000 (2010: $6,581,000 ; 2009: $1,750,000) was made against two convertible loans which was not past due, because of uncertainty in recoverability of the amount.

14. Financial assets, available for sale

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Beginning of financial year	**20,000**	10,000	-
Credited to profit or loss	**(200)**	-	-
Addition	**11,678**	10,000	10,000
Balance as at end of financial year	**31,478**	20,000	10,000

Financial assets, available-for-sale are as follows:

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Investment in media and film production funds	**31,478**	20,000	10,000

Investment in media and film production funds relates to collaboration with other investors to finance the development of film production. These investments range from 3 to 10 years and repayment terms vary according to the terms of the agreements. MDA may be entitled to full repayment of principal investment plus the rights to participate in any revenue generated from the film production.

15. Derivative financial instruments

Derivative financial instruments comprise fair value gains of the currency forwards for investments managed by external fund managers. The contracted notional principal amount of the derivative financial instruments outstanding at balance sheet date is $184,767,000 (2010: $168,305,000).

	Contracts notional amount for outstanding forward foreign exchange contracts $'000	Fair value Asset $'000	Fair value Liability $'000	Total $'000
2011				
Forwards foreign exchange contracts (current position)	**184,767**	**1,978**	**-**	**1,978**
2010				
Forwards foreign exchange contracts (current position)	168,305	525	(198)	327

15. Derivative financial instruments (cont'd)

The Authority does not have non-current forwards foreign exchange contracts. As at 31 March 2011, the settlement dates on forwards foreign exchange contracts range from 1 day to 3 months (2010: 1 day to 3 months).

16. Other current assets

	2011	2010
	$'000	$'000
Deposits	**1,074**	829
Prepayments	**910**	3,015
Others	**65**	-
	2,049	3,844

17. Property, plant and equipment

	Vehicles	Furniture fittings and equipment	Computers	Renovation	Capital projects in progress	**Total**
	$'000	$'000	$'000	$'000	$'000	**$'000**
2011						
Cost						
Beginning of financial year	**382**	**12,150**	**9,254**	**14,803**	**4,295**	**40,884**
Additions	**-**	**47**	**911**	**-**	**-**	**958**
Disposals	**-**	**-**	**(62)**	**-**	**(126)**	**(188)**
Reclassification	**-**	**-**	**902**	**-**	**(902)**	**-**
Reclassification to intangible assets (Note 18)	**-**	**-**	**-**	**-**	**(3,267)**	**(3,267)**
End of financial year	**382**	**12,197**	**11,005**	**14,803**	**-**	**38,387**
Accumulated depreciation						
Beginning of financial year	**349**	**2,866**	**7,532**	**6,730**	**-**	**17,477**
Depreciation charge	**12**	**2,376**	**1,455**	**4,795**	**-**	**8,638**
Disposals	**-**	**-**	**(62)**	**-**	**-**	**(62)**
End of financial year	**361**	**5,242**	**8,925**	**11,525**	**-**	**26,053**
Net book value						
End of financial year	**21**	**6,955**	**2,080**	**3,278**	**-**	**12,334**

17. Property, plant and equipment (cont'd)

	Vehicles	Furniture fittings and equipment	Computers	Renovation	Capital projects in progress	**Total**
	$'000	$'000	$'000	$'000	$'000	**$'000**
2010						
Cost						
Beginning of financial year	382	1,746	9,542	8,068	22,558	42,296
Additions	-	477	116	837	6,471	7,901
Disposals	-	(1,391)	(485)	(636)	(416)	(2,928)
Reclassification	-	11,318	81	6,534	(17,933)	-
Reclassification to intangible assets (Note 18)	-	-	-	-	(6,385)	(6,385)
End of financial year	382	12,150	9,254	14,803	4,295	40,884
Accumulated depreciation						
Beginning of financial year	337	545	5,812	2,311	-	9,005
Depreciation charge	12	2,510	2,201	5,045	-	9,768
Disposals	-	(189)	(481)	(626)	-	(1,296)
End of financial year	349	2,866	7,532	6,730	-	17,477
Net book value						
End of financial year	**33**	**9,284**	**1,722**	**8,073**	**4,295**	**23,407**

18. Intangible assets

	2011 $'000	2010 $'000
Cost		
Beginning of financial year	**15,387**	8,780
Additions	**19**	516
Disposals	**(239)**	(294)
Reclassification from property, plant and equipment (Note 17)	**3,267**	6,385
End of financial year	**18,434**	15,387
Accumulated amortisation		
Beginning of financial year	**8,321**	4,958
Amortisation charge	**4,392**	3,657
Disposals	**(239)**	(294)
End of financial year	**12,474**	8,321
Net book value	**5,960**	7,066

19. Trust and agency funds – Singapore Film Commission ("SFC")

This represent funds received from Government and other statutory boards that are held by the Authority as agent for purposes relating to SFC's funding of local feature film projects and co-productions, overseas promotion of Singapore films, as well as promotion of Singapore as a location for film shots.

