

COMPASS

Annual Report 2014

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CEO's Message

Dear Members

The copyright industries in Singapore, like elsewhere in the world, are also continuously evolving in meeting the technological, economic and social challenges.

As a society, I believe a majority of us truly believe that copyright protection is essential for encouraging individual creativity, for the development of cultural industries and the promotion of cultural diversity.

The music industry has been wrestling with digitization for almost a decade as its traditional business model is being deconstructed. Many companies find it difficult to transfer their core competencies and business model to the digital ecosystem such as Tower Records and Borders.

After many false starts, the music industry is responding in a much more effective way to the digital challenge. In fact, the digital revenues for the music industry last year made up half of the industry's income surpassing those of other creative industries such as films, books, newspapers.

However, there is a growing dissatisfaction among top artists and songwriters on the low royalty yields from the licensed digital services. On the other hand, some content creators claim that they have easier access to distribution and more communication channels with their fans.

Meanwhile new trends are emerging with some major imminent shifts such as "download to streaming"; "website to mobile"; "text to video"; "Big data Analytical tools" – analysing number of streams, number of views and likes giving real time insights of consumer trends to help publishers, brands, advertisers to navigate the creative business.

CMOs, including COMPASS, remain the best option available at the moment to cope with the management, use and dissemination of copyrighted creative works in the online world. However, we have to recognise that CMOs will have to become more transparent, efficient and innovative in its operations to meet changing market conditions. Also, creators need to work hand in hand with society so that an ecosystem can be established to encourage creativity and to foster sustainable development.

FINANCIAL RESULTS

Revenue

Based on the financial statements of the year, COMPASS suffered a slight decline of -1.4% in its revenue growth. The main reason is that a significant royalty payment by one of the telco companies did not go through the bank system till a few days after the end financial year owing to year-end holidays. Operationally, we will still treat the amount as a 2014 payment so that distribution can be done in 2015. Therefore if we have included the late payment, we would have achieved a growth rate of 4%.

Incomes arising from the local market grew at a slower pace of 3.2%. Overseas revenue, however, recorded an increase of about 36% - an encouraging sign that members are doing well regionally.

Renewals of existing outlets clocked negative growth of 15% showing existing businesses are affected by the current economic conditions.

New Business, likewise, did not do well recording about \$490,000 worth of annual fees compared with over \$800,000 in the previous year.

Once-off permits, contrary to expectations, cope well to record an increase of 4% over last year's. Most of the popular concerts did well suggesting a growing and sustaining interest in "live" music performances.

Singapore Airlines paid about 36% more than last year's under a new licence agreement.

New Media registered a moderate increase of 3.5% in revenue although it is way below market potential. The music industry has not been united in its licensing approach causing confusion in the market

Broadcast and Cable TV achieved a significant increase of 11.8% over previous year as a result of concluded revised agreements.

Mechanical royalties continued on its downward trend registering negative growth of 36%.

Investment income recorded an encouraging 62% over the previous fiscal year with returns coming from bonds and fixed deposits.

Expenditure

The total expenditure for the year 2014 was about \$2.8 million as allocated in the budget. There was considerable investment in IT infrastructure and increased manpower to ensure a more efficient and timely distribution process.

The expense to collection ratio increased to 13% as against last year's 11.5% in line with the planned capital investment needs.

Net Distributable Income

With the foregoing performance, the Society's net distributable income for the year is about \$19.1 million, about 2.2% more than previous year's.

ACTIVITIES

Licensing

We have held a number of dialogues on industry issues with various government bodies including Ministry of Law, Intellectual Property Office of Singapore, Media Development Authority and National Arts Council.

We supported the amendment of the Copyright Law to incorporate site blocking of infringing websites with a number of articles written by CEO and published in the Straits Times.

Major publishers, excluding Universal Publishing, and independent publishers have agreed to unite with COMPASS to enter into a final licensing deal with iTunes.

Membership

New members are continually admitted. The membership strength as at 31st December 2014 is 1893 members (2013: 1737). This represents an increase of 156 members during the year.

The breakdown of members are as follows:-

	Writer	Publisher
Associate	1303	45
Full	515	30
Total	1818	75

MEMBER AND PUBLIC RELATIONS

COMPASS Awards

The 19th COMPASS Awards was held successfully on 28 September 2014 and was reported in half-page prints of The Straits Times, ZaoBao Now, Lianhe Wanbao and Berita Harian, as well as a digital report in The Straits Times Interactive. The event was held at Resorts World Sentosa. Guests continued with seat selection via COMPASS / Facebook. Registration, as with previous year, was smooth with no major hiccups. The Guest of Honour was Mr Sam Tan (Minister of State, Prime Minister's Office & Ministry of Culture, Community and Youth. Response was very positive for this year's performance line-up as well as the door gift – a luggage digital scale.

