COMPASS

Annual Report

2023

Contents

DR. EDMUND LAM

Chief Executive Officer,
COMPASS

CEO's Message

1. Revenue

In 2023, total revenue reached $47 million, driven by significant growth in local collections ($42 million), investments income ($2.6 million) and overseas earnings ($2.5 million).

Local revenue experienced a remarkable threefold increase year over year, primarily attributed to substantial one-off broadcasting payments, including $21.5 million for Singtel TV's arrears and $1 million for MediaCorp TV's arrears. Breaking it down, non-broadcasting revenue surged by more than 50% year over year to $19 million, while broadcasting revenue alone skyrocketed by an impressive 2300% to $23 million.

The post-COVID recovery has been outstanding, marked by a resurgence in business activity. Renewals have surged by 7% year over year to $5.1 million, while new businesses have an impressive 134% increase to $700,000. Airline revenue has rebounded to $3.1 million, with all the arrears from the pandemic settled.

Despite a 38% year-over-year decline in New Media licence revenue, totalling $3.3 million, attributed to negotiation delays stemming from the new CMO regulations, COMPASS successfully closed its inaugural agreement with TikTok, which has fully addressed its past arrears.

Total permit revenue has experienced a remarkable 135% year-over-year growth. The surge in largely attributed to major live concerts featuring renowned artists like Harry Styles, One Republic, Jacky Cheung and BlackPink. Notably, physical events continue to dominate the entertainment landscape, constituting 98% of permit revenue, while online events represent only 2% and that figure is declining.

Overseas royalties recorded an increase of 47% to reach $2.5 million.

Investment income increased significantly, about 218%, over the previous fiscal year to $2.6 million.

2. Expenditure

The total expenditure for 2023 was about $4 million – about 17% more than 2022 owing to the legal fees incurred for high court and criminal prosecution cases. This was however 6.5% below the allocated budget and is only 8.5% of the expenses to revenue ratio.

3. Net Distributable Income

The Society's net distributable income for the year witnessed a commendable 228% growth compared to the previous year, driven by an upswing in revenue collection.

4. Licensing Activities

4.1 CMO Regulations/ Class Licensing Scheme ("CLS") and Generative Artificial Intelligence ("AI")

On 31 October 2023, the Ministry of Law ("MinLaw") and Intellectual Property Office of Singapore ("IPOS") gazetted the CLS to regulate Collective Management Organisations ("CMOs"). The long-awaited CLS is poised to enhance accountability and transparency within the music licensing industry, aiming to persuade errant music users to fulfil their obligations regarding music royalties.

A CMO is any entity that is in the business of collectively managing the use of content including record labels, music publishers and independent management entities which engage in issuing licences. With effect from 1 May 2024, licensing shall be a regulated activity in which all licensors must be regulated under the CLS. This means that it shall both be illegal and a criminal offence for any local or foreign entity to conduct licensing operations in Singapore without being licensed under the CLS.

Further details may also be found at MinLaw's website:
https://www.mlaw.gov.sg/news/press-releases/new-class-licensing-scheme-regulation-cmos/

and IPOS's website:
https://www.ipos.gov.sg/about-ip/copyright/copyright-owners/collective-management-organisations .

Internally, COMPASS has adjusted policies on membership, distribution and dispute resolution to align with the CLS. Our Memorandum and Articles also required changes which were to be approved at the AGM in June 2024.

Externally, COMPASS has informed its major digital licensees about the CLS so that they can take adequate legal precautions to ensure their services are adequately protected under copyright laws by having valid and recognised licences issued by legal licensors. COMPASS has also followed through with CISAC's stand by making it clear to major digital licensees that we have never consented to and does not consent to having our repertoire of musical works used for "data-mining" or "machine-learning" where such results or information is used in Generative AI to create new musical works. Such usage of musical works will have to be separately licensed and represent a potential new revenue stream for COMPASS.

4.2 Cable TV

Around February 2023, the long-running lawsuit with Singtel ended after a settlement agreement was reached through the efforts of both parties. Singtel made full payment of the $21.5 million settlement sum (before GST) which covered their licence fees up till 2023.

COMPASS is poised to revisit the Copyright Tribunal to address purportedly ambiguous deductions in the Cable TV tariff formula, seeking a definitive resolution.

4.3 Mediacorp

COMPASS and MediaCorp have amicably resolved the issues of past arrears from 2017 to 2023. A settlement agreement was signed and MediaCorp has fully paid the licence fees which are close to $1,000,000 for that period.

4.4 OTTs

Presently, the only OTTs being licensed are MeWatch by MediaCorp. StarHub TV+'s licence has been terminated and expired. We are still in negotiations with the lawyers representing Disney+, Netflix, and some others.

4.5 Cinemas

The major cinema operators have all resumed payment of licence fees at our tariff rate of 0.2%. Shaw has fully paid up the past arrears from 2019 to 2023. COMPASS is in talks with Cathay on past arrears from 2016 to 2023 which is expected to be a significant sum. COMPASS is also engaging the other smaller operators such as The Projector.