The receipts and expenditure for the year are taken directly to the funds accounts, and the net assets of these funds at the balance sheet date are as follows:

	2011	2010
	$'000	$'000
Statement of comprehensive income		
Income		
Interest income	**-**	1
Other income	**20**	7
	20	8
Expenses		
Funding of film projects	**(1,188)**	(1,151)
Other expenses	**(10)**	-
	(1,198)	(1,151)
Net deficit	**(1,178)**	(1,143)

19. Trust and agency funds – Singapore Film Commission ("SFC") (cont'd)

	2011 $'000	2010 $'000
Accumulated fund balance		
Beginning of financial year	**2,912**	4,055
Balance at end of financial year	**1,734**	2,912
Balance sheet		
Current assets		
Cash and cash equivalents	**1,863**	3,041
Current liabilities		
Other payables	**(129)**	(129)
NET ASSETS	**1,734**	2,912

20. Trust and agency funds – Interactive and Digital Media R&D ("IDM R&D")

The National Research Foundation had allocated $500 million over five years to fund the development of a strategic IDM research programme and the set-up of a multiagency IDM R&D Programme Office within the Authority to spearhead the growth and development of Singapore's IDM sector. The income and expenditure for the year are taken directly to the funds accounts, and the net assets/liabilities of these funds at the balance sheet date are as follows:

20. Trust and agency funds – Interactive and Digital Media R&D ("IDM R&D") (cont'd)

	2011	2010
	$'000	$'000
Statement of comprehensive income		
Income		
Other income	**7**	22
Government grants	**31,703**	30,272
Deferred capital grant	**275**	867
	31,985	31,161
Expenses		
Employee compensation	**(1,119)**	(1,051)
Other operating expenses	**(497)**	(316)
Depreciation	**(374)**	(299)
China-Singapore Institute of Digital Media	**(1,807)**	(794)
Singapore MIT GameLab Initiative	**(6,585)**	(6,018)
Futurescape	**(7,056)**	(5,914)
AIMS	**-**	(5)
Public sector R&D	**(10,330)**	(12,249)
International research centres	**(2,323)**	(1,032)
Microfunding	**(1,558)**	(951)
	(31,649)	(28,629)
Net surplus	**336**	2,532

20. Trust and agency funds – Interactive and Digital Media R&D ("IDM R&D") (cont'd)

	2011	2010
	$'000	$'000
Accumulated fund balance		
Beginning of financial year	**(3,463)**	(5,996)
Balance at end of financial year	**(3,127)**	(3,464)
Balance sheet		
Current assets		
Cash and cash equivalents	**9,949**	9,274
Other current assets	**654**	844
	10,603	10,118
Non-current assets		
Property, plant and equipment	**777**	1,036
Intangible assets	**157**	173
Advance to Massachusetts Institute of Technology ("MIT")	**822**	590
	1,756	1,799
Total assets	**12,359**	11,917
Current Liabilities		
Deferred capital grant	**(934)**	(1,209)
Trade and other payables	**(14,552)**	(14,172)
Total liabilities	**(15,486)**	(15,381)
NET ASSETS	**(3,127)**	(3,464)

20. Trust and agency funds – Interactive and Digital Media R&D ("IDM R&D") (cont'd)

(a) Singapore MIT Gamelab Initiatives

The Singapore-MIT GAMBIT Game Lab is a five-year research initiative that focuses on building collaborations between Singapore institutions of higher learning and various MIT departments to accomplish both research and development. "GAMBIT" stands for "Gamers, Aesthetics, Mechanics, Business, Innovation, Technology," reflecting the broad and interdisciplinary scope of the research pursued within the initiative.

(b) China-Singapore Institute of Digital Media Funding Initiatives

The aim of the scheme is to support a strategic partnership with the Chinese Academy of Sciences ("CAS") by establishing a research institute in Singapore, focusing on applied R&D for Chinese language technologies, leveraging on CAS strengths in this area and with NUS as a major research partner, to support the goal of developing Singapore as a hub for immersive interactive language learning using IDM technologies.

(c) Futurescape

This funding initiative aims to support original and innovative applications, services and devices development as well as to purchase of common infrastructure and test-bedding services respectively.

20. Trust and agency funds – Interactive and Digital Media R&D ("IDM R&D") (cont'd)

(d) AIMS

The Advisory Council on the Impact of New Media on Society ("AIMS") was established to study the far-reaching social, ethical, legal and regulatory implications of a rapidly growing Interactive and Digital Media ("IDM") sector. It will make recommendations to the Government on how these issues should be managed while keeping pace with the development of IDM in Singapore.

(e) Public Sector R&D

This funding initiative seeks to stimulate public sector R&D efforts in support of the creation of fundamental breakthroughs in the Interactive and Digital Media sector.

(f) International Research Centres

This aims to build up research excellence in Singapore through a local and international global network of IDM research partners.

(g) Microfunding

The Microfunding scheme aims to support start-ups in their exploration of technical merit or feasibility of ideas and technologies with potential to create business disruptions and build new industry sub-sectors.

21. Trade and other payables

	2011	2010
	$'000	$'000
Trade payables	**64,240**	18,960
Amount due to brokers (Note 10)	**2,185**	6,792
Sundry creditors	**19,249**	18,779
Accruals for operating expenses	**14,740**	13,784
	100,414	58,315

Included in trade payables are refundable RTV licence fees of approximately $46,517,000 (2010: $Nil) due to the abolishment of RTV licence with effect from 1 January 2011.

Included in accruals for operating expenses of the Authority are $40,000 (2010: $97,000) due to various statutory boards for administrative expenses.

22. Provision for contribution to Consolidated Fund

The contribution to the Consolidated Fund is made in accordance with the Statutory Corporations (Contribution to Consolidated Fund) Act 1989 (Chapter 319A). This contribution is based on 17% (2010: 17%) of the net surplus of the Authority. The Authority is allowed to carry forward its deficits to offset against its future surplus.

22. Provision for contribution to Consolidated Fund (cont'd)

There is no contribution made for the current financial year as the Authority was in a net deficit position. No contribution was made for the financial year ended 31 March 2010 as the Authority had utilised the deficit for the year ended 31 March 2009 to offset its surplus.

The benefits associated with the deficits are recognised to the extent that realisation of the related benefits through future surplus are probable. The Authority has unrecognised deficits of $60,873,000 (2010: $11,114,000) at the balance sheet date which can be carried forward and used to offset against future contributions to the Consolidated Fund. The deficits have no expiry date.