Hotspot! @ Kampong Glam

COMPASS held a monthly performance session at North Bridge Road Food Centre on the last Saturday of each month in a bid to raise awareness of locally written songs, popularised by regional artists. With the number of song requests by locals amidst dining and the number of audience sing/clap-alongs and, applause, response is encouraging.

Lyric Songwriting Sessions in Secondary Schools

Two songwriting sessions were held independently at Balestier Hill Secondary School and Raffles Girls Secondary School to inculcate the basics of Mandarin Pop Songwriting to students. Dr. Liang Wern Fook was the speaker. The session was welcomed by the language teachers and students were pleasantly surprised songs from the film 'The Girl In Pinafore' are local compositions. Evaluation after the course showed 60% of the students would like to continue receiving invites to such courses / news in the future. The syllabus for both schools required a different approach in order to retain attentiveness and it was effectively handled by Dr. Liang.

Yellow Ribbon Project Songwriting Competition 2014

A songwriting competition was launched in Singapore Prison Services together with Yellow Ribbon Project and over 70 participants went through an audition, resulting in 40 selected inmates going through a three-month basic songwriting course. Participants were also exposed to mentor coaching sessions by local songwriter / artiste personalities such as Jack and Rai, Nicodemus Lee, Adi Musa, Derrick Tham, Kiat Goh and Maman. The competition was a much-anticipated event for inmates, with 46 original songs created, culminating into a finale of 16 songs to be presented in front of family and loved ones, as well as invited guests. 6 Top and Runner-Up prizes were eventually awarded. A CD with 7 songs from the inmates were also compiled and handed to Yellow Ribbon Project in order to raise funds for similar rehabilitative efforts and outreach under the Yellow Ribbon Fund. The event was reported in print of The Straits Times, Lianhe Zaobao and Berita Harian, online of The Sunday Times Online, Lianhe Zaobao Online, Channel 8 Online, Channel Newsasia Online, Razor TV and Home Team News.

Copyright Talk for Ngee Ann Polytechnic (part of Music Theory and Synthesis Module)

COMPASS was approached to give a short talk on Music Copyright and how COMPASS supports local songwriters. The basic session included inviting the lecturer along with students to COMPASS where a basic introduction of music copyright obligations, COMPASS membership for songwriters and also support for songwriters. Students also presented a short presentation of the songs they have written in class (composition and production). The lecturer has since enquired if we would like to provide this on a regular basis and talks would resume in second quarter of 2015.

NLB Re-Launch of MusicSG

COMPASS sponsored and assisted in the relaunch of MusicSG in which COMPASS members were engaged to kick off the event, with Minister Lawrence Wong as the Guest of Honour.

The Gift of Song

COMPASS co-organised the nation-wide songwriting competition with MediaCorp which culminated in 3 finalist songs. COMPASS assisted in the event with judge advisement as well as facilitating for local members to be interviewed for interstitials broadcasted over local television channels, in addition to encouraging and enabling Yellow Ribbon Project participants to attempt in the competition.

(The Gift of Song continued)

The event which had 1000 entries nation-wide, resulted in the winning song 'These Are The Days' coming up tops in the competition. The winning song was highly promoted nation-wide and a Music Video was produced for the winning song with public engagement. COMPASS has also received above the obligated commercial mentions as MediaCorp has increased the number of broadcast adverts.

SPONSORSHIPS

In 2014, COMPASS supported several meaningful music events and projects, being mindful to ensure sponsorships were spread amongst different applicants so as to aid in more local efforts.

Total sponsorship for the year amounted to S\$250,000.

ISO 9000 Certification

Our ISO certification was renewed following audit on 20th March 2014. COMPASS remains as the only collective society in Asia to achieve ISO 9000.

CONCLUSION

Singapore's economy is in the process of restructuring as productivity growth remains stagnant. Despite the sudden dip in economic conditions COMPASS has weathered the difficulties relatively well so far with strong financial results. The revenue and expenditure targets were duly met. Public confidence in the company remained strong with corporate governance in place incorporating proper checks and balances. We are into uncharted territories and therefore it is difficult to project what lies ahead. However COMPASS is fully prepared to handle a downturn.