4.6 Reciprocal Agreements

In the 2021 High Court of COMPASS v Fox Networks, the Court had found issues with COMPASS's legal standing to sue based on our reciprocal agreements. Therefore, to ensure foreign works are protected in Singapore, COMPASS has reached out to our sister societies to amend the reciprocal agreements. Currently, we have already amended our reciprocal agreements with a number of societies.

4.7 General licensing

(A) Update to General Public Performance Licence Tariff Rates E
With effect from 1st May 2023, COMPASS revised its annual licence tariff rates to account for inflation and rising costs of living. The increment was made with reference to Singapore's Consumer Price Index:

- For tariff rates last revised in 2013, the increment will be around 13%.
- For tariff rates last revised in 2016, the increment will be around 10%.

Current licensees had at least one full year's notice before transiting to the new licence rates. Licensees accepted the increment without further feedback.

(B) Music, Fitness and Dance Schools
COMPASS has increased efforts to educate and inform the Music, Fitness and Dance Schools in Singapore of its long-existing tariff scheme for copyright music. Many business owners were previously unaware. A large number have since taken up licences and the licensing team will continue to monitor and review.

(C) Introduction of Tariff Scheme for Digital Online Usage
COMPASS has introduced a tariff scheme for digital online usage for businesses who wish to promote themselves on social media and online video streaming services.

5. Membership

Continual growth is evident in our membership with a count of 3,283 as of 31st December 2023, compared to 3,186 in 2022. Throughout 2023, 113 new members joined, excluding 3 successors.
The current member strength is thus as follows:

	Writer	Publisher
Associate	2471	64
Full	719	29
Total	3190	93

6. Member and Public Relation Activities

6.1 COMPASS Website and Microsite

The new website creation is now underway with modifications made specifically to accommodate the guideline and laws governing Collective Management Organizations released for compliance by mid 2024. The website will be completed and is expected to take over the current website seamlessly in 2024.

The microsite will be populated thereafter with past year material and launched before the next COMPASS Awards in 2024 in order to create anticipation and camaraderie for the next awards ceremony.

6.2 Raya Gathering

In this highly requested gathering of songwriters over dinner to celebrate a day of observance, members had the opportunity to meet and connect with other songwriters. Intimate social sessions such as these appeal to the younger generation of songwriters as they mingled with their peers, veterans as well as corporate administrators.

Both young and experienced songwriters were able to speak casually on their current projects, the direction of their music as well as challenges faced in their genre of music. Members have been reaching out to request for more of such networking opportunities.

6.3 Music Clinics

As members express interest in attending clinics conducted by professionals in different arms of the music business, COMPASS invited speakers to speak on various topics such as; Artiste & Repertoire, Film Scoring, Stage Craft and Performance. COMPASS has had the pleasure of inviting speakers such as Tat Tong, Joe Ng, Alemay Fernandez.

A new series of COMPASS clinics was also launched, helmed by the in-house Heads of Departments; Licensing and Documentation and Royalty Distribution. These in-house sessions will feature regularly in the annual calendar with aims to equip songwriters with knowledge on the types of copyright, how COMPASS facilitates licences, the digital stream landscape as well as how royalties derive, challenges faced in collection and the eventual process for royalty distribution to individuals.

The in-house sessions in 2023 were well-received and there were requests for more frequency of the sessions to accommodate members' schedules.

6.4 Member Induction Sessions

The member induction sessions continued, switching to a physical session in 2023. Newly admitted members were invited to attend the orientation on various topics including the type of copyright COMPASS administers, administration required by members in order to have their works properly listed in our database as well as for royalties to be claimed and distributed. The session also guides members on the member portal as well as some general sharing by established members whenever they do attend the session.

The induction accords an opportunity for songwriters to meet others and from these sessions, new collaborations have been known to foster. As these sessions have been helpful for new writers to meet others, there has also been a request for more of such opportunities to be created by COMPASS.

6.5 Social Pages

The COMPASS social pages amped up activities in 2023 by creating short intro-videos of established or trending songwriters, introducing different genre of music for different holidays / occasions in the year. These bullet -sized videos were well-received and it gives insight to the public on the workings of a songwriter and their music.

The many songwriters featured on the COMPASS social pages included Jack & Rai, Don Richmond Shigga Shay, Wang Chenwei, Alemay Fernandez, Daniel Sid, Hong Junyang, Bitty, Inch Chua, Shazza, etc. These little snippet interviews keep local songwriters in the minds of the public and being on Youtube may reach or attain a wider reach to a bigger audience for Singaporean music.

In addition to visual, the social team has also created weekly playlists of music creations from Singapore. The COMPASS playlist is a selection of works to suit different occasions with no genre specificity and as with the music interviews, it is meant to bring different genre of Singaporean music to the forefront. This has sparked much interest as songwriters are sending in links to their music in hopes of being featured online under COMPASS' playlist.

6.6 Sponsorships

In Year 2023 COMPASS sponsored a total of 13 music projects amounting to a total of $125,200, with an aim to aid events targeted at reaching a wider audience. Of these 13 projects, 2 are incomplete with 1 sponsorship event that may be dispensed only in 2024 as it is for a year-long series commencing in mid of 2023.