Deferred income tax asset have not been recognised on unrecognised deficits of $60,873,000 (2010: $11,114,000) as MDA expects to continue to be in operating deficit, excluding any investment income and fair value gains or losses from its financial assets held at fair value through profit or loss. Management believes that the probability of utilising the carried forward deficits is dependent on market performance and does not expect significant gains in its investments and financial assets held at fair value through profit or loss to offset its operating deficit. Accordingly, MDA has not recognised any deferred income tax assets for contribution to Consolidated Fund.

23. Provision for pensions and gratuities

The provision for pension and gratuities relate to benefits payable upon retirement of officers who were transferred to the Authority from the Singapore Broadcasting Authority upon the establishment of the Authority on 1 January 2003.

23. Provision for pensions and gratuities (cont'd)

(a) The amount recognised in the balance sheet is determined as follows:

	2011	2010
	$'000	$'000
Present value of funded obligations	**23,325**	23,999
Unrecognised losses	**(2,761)**	(2,674)
	20,564	21,325
Comprising of:		
- Current	**1,719**	1,697
- Non-current	**18,845**	19,628
	20,564	21,325

An actuarial loss of $274,000 (2010: $4,159,000) has been recognised in the current year as the unrecognised actuarial loss exceed 10% of the present value of the defined benefit obligation at the last balance sheet date.

23. Provision for pensions and gratuities (cont'd)

(b) The amounts recognised in the profit or loss are as follows:

	2011	2010
	$'000	$'000
Current service cost	**7**	10
Interest cost	**655**	355
Net actuarial loss recognised in the year	**274**	4,159
Expenses recognised in profit or loss (Note 6)	**936**	4,524

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

	2011	2010
	$'000	$'000
Beginning of financial year	**21,325**	18,586
Provision for the year	**936**	4,524
Payments during the year	**(1,697)**	(1,785)
End of financial year	**20,564**	21,325

23. Provision for pensions and gratuities (cont'd)

(d) Movement in the fair value of plan assets is as follows:

	2011	2010
	$'000	$'000
Beginning of financial year	**23,999**	25,272
Interest cost	**655**	355
Current service cost	**7**	10
Actuarial gain	**361**	147
Benefits paid	**(1,697)**	(1,785)
End of financial year	**23,325**	23,999

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

(i) All pensioners under the pension scheme will retire at the exact age of 62.

(ii) The discount rate of the pension fund is 2.5% (2010: 1.5%) which is based on 10-year Singapore Government Bond yields.

(iii) The projected salary increase of 0% (2010: 1.0%).

(iv) The Singapore Mortality Table S97/02 was used for purpose of the latest valuation of pension liabilities.

(v) All current pensionable officers will choose the Partial Commutation of Pension with Gratuity.

24. Share capital

			<----Number of shares---->	
	2011	2010	**2011**	2010
	$'000	$'000	**'000**	'000
Beginning and end of financial year	**1,201**	1,201	**1,201**	1,201

During the financial year ended 31 March 2009, in accordance with FCM 26/2008 – Capital Management Framework, there was capital injection of $1,201,000 into the Authority, comprising 1,000 shares from Ministry of Finance, and 1,200,000 shares for Minor Development Funds from Ministry of Information, Communications and the Arts in the form of equity injection. In lieu of the capital injection, share certificates amounting to $1,201,000 had been issued.

There are no shares issued in the current financial year.

The shares issued are held by the Minister of Finance, incorporated by the Minister for Finance (Incorporation) Act.

25. Capital account

The beginning capital account comprises of the capitalisation of net assets/(liabilities) transferred from the Singapore Broadcasting Authority and the Singapore Film Commission on 1 January 2003, the date of establishment of the Authority.

26. Commitments

(a) Capital commitments

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

	2011	2010
	$'000	$'000
Amount approved and contracted but not provided	**11**	1,392

(b) Non-cancellable operating lease commitments

The Authority leases office premises under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

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

26. Commitments (cont'd)

(b) Non-cancellable operating lease commitments (cont'd)

	2011	2010
	$'000	$'000
Not later than one year	**6,984**	4,334
Between one and five years	**14,420**	13,433
	21,404	17,767

(c) Media 21

(i) As announced by Minister for Information, Communications & the Arts, Dr Lee Boon Yang, during the Media 21 Forum on 8 July 2003, the Authority will be setting aside $100 million over the next 5 years to support the development of the media industry through a comprehensive slate of industry development schemes.

	2011	2010
	$'000	$'000
Amount committed	**100,000**	100,000
Amount utilised	**(80,853)**	(78,238)
Amount unutilised	**19,147**	21,762

26. Commitments (cont'd)

(c) Media 21 (cont'd)

Included in the amounts unutilised are contracted amounts of $3,389,000 (2010: $5,469,000) yet to be expensed. No new commitment had since been made under the Media 21.

(ii) On 11 May 2005, it was announced that a further $65 million would be granted for media developments over the next five years. This funding is granted by Ministry of Information, Communications & the Arts to the Authority. This is in addition to the $100 million detailed in Note 26 (c)(i).

	2011	2010
	$'000	$'000
Amount committed	**65,000**	65,000
Amount utilised	**(65,000)**	(65,000)
Amount unutilised	**-**	-

The $65 million had been fully utilised, and no new commitment had since been made under the Media 21.