BOARD OF DIRECTORS

(1st January 2014 – 31st December 2014)



Mr. Chang Kwai Ming
(Chairman: Special Elected
Director representing
serious/classical music genre)



**Prof. Jeremy
Monteiro**

**Mr. Mohamed Noor
Bin Mohamed Yusof
aka Yusnor Ef**
(Chairman: Special Elected
Director representing Malay
music genre)



Writer Directors 作家董事



Dr. Liang Wern Fook

**Mr. Eddino Abdul
Hadi**



BOARD OF DIRECTORS

**CEO &
Director**
总裁兼董事
Dr. Edmund Lam



**Mr. Melvin
Stuart
Ferdinands**



Publisher Directors 出版商董事

**Independent
Director**
独立董事
Mr. Choo Thiam Siew



**Mr Andrew Wong
of Forward Music
Publishing**



**Mr. Billy Koh
of Touch Music Publishing**



**Ms Sharon Chua
of Song Music Publishing**

Composition of Standing Committees 2014

The standing Committees are formed to help guide and propose recommendations to the Council on areas under their respective charge.

Management Committee 管理委员会	Public & Member Relations Committee 会员与公共关系委员会	Licensing & Distribution Committee 税收与分派制度委员会
<p>Terms of Reference</p> <ol style="list-style-type: none"> To oversee the appointment of senior management and their remuneration packages. To review and endorse recommendations proposed by the CEO on major staff matters such as annual wage increment, performance bonus, welfare benefits. To review and endorse recommendations proposed by the CEO on annual budget and major expenditures. <p>Chairman Chang Kwai Ming</p> <p>Members Jeremy Ian Monteiro Yusnor Ef Melvin Stuart Ferdinands</p>	<ol style="list-style-type: none"> To help enhance the public image of COMPASS through directing various activities, such as song-writing competitions, public musical events, newsletters and event sponsorships. To advise and oversee the preparation and implementation of major events such as the annual COMPASS Awards. To review and make recommendations on applications for music scholarships. To review and recommend membership applications. To review and make recommendations on matters relating to Members' welfare benefits. <p>Chairman Jeremy Ian Monteiro</p> <p>Members Chang Kwai Ming Liang Wern Fook Yusnor Ef Melvin Stuart Ferdinands Billy Koh (Touch Music Publishing)</p>	<ol style="list-style-type: none"> To review and make recommendations on proposed changes to the distribution rules. To review and make recommendations on major licensing matters, referred by the CEO & Directors. To review and propose follow-up actions on complaints and disputes involving Members and Licensees that could not be resolved at management level. <p>Chairman Melvin Stuart Ferdinands</p> <p>Members Chang Kwai Ming Andrew Wong (Forward Music Publishing) Sharon Chua (Sony Music Publishing)</p>

19th COMPASS AWARDS PRESENTATION

Resorts World Convention Centre, West Central Ballroom (Basement 2)

28 September 2014, 7.00pm
2014年9月28日

Guest of Honour:

Mr Sam Tan Chin Siong, Minister of State, Prime Minister's Office and
Ministry of Culture, Community and Youth



TOP LOCAL ENGLISH POP SONG

最佳本地英语流行歌曲 / Lagu Pop Inggeris Tempatan Terbaik

Song Title: **Beautiful Life**

By: **Corrinne May 符美云** (Composer & Lyricist)

TOP LOCAL CHINESE POP SONG

最佳本地中文流行歌曲 / Lagu Pop China Tempatan Terbaik

Song Title: **末班车 Mo Ban Che**

By: **Lee Wei Song 李伟松** (Composer)



TOP LOCAL MALAY POP SONG

最佳本地马来语流行歌曲 / Lagu Pop Melayu Tempatan Terbaik

Song Title: **Untuk Dia**

By: **Alif Abdullah (Sleeq)** (Composer & Lyricist)

TOP LOCAL SOUNDTRACK

最佳本地配乐 / *Soundtrack* tempatan terbaik

Song Title: **臭男人 Chou Nan Ren**

By: **Huang Yi Da 黄义达** (Composer)