26. Commitments (cont'd)

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

The SMFP Plan seeks to shape the future of the media sector in a holistic manner. SMFP articulates Singapore's response to a media landscape that has been dramatically altered by digital migration and the rise of Asia. It builds on the achievements of its predecessor Media 21 to strengthen the building blocks of the media ecosystem and support the creation of innovative content, applications and services with global appeal. $230 million had been committed to implement SMFP over five years commencing from the financial year ended 31 March 2010, out of which the Authority is injecting $20.7 million from its accumulated surplus to fund the plan.

	2011	2010
	$'000	$'000
Amount committed	**230,000**	230,000
Amount utilised		
- Industry development expenses	**(44,339)**	(14,951)
- Property, plant & equipment	**(32)**	(22)
- Investment in media and film production funds	**(11,678)**	-
Amount unutilised	**173,951**	215,027

Included in the amounts unutilised are contracted amounts of $36,639,000 (2010: $15,278,000).

26. Commitments (cont'd)

(e) Guarantees

As at 31 March 2011, the Authority had authorised its bank to issue standby letters of credits amounting to $4,519,000 (2010: $23,989,000) to financial institutions for loans extended to film and animation projects managed by media companies under its Loan Guarantee Programme (Note 12).

(f) Financial assets, available for sale

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Amount committed	**51,000**	20,000	10,000
Amount disbursed	**(32,009)**	(20,000)	(10,000)
Amount unutilised	**18,991**	-	-

27. Restricted funds

	SMFP		Media 21	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Statement of comprehensive income				
Income	**-**	-	**-**	-
Expenses				
Industry development expenses	**(29,388)**	(14,591)	**(2,615)**	(8,119)
Depreciation	**(10)**	-	**-**	-
Deficit before grants	**(29,398)**	(14,951)	**(2,615)**	(8,119)
Government grants (Note 8)	**29,398**	14,951	**-**	-
Deficit before contribution to Consolidated Fund	**-**	-	**(2,615)**	(8,119)
Contribution to Consolidated Fund	**-**	-	**-**	-
Net deficit for the year	**-**	-	**(2,615)**	(8,119)

28. Net assets and liabilities of Restricted funds

	2011			2010		
	SMFP $'000	Media 21 $'000	**Total $'000**	SMFP $'000	Media 21 $'000	Total $'000
Balance sheet						
Current assets						
Cash and cash equivalents	42,743	19,624	**62,367**	29,058	23,065	52,123
Financial assets, available for sale	11,678	-	**11,678**	-	-	-
Other current assets	417	-	**417**	45	-	45
	54,838	19,624	**74,462**	29,103	23,065	52,168
Non-current asset						
Property, plant and equipment	22	-	**22**	22	-	22
Total assets	54,860	19,624	**74,484**	29,125	23,065	52,190
Current liabilities						
Trade and other payables	(4,909)	(477)	**(5,386)**	(1,376)	(1,303)	(2,679)
Advances and deposits	(17,551)	-	**(17,551)**	(7,027)	-	(7,027)
Deferred capital grant	(11,700)	-	**(11,700)**	(22)	-	(22)
Total liabilities	(34,160)	(477)	**(34,637)**	(8,425)	(1,303)	(9,728)
Net assets	20,700	19,147	**39,847**	20,700	21,762	42,462
Accumulated surplus	20,700	19,147	**39,847**	20,700	21,762	42,462

29. Financial risk management

Financial risk factors

The Authority's activities expose it to market risk (including currency, price and interest rate risk), credit risk and liquidity risk.

The Authority is responsible for setting the objectives and underlying principles of financial risk management for the Authority. The Finance Committee then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies.

An independent investment consultant measures actual exposure against the limits set and prepares regular reports for the review of the Finance Committee and the Board. The information presented below is based on information received by key management.

(a) Market risk

Currency risk

The Authority has exposure to foreign exchange risk as a result of investments in foreign currency denominated assets and liabilities. Foreign currency contract are used to hedge foreign exchange exposure as and when required. The Authority's currency exposure based on the information provided to key management is as follows:

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

	SGD $'000	USD $'000	JPY $'000	EUR $'000	AUD $'000	HKD $'000	KRW $'000	TWD $'000	GBP $'000	SKR $'000	CAD $'000	IDR $'000	Others $'000	**Total $'000**
At 31 March 2011														
Financial assets														
Cash and cash equivalents	167,384	-	-	-	-	-	-	-	-	-	-	-	-	**167,384**
Financial assets, at fair value through profit and loss	38,188	39,079	4,305	26,262	641	14,511	5,200	2,857	9,660	4,089	2,202	2,371	5,209	**154,574**
Trade and other receivables	28,028	-	-	-	-	-	-	-	-	-	-	-	-	**28,028**
Financial assets, available for sale	31,478	-	-	-	-	-	-	-	-	-	-	-	-	**31,478**
Loan receivables	3,975	6,581	-	-	-	-	-	-	-	-	-	-	-	**10,556**
Derivative financial instruments	-	1,265	849	(1,849)	(33)	-	-	-	(629)	(47)	(11)	-	1,225	**770**
	269,053	46,925	5,154	24,413	608	14,511	5,200	2,857	9,031	4,042	2,191	2,371	6,434	**392,790**

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

	SGD $'000	USD $'000	JPY $'000	EUR $'000	AUD $'000	HKD $'000	KRW $'000	TWD $'000	GBP $'000	SKR $'000	CAD $'000	IDR $'000	Others $'000	**Total $'000**
At 31 March 2011 (cont'd)														
Financial liabilities														
Trade and other payables	100,414	-	-	-	-	-	-	-	-	-	-	-	-	**100,414**
Licence fees received in advance	220	-	-	-	-	-	-	-	-	-	-	-	-	**220**
Advances and deposits	38,928	-	-	-	-	-	-	-	-	-	-	-	-	**38,928**
Provision for unclaimed monies	1,092	-	-	-	-	-	-	-	-	-	-	-	-	**1,092**
Provision for pensions and gratuities	20,564	-	-	-	-	-	-	-	-	-	-	-	-	**20,564**
Provision for ex-gratia payments	275	-	-	-	-	-	-	-	-	-	-	-	-	**275**
	161,493	-	-	-	-	-	-	-	-	-	-	-	-	**161,493**
Net financial assets	**107,560**	**46,925**	**5,154**	**24,413**	**608**	**14,511**	**5,200**	**2,857**	**9,031**	**4,042**	**2,191**	**2,371**	**6,434**	**231,297**