5. TOP LOCAL SERIOUS MUSIC

最佳本地严肃音乐 / Muzik Serius Tempatan Terbaik

Song Title: **Karma**

By: **Mrs Yasotha Somasundram (Posthumous)**



6. TOP LOCAL INSTRUMENTAL CONTEMPORARY

最佳本地现代乐曲 / Muzik Tempatan Bersifat Alatan Terbaik

Song Title: **Love You Forever**

By: **Chester Tan 陈元熙**



7. TOP LOCAL SONGWRITER OF THE YEAR

最佳本地歌曲创作人 / Penggubah Tempatan Terbaik

Recipient: **JJ Lin 林俊杰**



8. COMPASS YOUNG SONGWRITER OF THE YEAR

最佳本地青年歌曲创作人 / Penggubah Muda Terbaik

Recipient: **Alif Abdullah**



9. TOP LOCAL PUBLISHER OF THE YEAR

最佳本地音乐出版商 / Penerbit Tempatan Terbaik

Recipient: **Touch Music Publishing Pte Ltd**
新加坡大石音乐有限公司

10. TOP PUBLISHER (OVERALL) OF THE YEAR

最佳音乐出版商 / Penerbit Keseluruhan Terbaik

Recipient: **Universal Music Publishing**
新加坡環球音樂出版有限公司



11. TOP LOCAL ARTISTE OF THE YEAR
最佳本地歌手 / Artis Tempatan Terbaik

Recipient: **JJ Lin 林俊杰**



13. WINGS OF EXCELLENCE AWARD
海外成就奖 / Anugerah Sayap Kecemerlangan

Recipient: **SLEEQ**
(Alif Abdullah & Syarifullah Ahmad Soribah)

14. ARTISTIC EXCELLENCE AWARD
卓越才艺奖 / Anugerah Artistik Cemerlang

Recipient: **1) Tony Zee**
2) Frank Gerard Lee
3) Hartinah Ahmad
4) Lee Ngho Wah
5) Terence Teo



15. MERITORIOUS AWARD
卓越贡献奖 / Anugerah Meritorious

Recipient: **1) Albert Louis**
2) Jimmy Ye

CHINESE LYRICS SEMINAR

Raffles Girls' School & Balestier Hill Secondary School

21 and 23 July 2014



NATIONAL LIBRARY BOARD MusicSG RELOADED

National Library Board

26 September 2014



For more information, please visit: <http://eresources.nlb.gov.sg/music>

PROJECT RENTAK CINTA

Kallang Theatre

14 February 2014



PROJECT LOCAL @ KAMPONG GLAM HOTSPOT!

North Bridge Road Food Centre

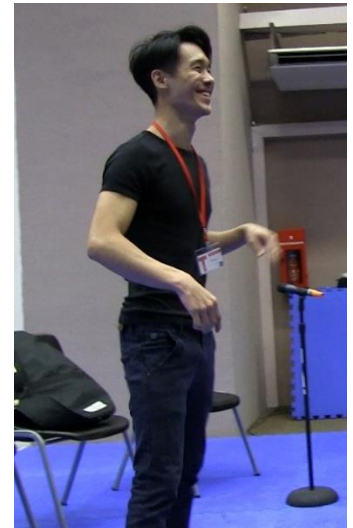
Last Saturday of the Month (January – December 2014)



YELLOW RIBBON PROJECT

Singapore Prison Service

21 August – 19 December 2014



2014 SPONSORSHIPS

1	Singapore Polytechnic COMPASS Silver Medal for DMAT	\$ 300.00
2	NTU Cultural Activities Club Impresario 2014	\$ 2,500.00
3	NUS Kent Ridge Hall Kent Ridge Hall Productions 2014	\$ 1,000.00
4	Orbis Festival Productions Pte Ltd Sing Jazz Festival	\$ 11,997.86
5	NUS Cultural Activities Club Emerge 2014	\$ 300.00
6	PERKAMUS PERKAMUS Activities 2013	\$ 45,000.00
7	Mediacorp Pte Ltd - Ria / Warna (Asia Broadcasting Union Radio Festival)	\$ 5,000.00
8	Sarah Cheng-De Winne Sound Recording Production Grant – “Candle”	\$ 5,000.00
9	TAS Theatre Ltd Sing Opera "The Magic Boat"	\$ 1,000.00
10	Malay Youth Performing Art (MyPart) Youth Jammerz Battle of the Bands 2014	\$ 2,000.00
11	Metro Philharmonic Society Ocean of Songs 2014	\$ 2,000.00