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

	SGD $'000	USD $'000	JPY $'000	EUR $'000	AUD $'000	HKD $'000	KRW $'000	TWD $'000	GBP $'000	SKR $'000	CAD $'000	IDR $'000	Others $'000	Total $'000
At 31 March 2010 (Restated)														
Financial assets														
Cash and cash equivalents	106,076	-	-	-	-	-	-	-	-	-	-	-	-	106,076
Financial assets, at fair value through profit and loss	3,986	128,333	3,678	28,867	2,096	50,687	14,491	9,725	-	-	-	-	19,859	261,722
Trade and other receivables	27,646	-	-	-	-	-	-	-	-	-	-	-	-	27,646
Financial assets, available for sale	20,000	-	-	-	-	-	-	-	-	-	-	-	-	20,000
Loans receivables	3,975	5,356	-	-	-	-	-	-	-	-	-	-	-	9,331
Derivative financial instruments	-	178	147	(1,130)	(21)	-	-	-	-	-	-	-	1,153	327
	161,683	133,867	3,825	27,737	2,075	50,687	14,491	9,725	-	-	-	-	21,012	425,102

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

	SGD $'000	USD $'000	JPY $'000	EUR $'000	AUD $'000	HKD $'000	KRW $'000	TWD $'000	GBP $'000	SKR $'000	CAD $'000	IDR $'000	Others $'000	Total $'000
At 31 March 2010 (Restated) (cont'd)														
Financial liabilities														
Trade and other payables	58,315	-	-	-	-	-	-	-	-	-	-	-	-	58,315
Licence fees received in advance	61,619	-	-	-	-	-	-	-	-	-	-	-	-	61,619
Advances and deposits	15,146	-	-	-	-	-	-	-	-	-	-	-	-	15,146
Provision for unclaimed monies	856	-	-	-	-	-	-	-	-	-	-	-	-	856
Provision for pensions and gratuities	21,325	-	-	-	-	-	-	-	-	-	-	-	-	21,325
Provision for ex-gratia payments	305	-	-	-	-	-	-	-	-	-	-	-	-	305
	157,566	-	-	-	-	-	-	-	-	-	-	-	-	157,566
Net financial assets	**4,117**	**133,867**	**3,825**	**27,737**	**2,075**	**50,687**	**14,491**	**9,725**	**-**	**-**	**-**	**-**	**21,012**	**267,536**

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

	SGD $'000	USD $'000	JPY $'000	EUR $'000	AUD $'000	HKD $'000	KRW $'000	TWD $'000	GBP $'000	SKR $'000	CAD $'000	IDR $'000	Others $'000	Total $'000
At 31 March 2009														
(Restated)														
Financial assets														
Cash and cash equivalents	130,171	-	-	-	-	-	-	-	-	-	-	-	-	130,171
Financial assets, at fair value through profit and loss	8,817	98,495	10,507	14,899	731	25,957	6,833	7,616	-	-	-	-	14,202	188,057
Trade and other receivables	21,050	-	-	-	-	-	-	-	-	-	-	-	-	21,050
Financial assets, available for sale	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Loans receivables	2,155	3,548	-	-	-	-	-	-	-	-	-	-	-	5,703
Derivative financial instruments	-	1,685	180	(1,212)	350	-	-	-	-	-	-	-	(897)	106
	172,193	103,728	10,687	13,687	1,081	25,957	6,833	7,616	-	-	-	-	13,305	355,087

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

	SGD $'000	USD $'000	JPY $'000	EUR $'000	AUD $'000	HKD $'000	KRW $'000	TWD $'000	GBP $'000	SKR $'000	CAD $'000	IDR $'000	Others $'000	Total $'000
At 31 March 2009 (Restated) (cont'd)														
Financial liabilities														
Trade and other payables	64,756	-	-	-	-	-	-	-	-	-	-	-	-	64,756
Licence fees received in advance	60,825	-	-	-	-	-	-	-	-	-	-	-	-	60,825
Advances and deposits	6,587	-	-	-	-	-	-	-	-	-	-	-	-	6,587
Provision for unclaimed monies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for pensions and gratuities	18,586	-	-	-	-	-	-	-	-	-	-	-	-	18,586
Provision for ex-gratia payments	342	-	-	-	-	-	-	-	-	-	-	-	-	342
	151,096	-	-	-	-	-	-	-	-	-	-	-	-	151,096
Net financial assets	**21,097**	**103,728**	**10,687**	**13,687**	**1,081**	**25,957**	**6,833**	**7,616**	**-**	**-**	**-**	**-**	**13,305**	**203,991**

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

If the above foreign currencies change against the Singapore dollar by 0.6% to 1.8% (2010: 0.4% to 3.4% ; 2009: 0.4% to 7.0%) for the respective currencies, with all other variables being held constant, the effects arising from the net financial asset position will be as follows:

	2011	(Restated) 2010	(Restated) 2009
	<----Increase/(decrease)---->		
	Surplus/ (deficit) $'000	Surplus/ (deficit) $'000	Surplus/ (deficit) $'000
US dollar against SGD			
- strengthened	**281**	320	3,110
- weakened	**(281)**	(320)	(3,110)
Japanese yen against SGD			
- strengthened	**68**	129	529
- weakened	**(68)**	(129)	(529)

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

	2011	(Restated) 2010	(Restated) 2009
	<----Increase/(decrease)---->		
	Surplus/ (deficit) $'000	Surplus/ (deficit) $'000	Surplus/ (deficit) $'000
Euro dollar against SGD			
- strengthened	**334**	586	339
- weakened	**(334)**	(586)	(339)
Australian dollar against SGD			
- strengthened	**11**	31	47
- weakened	**(11)**	(31)	(47)
Hong Kong dollar against SGD			
- strengthened	**98**	95	791
- weakened	**(98)**	(95)	(791)

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

	2011	(Restated) 2010	(Restated) 2009
	<----Increase/(decrease)---->		
	Surplus/ (deficit) $'000	Surplus/ (deficit) $'000	Surplus/ (deficit) $'000
Korean won against SGD			
- strengthened	**69**	113	479
- weakened	**(69)**	(113)	(479)
New Taiwan dollar against SGD			
- strengthened	**41**	36	127
- weakened	**(41)**	(36)	(127)
Swedish krona against SGD			
- strengthened	**63**	-	5
- weakened	**(63)**	-	(5)

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

	2011	(Restated) 2010	(Restated) 2009
	<----Increase/(decrease)---->		
	Surplus/ (deficit) $'000	Surplus/ (deficit) $'000	Surplus/ (deficit) $'000
Canadian dollar against SGD			
- strengthened	**13**	-	-
- weakened	**(13)**	-	-
Indonesian rupiah against SGD			
- strengthened	**22**	-	-
- weakened	**(22)**	-	-
British pound against SGD			
- strengthened	**136**	-	-
- weakened	**(136)**	-	-

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Price risk

The Authority's exposure to market risk arises from its quoted marketable securities (Note 10). The risk is managed through fund diversification across different asset classes in various markets.

The Authority is exposed to equity securities price risk arising from the financial assets held which are classified on the balance sheet at fair value through profit or loss. The Authority is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Authority diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Authority.

If prices for quoted equity securities change by 0.2% to 5.5% (2010: 0.6% to 5.1%) for the portfolio held with the respective fund managers, with all other variables being held constant, the effects on surplus/(deficit) will be:

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Price risk (cont'd)

	2011	2010
	<----Increase/(decrease)---->	
	Surplus/ (deficit) $'000	Surplus/ (deficit) $'000
Quoted equity securities		
- increased by	**1,696**	3,756
- decreased by	**(1,696)**	(3,756)
Quoted bonds		
- increased by	**455**	1,356
- decreased by	**(455)**	(1,356)
Quoted investment fund, Global Reits		
- increased by	**-**	1,093
- decreased by	**-**	(1,093)

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Interest rate risk

The Authority's exposure to interest rate risk for changes in interest rates arises primarily from investments in quoted bonds, short-term deposits and loan receivables. Investments in quoted bonds, short-term bank deposits and loan receivables obtained at fixed rates expose the Authority to fair value interest rate risk.

The Authority has insignificant exposure to cash flow interest rate risk as majority of the quoted bonds, short-term deposits and loan receivables bear interest at fixed rates.

The Authority periodically reviews and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable limits.

Surplus funds are placed with reputable financial institutions. Amounts under fund management are placed with reputable fund managers.

The table below set out the Authority's exposure to interest rate risks. Included in the table are assets at carrying amounts, categorised by earlier of contractual repricing or maturity dates.

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Interest rate risk (cont'd)

	Variable rates			Fixed rates			No interest	Total
	Not later than 1 year	1 to 5 years	More than 5 years	Not later than 1 year	1 to 5 years	More than 5 years		
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2011								
Quoted bonds	**-**	**-**	**999**	**1,759**	**68,722**	**52,735**	**-**	**124,215**
Deposits held with AGD and short term deposits	**124,785**	**-**	**-**	**1,000**	**-**	**151**	**-**	**125,936**
Loan receivables	**-**	**-**	**-**	**3,753**	**222**	**6,581**	**-**	**10,556**
Total	**124,785**	**-**	**999**	**6,512**	**68,944**	**59,467**	**-**	**260,707**
2010 (Restated)								
Quoted bonds	-	855	19,356	14	39,869	93,760	-	153,854
Deposits held with AGD and short term deposits	97,198	-	-	-	-	947	-	98,145
Loan receivables	-	-	-	3,500	475	-	5,356	9,331
Total	97,198	855	19,356	3,514	40,344	94,707	5,356	261,330

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Interest rate risk (cont'd)

	Variable rates			Fixed rates			No interest	Total
	Not later than 1 year	1 to 5 years	More than 5 years	Not later than 1 year	1 to 5 years	More than 5 years		
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2009 (Restated)								
Quoted bonds	-	695	7,094	990	50,479	61,971	-	121,229
Deposits held with AGD and short term deposits	-	-	-	112,970	-	123	-	113,093
Loan receivables	-	-	-	3,500	400	-	3,553	7,453
Total	-	695	7,094	117,460	50,879	62,094	3,553	241,775

Sensitivity analysis for interest rate risk

For quoted bonds and short-term deposits

Assuming all other variables are held constant, 50 (2010 and 2009: 50) basis points increase in variable interest rate in the portfolio held with the respective fund managers and loan receivables, will decrease the Authority's net surplus by $1,820,000

29. Financial risk management (cont'd)

(a) Market risk (cont'd)

Interest rate risk (cont'd)

<u>Sensitivity analysis for interest rate risk (cont'd)</u>

For quoted bonds and short-term deposits (cont'd)

(2010: $4,288,000 ; 2009: $3,300,000). A decrease by 50 (2010 and 2009: 50) basis points in variable interest rate in the portfolio held with the respective fund managers and loan receivables, will increase the Authority's net surplus by $1,820,000 (2010: $4,288,000 ; 2009: $3,300,000).