12	Fid Saihen (The Full Pledge Munkees) The Full Pledge Munkees Indonesian Tour 2014	\$ 3,000.00
13	IPOS Thank Goodness for Intellectual Property' 2014 (TGIP)	\$ 10,000.00
14	Famie Suliman (The Pinholes) Sound Recording Production Grant – “Bring Back The Vibe”	\$ 5,000.00
15	Famie Suliman (The Pinholes) Asean Pride CAMA Festival 2014	\$ 3,000.00
16	TCR Music Station 明天32新谣演唱会	\$ 5,000.00
17	Belcanto Philharmonic Society, The An Evening of Songs by Dr Huang Xin Yong & Others	\$ 3,000.00
18	NTU Chinese Society 20th Music Express	\$ 2,000.00
19	National Library Board (NLB) MusicSG Launch	\$ 10,000.00
20	Musicians Society of Sg Concert – “Everlasting Memories”	\$ 3,000.00
21	Musicians Society of Sg Seminar – “The Art of Conducting”	\$ 2,000.00
22	National Heritage Board (NHB) Singapore Night Festival 2014	\$ 7,560.00
23	Li Xin Concert - Li Xin and Students Choir Performance 昕爱李昕师生演唱会	\$ 2,000.00
24	Mediacorp Pte Ltd The Gift of Song	\$ 100,000.00

25	Mediacorp Pte Ltd (Suria / Warna / Ria) Anugerah Planet Muzik 2014	\$ 30,000.00
26	Jeremy Monteiro Jeremy Monteiro Christmas Album 2014	\$ 12,000.00
27	Metro Philharmonic Society Choral Concert	\$ 2,000.00
28	NTU 17th Xing Qing Rong Ji (17th XQRJ)	\$ 3,000.00
29	Echo Philharmonic Society Echo Philharmonic Society 2014 Concert	\$ 2,000.00
30	Ding Yi Music Company Concert – “Of Poetry and Music 诗·书·乐”	\$ 2,000.00
31	Melissa Tham Performance: London Jazz Festival + Spinoff shows in Europe	\$ 15,000.00
32	Khair Yasin Book Publishing – “The World of Musical Poetry, 7 Techniques in Turning Poems into Songs” (Alam Puisi Bermelodi 7 Teknik Melagukan Puisi)	\$ 3,000.00
33	Echo Philharmonic Society Tian Ming En Memorial Concert	\$ 1,000.00
34	Ocean Butterflies Xinyao Concert 2015 (Apr)	\$ 10,000.00

Financial Statement

(For the Year ended 2014)

- Directors' Report
- Statement by Directors
- Independent Auditors' Report
- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Cash Flows
- Notes to the Financial Statements



Composers and Authors Society of Singapore Lhpfted
RegistrationNumber:198701730Z
(A Company Limited by Guarantee)

Annual Report
Year ended 31 December 2014

Directors' report

On behalf of all the directors of Composers and Authors Society of Singapore Limited, we are pleased to submit this annual report to the members together with the audited financial statements for the financial year ended 31 December 2014.

Directors

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

Chang Kwai Ming
Mohd Noor Bin Mohd Yusofe
Jeremy Ian Monteiro
Melvin Stuart Ferdinands
Chua Khah Suan
Liang Wern Fook
Lam Kin Hong Edmund
Billy Koh Whuan Liang
Choo Thiam Siew @ Ang Thiam Siew
WongFai
Eddino Bin Abdul Hadi

Directors' interests

As the Company is a company limited by guarantee and has no share capital, the statutory information required to be disclosed by the directors under Section 201(6)(g) and Section 201(12) of the Companies Act, Chapter 50 does not apply.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.
Except for salaries, bonuses and fees and those benefits that are disclosed in note 14 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share options

As the Company is a company limited by guarantee and has no share capital, the statutory information required to be disclosed under Section 201(12) of the Companies Act, Chapter 50 does not apply.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Chang Kwai Ming
Director



Lam Kin Hong Edmund
Director

27 MAY 2015

Statement by Directors

In our opinion:

(a) the financial statements set out on pages FS1 to FS18 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2014 and the results and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will

be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Chang Kwai Ming
Director



Lam Kin Hong Edmund
Director

27 MAY 2015



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1 6 Raffles Quay #22-00
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Singapore 048581

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Fax +65 6225 0984
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Independent auditors' report

(A Company Limited by Guarantee)

Composers and Authors Society of Singapore Limited

Report on the financial statements

We have audited the accompanying financial statements of Composers and Authors Society (the Company), which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS18.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair

view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' 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 control relevant to the entity's preparation of financial statements that give a

true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 December 2014 and the results and cash flows of the Company for the 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 Company have been properly kept in accordance with the provisions of the Act.



KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

27 May 2015

Composers and Authors Society of Singapore Limited
Financial
statements
Year ended 31 December
2014

Statement of financial position
As at 31 December 2014

	Note	2014 S	2013 S
Assets			
Property, plant and equipment	5	12,506,870	6,660,918
Financial assets	6	<u>7,251,500</u>	<u>3,257,750</u>
Non-current assets		<u>19,758,370</u>	<u>9,918,668</u>
Financial assets			
Other receivables	7	169,445	94,089
Prepayments		338,510	311,051
Cash and cash equivalents	8	<u>27,864,958</u>	<u>35,607,493</u>
Current assets		<u>30,879,163</u>	<u>39,513,883</u>
Total assets		<u>50,637,533</u>	<u>49,432,551</u>
Funds attributable to members			
Reserve fund	9	6,043	6,043
Retained surplus		<u>314,079</u>	<u>307,110</u>
Total funds		<u>320,122</u>	<u>313,153</u>
Liabilities			
Trade and other payables	10	<u>50,317,411</u>	<u>49,119,398</u>
Current liabilities/Total liabilities		<u>50,317,411</u>	<u>49,119,39</u>
			8
Total equity and liabilities		<u>50,637,533</u>	<u>49,432,551</u>

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

Statement of comprehensive income
Year ended 31 December 2014

	Note	2014 \$	2013 \$
Revenue	1	20,655,651	20,948,490
Other income	1	525,192	393,281
Depreciation of property, plant and equipment		(74,835)	(74,008)
Operating expenses		(791,888)	(674,956)
Staff costs		(1,928,822)	(1,865,731)
Royalty distribution to members		<u>(18,378,329)</u>	<u>(18,705,302)</u>
Surplus from operations before tax	12	6,969	21,774
Tax credit	1		
Surplus for the year/Total comprehensive income for the year	3	<u>6,969</u>	<u>21,774</u>
Retained surplus brought forward		<u>307,110</u>	<u>285,336</u>
Retained surplus carried forward		<u>314,079</u>	<u>307,110</u>

No separate statement of changes in equity has been prepared as the total comprehensive income for the year would be the only component of this statement.

Statement of cash flows
Year ended 31 December 2014

	Note	2014 S	2013 S
Cash flows from operating activities			
Surplus for the year		6,969	21,774
Adjustments for:			
Depreciation of property, plant and equipment		74,835	74,008
Interest income	12	(510,193)	(393,281)
Royalty distribution to members		<u>18,378,329</u>	<u>18,705,302</u>
		17,949,940	18,407,803
Change in other receivables including prepayments		(31,459)	(35,219)
Change in royalty distribution paid		(17,440,505)	(15,514,484)
Change in trade and other payables		260,189	(176,210)
Net cash generated from operating activities		<u>738,165</u>	<u>2,681,890</u>
Cash flows from investing activities			
Interest received		438,837	551,210
Acquisition of property, plant and equipment		(5,920,787)	(2,404,292)
Proceed from disposal of financial assets		501,250	1,537,597
Purchase of financial assets		<u>(3,500,000)</u>	<u>(3,000,000)</u>
Net cash used in investing activities		(8,480,700)	(3,315,485)
Net decrease in cash and cash equivalents		(7,742,535)	(633,595)
Cash and cash equivalents at 1 January		<u>35,607,493</u>	<u>36,241,088</u>
Cash and cash equivalents at 31 December		<u>27,864,958</u>	<u>35,607,493</u>

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Directors on
2_7_M_A_Y_20_15

1 Domicile and activities

Composers and Authors Society of Singapore Limited (the "Company") is incorporated in the Republic of Singapore as a company limited by guarantee. The address of the Company's registered office is 37 Craig Road, Singapore 089675.

The principal activities of the Company are those relating to the licensing of public performances and broadcast use of music under its control.

2 Company limited by guarantee

The Company does not have a share capital. It is limited by guarantee, the liability of each of the 1,597 members as at 31 December 2014 (2013: 1,414) being an amount not exceeding \$10.

3 Basis of preparation

3 Statement of compliance

.1

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

3 Basis of measurement

.2

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

3 Functional and presentation currency

.3

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information are presented in Singapore dollars, unless otherwise stated.

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of critical judgements in the application of accounting policies that have significant effect on the amount recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Leasehold land and building	50 years
Renovations	7 years
Furniture, fittings and office equipment	7 years
Motor vehicles	7 years
Computer equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting

period and adjusted if appropriate.

4.2

Intangible assets

Expenditure on computer software is recognised in profit or loss as incurred.

4.3

Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from

the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: held-to-maturity financial assets and loans and receivables.

Held-to-maturity financial assets

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Any sale or reclassification of a more than insignificant amount of held-to-maturity investments

that are not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years. Held-to-maturity financial assets comprise debt securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise other receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and bank deposits.

Non-derivative financial liabilities

The Company initially recognises all financial liabilities on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

4.4 Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

4. Impairment

5

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each

reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a

debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the

difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date

to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value

less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each

reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.6

Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are

expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4.7 Revenue recognition

Revenue from licence and permit fees are recognised in accordance with the substance of the agreement. In some cases, licence fee to be received is contingent on the occurrence of a future event. Such revenue is recognised when recovery of the consideration is probable and the amount of revenue can be measured reliably. Interest income from bank deposits is accrued on a time-apportioned basis on the principal outstanding and at the rate applicable.

4.8 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences

when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current

tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the

impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4.9 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

5 Property, plant and equipment

	Leasehold land and building \$	Assets under construction \$	Renovations \$	Furniture, fittings and office equipment \$	Motor vehicles \$	Computer equipment \$	Total \$
Cost							
At 1 January 2013	3,292,345	2,670,800	281,020	106,610	97,188	231,987	6,679,950
Additions	–	2,360,000	5,550	3,924	–	34,818	2,404,292
At 31 December 2013	3,292,345	5,030,800	286,570	110,534	97,188	266,805	9,084,242
Additions	–	5,900,000	–	812	–	19,975	5,920,787
At 31 December 2014	3,292,345	10,930,800	286,570	111,346	97,188	286,780	15,005,029
Accumulated depreciation and impairment losses							
At 1 January 2013	1,789,945	–	267,037	80,024	34,709	177,601	2,349,316
Charge for the year	19,760	–	8,815	11,781	13,884	19,768	74,008
At 31 December 2013	1,809,705	–	275,852	91,805	48,593	197,369	2,423,324
Charge for the year	19,760	–	9,080	11,109	13,884	21,002	74,835
At 31 December 2014	1,829,465	–	284,932	102,914	62,477	218,371	2,498,159
Carrying amounts							
At 1 January 2013	1,502,400	2,670,880	13,983	26,586	62,479	54,386	4,330,634
At 31 December 2013	1,482,640	5,030,800	10,718	18,729	48,595	69,436	6,660,918
At 31 December 2014	1,462,880	10,930,800	1,638	8,432	34,711	68,409	12,506,870

6 Financial assets

	2014	2013
	S	S
Non-current financial assets		
Held-to-maturity investments	7,251,500	3,257,750
Current financial assets		
Held-to-maturity investments	2,506,250	3,501,250
	9,757,750	6,759,000

Held-to-maturity investments have stated interest rates of 4.0% to 6.2% (2013: 4.0% to 5.9%) and mature in 1 to 6 years.

The Company's exposure to interest rate risk related to financial assets is disclosed in note 16.

7 Other receivables

	2014	2013
	S	S
Deposits	6,530	2,530
Interest receivable	162,915	91,559
	169,445	94,089

The Company's exposure to credit risk related to other receivables is disclosed in note 16.

8 Cash and cash equivalents

	2014	2013
	S	S
Cash at banks and in hand	19,864,958	35,607,493
Fixed deposits with bank	8,000,000	
	27,864,958	35,607,493

The weighted average effective interest rate per annum relating to fixed deposits at the reporting date is 1.25% per annum (2013: Nil).

9 Reserve fund

The reserve fund comprises amounts set aside by the Board of Directors for computerisation of the operations of the Company and other contingencies.

10 Trade and other payables

	2014	2013
	S	S
Royalties due to members	49,392,385	48,454,561
Accrued operating expenses	323,188	202,383
Other payables	601,838	462,454
	50,317,411	49,119,398

The amounts due to members are unsecured, interest-free and repayable on demand.

The Company's exposure to liquidity risk related to trade and other payables is disclosed in note 16.

11 Revenue

Revenue represents the licence and permit fees received, less refund of licence fees.