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Authority. The Authority's major classes of financial assets are bank deposits, deposits held with AGD, trade and other receivables, financial assets, available for sale, loan receivables and financial assets, at fair value through profit or loss.

The Authority adopts the policy of dealing only with media and production companies of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk.

29. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Cash and cash equivalents, quoted equities, quoted bonds, quoted investment funds, including deposits held with AGD and derivative financial instruments are placed or transacted with high credit quality financial institutions.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Authority's major classes of financial assets are cash and cash equivalents, trade and other receivables, financial assets, available for sale and loans receivables.

(i) Financial assets that are neither past due nor impaired

Bank deposits and deposits held with AGD that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade and other receivables including industry loans that are neither past due nor impaired are substantially companies with good collection track records with the Authority.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables and loans receivables.

The age analysis of trade and loan receivables past due but not impaired is as follows:

29. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Financial assets that are past due and/or impaired (cont'd)

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Past due < 3 months	**150**	455	2
Past due 3 to 6 months	**-**	10	-
Past due over 6 months	**16,560**	15,876	14,974
	16,710	16,341	14,976

The age analysis of trade and loans receivable past due and/or impaired is as follows:

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Past due < 3 months	**-**	-	500
Past due 3 to 6 months	**-**	4	1,250
Past due over 6 months	**3,153**	4,794	2,723
	3,153	4,798	4,473

29. Financial risk management (cont'd)

(b) Credit risk (cont'd)

(ii) Financial assets that are past due and/or impaired (cont'd)

The carrying amount of trade receivable and loans receivable which are past due and/or individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Gross amount	**29,443**	22,684	19,449
Less: Allowance for impairment	**(12,734)**	(4,799)	(4,473)
	16,709	17,885	14,976
Beginning of financial year	**4,799**	1,250	-
Allowance made	**7,935**	3,549	4,473
End of financial year	**12,734**	4,799	4,473

The impairment in trade receivables is due to several debtors who have not repaid their outstanding amounts despite late reminders sent. The impairment in loans receivable arise mainly from two companies which have suffered losses in its operations and have not repaid their loans which have expired. It is uncertain if full repayment can be made on the outstanding amounts.

29. Financial risk management (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as and when they fall due. The Authority manages liquidity risk by maintaining sufficient funding from the government and other government agencies to finance its operations. Investments are mainly held in quoted marketable securities comprising of equity securities, bonds and investment in media and production funds.

The table below analyses the maturity profile of the Authority's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year $'000	More than 1 year $'000	**Total $'000**
At 31 March 2011			
Trade and other payables	100,414	-	**100,414**
Licence fees received in advance	166	54	**220**
Advances and deposits	38,928	-	**38,928**
Provision for unclaimed monies	-	1,092	**1,092**
Provision for pensions and gratuities	1,719	18,845	**20,564**
Provision for ex-gratia payments	-	275	**275**
	141,227	20,266	**161,493**

29. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year $'000	More than 1 year $'000	**Total $'000**
At 31 March 2010 (Restated)			
Trade and other payables	58,315	-	58,315
Licence fees received in advance	61,540	79	61,619
Advances and deposits	15,146	-	15,146
Provision for unclaimed monies	-	856	856
Provision for pensions and gratuities	1,697	19,628	21,325
Provision for ex-gratia payments	-	305	305
	136,698	20,868	157,566
At 31 March 2009 (Restated)			
Trade and other payables	62,976	-	62,976
Licence fees received in advance	59,726	-	59,726
Advances and deposits	4,859	-	4,859
Provision for unclaimed monies	-	-	-
Provision for pensions and gratuities	1,785	16,801	18,586
Provision for ex-gratia payments	-	342	342
	129,346	17,143	146,489

29. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

The table below analyses the derivative financial instruments of the Authority for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year
	$'000
At 31 March 2011	
Gross-settled currency forwards	
- Receipts	**184,767**
- Payments	**(182,789)**
	1,978
At 31 March 2010	
Gross-settled currency forwards	
- Receipts	168,305
- Payments	(167,978)
	327

29. Financial risk management (cont'd)

(d) Capital risk

The Authority's objectives when managing capital are to ensure that the Authority is adequately capitalised and to fulfil objectives for which monies of the Authority may be applied under the Media Development Authority Act (Chapter 172). To achieve these objectives, the Authority may secure grants from the Government, return capital to shareholders, issue new shares, or obtain new borrowings.

The Authority is not subject to any capital requirements under the Media Development Authority Act (Chapter 172) or any other externally imposed capital requirements, except for those mandated by the Ministry of Finance.

The Authority defines capital as share capital, capital account, funds and accumulated surplus and deferred capital grants. The Authority monitors its surplus/deficits. The Authority's approach to capital management remains unchanged from the financial year ended 31 March 2010.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

29. Financial risk management (cont'd)

(e) Fair value measurements (cont'd)

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (ie derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the assets and liabilities measured at fair value at 31 March 2011.