12 Surplus from operations before tax

The following items have been included in arriving at surplus from operations before tax:

	2014	2013
	S	S
Other income		
Interest income:		
- fixed deposits	30,959	146,669
- debt securities	393,951	246,612
Others	100,282	
	525,192	393,281
Staff costs		
Wages and salaries	1,756,778	1,673,746
Contributions to defined contribution plans	138,917	138,092
Other staff related costs	33,127	53,893
	1,928,822	1,865,731
Others		
Directors' fees	23,000	18,000
Operating lease expense	8,091	10,788
Loss of cash	38,038	
Intangible assets - computer software	255,000	
	255,000	

13 Tax credit

	2014	2013
	\$	\$
<i>Reconciliation of effective tax rate</i>		
Surplus from operations before tax	6,969	21,774
Tax using the Singapore tax rate of 17% (2013: 17%)	1,185	3,702
Tax incentive	(7,741)	(6,294)
Non-deductible expenses	5,719	7,425
Effect of wear and tear allowances utilised	837	(4,833)

The following temporary differences have not been recognised:

	2014	2013
	\$	\$
Deductible temporary differences	(149,261)	(113,329)
Unutilised capital allowances	465,340	461,769
Unutilised tax losses	808,154	770,869
	1,124,233	1,119,309

The unutilised capital allowances and unutilised tax losses, which may be available for carry

forward and set off against future taxable profits are subject to arrangement with the tax authority and compliance with the provision of the Income Tax Act, Chapter 134. The deductible temporary differences, unutilised capital allowances and unutilised tax losses do not expire under current tax legislation.

Deferred taxable assets have not been recognised in respect of these items because it is not probable that future profit will be available against which the Company can utilise the benefits.

14 Related parties

Key management personnel

The directors and managers are considered as key management personnel of the Company.

	201	201
	4	3
	\$	\$
Short-term employee benefits	776,755	766,267
Contributions to defined contribution plans	51,670	42,158
	828,425	808,425

Other related party transactions

Other than those disclosed above, there were no other significant transactions with related parties.

15 Commitments

Capital commitments

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

	2014	2013
	4	3
	\$	\$
Property, plant and equipment	1,180,000	7,080,000

Operating lease commitments

The Company leases certain of its office equipment under non-cancellable operating lease with lease terms of 5 years.

At reporting date, the Company has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2014	2013
	\$	\$
Within one year	8,700	19,620
Between one and five years	33,350	
	42,050	19,620

16 Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk interest
- rate risk foreign
- currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company, as and when they fall due.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

The Company limits its exposure to credit risks by investing only in liquid debt securities and only with counterparties that either have at least an acceptable credit rating based on rating agency ratings or in sound financial position. Management actively monitors credit ratings and the financial position of the counterparties, given that the Company only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

The Company did not have any held-to-maturity investments that were past due nor impaired at 31 December 2014.

At the reporting date, there is no significant concentration of credit risk nor impairment on other receivables. The Company places its cash and cash equivalents with financial institutions of high credit rating. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The carrying amounts of trade and other payables reflect the expected contractual undiscounted cash outflows which are expected to be settled within one year.

Interest rate risk

Profile

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	Carry amount	
	2014	2013
	\$	\$
Fixed rate instruments		
Financial assets	<u>9,757,750</u>	<u>6,759,000</u>

Fair value sensitivity analysis/or fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Foreign currency risk

The Company is not exposed to foreign currency risk as all its balances as at reporting date are denominated in Singapore dollar.

Estimation of fair value

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including financial assets, other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Financial assets and liabilities by category

Set out below is a comparison by category of carrying amounts of all the Company's financial assets and liabilities that are carried in the financial statements.

	Held to maturity \$	Loans and receivables \$	Financial liabilities at amortised cost \$	Total \$
2014				
Assets				
Financial assets	9,757,750			9,757,750
Other receivables		169,445		169,445
Cash and cash equivalents		27,864,958		27,864,958
	<u>9,757,750</u>	<u>28,034,403</u>		<u>37,792,153</u>
Liabilities				
Trade and other payables			50,317,411	<u>50,317,411</u>
2013				
Assets				
Financial assets	6,759,000			6,759,000
Other receivables		94,089		94,089
Cash and cash equivalents		35,607,493		35,607,493
	<u>6,759,000</u>	<u>35,701,582</u>		<u>42,460,582</u>
Liabilities				
Trade and other payables			49,119,398	<u>49,119,398</u>