	Level 1	Level 2	Level 3	**Total**
	$'000	$'000	$'000	**$'000**
2011				
Assets				
Financial assets, available for sale	-	-	31,478	**31,478**
Financial assets, at fair value through profit or loss				
- Quoted equity securities	29,207	-	-	**29,207**
- Quoted bonds	124,215	-	-	**124,215**
- Quoted investment fund	-	-	-	**-**
Derivatives financial instruments	-	184,767	-	**184,767**
Total assets	153,422	184,767	31,478	**369,667**
Liabilities				
Derivatives financial instruments	-	(182,789)	-	**(182,789)**

29. Financial risk management (cont'd)

(e) Fair value measurements (cont'd)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2010 (Restated)				
Assets				
Financial assets, available for sale	-	-	20,000	20,000
Financial assets, at fair value through profit or loss				
- Quoted equity securities	86,437	-	-	86,437
- Quoted bonds	153,854	-	-	153,854
- Quoted investment fund	21,431	-	-	21,431
Derivative financial instruments	-	168,305	-	168,305
Total assets	261,722	168,305	20,000	450,027
Liabilities				
Derivative financial instruments	-	(167,982)	-	(167,978)

29. Financial risk management (cont'd)

(e) Fair value measurements (cont'd)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2009 (Restated)				
Assets				
Financial assets, available for sale	-	-	10,000	10,000
Financial assets, at fair value through profit or loss				
- Quoted equity securities	53,521	-	-	53,521
- Quoted bonds	121,229	-	-	121,229
- Quoted investment fund	13,307	-	-	13,307
Derivative financial instruments	-	132,933	-	132,933
Total assets	188,057	132,933	10,000	330,990
Liabilities				
Derivative financial instruments	-	(132,827)	-	(132,827)

29. Financial risk management (cont'd)

(e) Fair value measurements (cont'd)

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Authority is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Authority uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. These investments are included in Level 2 and comprise derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in Level 3.

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in the notes to the financial statements, except for the following:

29. Financial risk management (cont'd)

(e) Fair value measurements (cont'd)

Financial instruments by category (cont'd)

	2011	(Restated) 2010	(Restated) 2009
	$'000	$'000	$'000
Loans and receivables	**184,522**	128,980	152,730
Financial liabilities at amortised cost	**139,562**	135,080	132,168

30. Effects of prior year adjustments

(a) Trade receivables for RTV licences, film and video fees, and penalty fees

Revenue relating to RTV licences, film and video fees, and penalty fees had been restated to correct understatement of prior year trade receivables. Allowance for the trade receivables had been assessed by management and retrospective adjustments were made.

30. Effects of prior year adjustments (cont'd)

(a) Trade receivables for RTV licences, film and video fees, and penalty fees (cont'd)

Accordingly, prior year adjustments were effected and the comparative information in the financial statements were restated as follows:

	< Increase / (decrease) >	
	2010	2009
	$'000	$'000
Statement of comprehensive income		
Revenue	4,737	4,330
Allowance for impairment on trade receivables	146	265
Balance sheet		
Assets		
Trade receivables (Note 11)	13,146	9,103
Allowance for impairment of trade receivables	(2,868)	(2,722)
Liabilities		
Licence fees received in advance	(1,301)	(606)
Accumulated surplus	11,579	6,987

The related notes to the financial statements which have been restated, are disclosed in Note 11 and Note 29.

30. Effects of prior year adjustments (cont'd)

(b) Financial assets, available for sale

Investment in media and film production funds has been reclassified from loan receivables to financial assets, available for sale to correctly reflect the nature of these investments.

Accordingly, prior year adjustments were effected and the comparative information in the financial statements were restated as follows:

	< Increase / (decrease) >	
	2010	2009
	$'000	$'000
Statement of comprehensive income		
Amortisation of fair value of loan receivables	(2,934)	-
Other income	981	-
Balance sheet		
Financial assets, available for sale (Note 14)	20,000	10,000
Loan receivables (Note 13)	(18,047)	(10,000)
Accumulated surplus	1,953	-

The related notes to the financial statements which have been restated, are disclosed in Note 13, Note 14 and Note 29.

31. Significant Related Party Transactions

Under SB-FRS 24 – Related Party Disclosures, the Authority is exempted from disclosure of transactions and balances with other state-controlled entities. Accordingly, transactions and balances with government ministries, statutory boards and government-linked companies have not been disclosed in these financial statements.

Compensation of key management personnel

The remuneration of members of key management is as follows:

	2011	2010
	$'000	$'000
Wages and salaries	**3,481**	2,928
Employer's contribution to Central Provident Fund	**87**	54
	3,568	2,982

32. New or revised accounting Standards and Interpretations

The mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Authority's accounting periods beginning on or after 1 April 2011 or later periods and which the Authority has not early adopted are:

32. New or revised accounting Standards and Interpretations (cont'd)

- Amendments to SB-FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)
- Amendments to SB-FRS 32 Financial Instruments: Presentation – Classification of rights issues (effective for annual periods beginning on or after 1 February 2010)

The management anticipates that the adoption of the above amendments to SB-FRS in the future periods will not have a material impact on the financial statements of the Authority in the period of their initial adoption, except for the amendments to SB-FRS 24 – Related party disclosures.

The amendment simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. Further, previously statutory boards were fully exempted from disclosure of transactions and balances with all other state-controlled entities. Subsequent to the amendment to SB-FRS 24, certain disclosure of transactions with Ministries, Organs of State and other Statutory Boards are required. However, for other government-related entities, disclosures are required only if there are circumstances to indicate that these transactions are unusual and their disclosure would be of interest to readers of the financial statements.

Management is currently considering the revised definition to determine whether any additional disclosures will be required and has yet to put systems in place to capture the necessary information. It is therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosures.

33. Authorisation of financial statements

These financial statements were authorised for issue by the members of the Authority on 30 June 2011.

Media Development Authority
Singapore

Media Development Authority
3 Fusionopolis Way #16-22 Symbiosis Singapore 138633
Tel (65) 6377 3800 Fax (65) 6577 3888

www.mda.gov.sg