COMPASS was also involved in the inception of 2 large scale organizations (since 2017) to encourage integrated Mandarin music as well as Jazz respectively. In addition to support for one-off concerts, the sponsorship granted was also extended to non-profit outfits vested in developing music of specific language/genre of music.

- SG:SW2023 was a festival formed to encourage more Mandarin music creations. With the inclusion of collaborator Singapore Chinese Cultural Centre (SCCC), Mandarin song entries with the addition of any locally spoken language could also qualify for SCCC's X-Cultural Award. The entries over the years have been encouraging with an average of 300-400 entries each year and after a round of music seminars as well as masterclasses, culminates into a finale performance with 6 major categories including Best Lyrics and Best Composer. The winners would then have their works made into a music video and transmitted / broadcasted over several local and regional channels. The entries have evolved over the years from young to mid-aged adults to the majority now being teenagers and young adults. This is a significant sign as the festival is drawing the young back to the language and support of local music.

- Jazz Association of Singapore (JASS) was formed to encourage a greater and deeper understanding of Jazz in Singapore, creating a centre of excellence in Jazz for Singapore. JAS achieved charity status in 2017 and then Institution of a Public Character (IPC) for the period 23 November 2018 to 22 May 2024, receiving also the Major Company Scheme granted by the National Arts Council.

7. ISO 9000 Certification

Our ISO certification was renewed following audit on 28th February 2023. COMPASS still remained the only collective society in Asia to achieve ISO 9000.

8. Conclusion

In the upcoming year, Singapore's economy anticipates a modest growth of 1.8% but the major sectors COMPASS is dependent on such as live mega concerts, broadcasting and New Media are not affected by the general economy.

COMPASS is poised for a commendable performance with total revenue exceeding $40 million.

Our primary focus will be adapting to the evolving landscape, particularly the mandatory changes to corporate governance and work processes aligned with the Class Licensing Scheme.

Board Of Directors

The members elect a Board of Directors comprising 6 writer-members and 5 publisher-members. The Board of Directors is responsible for the major policies of the society. The Standing Committees are formed to help guide and propose recommendations to the Council on areas under their respective charge.

JEREMY MONTEIRO

Chairman
Writer Director

ZECHARIAH GOH TOH CHAI

Vice Chairman

Writer Director

(Special Elected Director representing Classical / Choral music genre)

EDMUND LAM

Executive Director
Chief Executive Officer

CHARLES LIM

Writer Director

CHOO THIAM SIEW

Independent Director

EDDINO ABDUL HADI

Writer Director

Board Of Directors

IMRAN AJMAIN

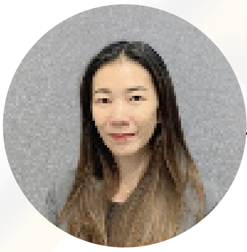
Writer Director
(Special Elected Director representing Malay music genre)

IVY PEH

Publisher Director
Amusic Rights Management

JACK TEO

Publisher Director
Universal Music Publishing



JACQUELINE CHONG

Publisher Director
Warner Chappell Music

LIANG WERN FOOK

Writer Director

SHARON CHUA

Publisher Director
Sony Music Publishing

TAN CHEE WAI

Publisher Director
Touch Music Publishing

Financial Statement

Composers and Authors Society of Singapore Limited
Registration Number: 198701730Z

(A Company Limited by Guarantee)

Annual Report
Year ended 31 December 2023

Directors' statement

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 2023.

In our opinion:

(a) the financial statements set out on pages FS1 to FS23 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and the financial performance, changes in funds and reserves, and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; 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.

Directors

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

Jeremy Ian Monteiro	
Liang Wern Fook	
Eddino Bin Abdul Hadi	
Goh Toh Chai	
Choo Thiam Siew @ Ang Thiam Siew	
Lam Kin Hong Edmund	
Chua Khah Suan	
Teo Chen Shin	
Peh Choo Choo	
Lim Yu, Charles	
Imran Ahmad Husaini Ajmain	
Chong Heong Kuan	(Appointed on 28 June 2023)
Tan Chee Wai	(Appointed on 28 June 2023)

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 1967 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.

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 1967 does not apply.

Auditors

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

On behalf of the Board of Directors

Jeremy Ian Monteiro
Director

Lam Kin Hong Edmund
Director

30 May 2024

KPMG LLP
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Independent auditors' report

Members of the Company
Composers and Authors Society

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Composers and Authors Society ('the Company'), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in funds and reserves, and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS23.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in funds and reserves, and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

Responsibilities of management and directors 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 Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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
30 May 2024

Statement of financial position
As at 31 December 2023

	Note	2023	2022
		$	$
Assets			
Property, plant and equipment	5	10,466,619	10,571,199
Other investments	6	2,500,000	4,000,000
Non-current assets		12,966,619	14,571,199
Other investments	6	58,300,000	1,750,000
Other receivables	7	477,433	248,631
Prepayments		75,443	502,168
Cash and cash equivalents		22,938,576	50,021,081
Current assets		81,791,452	52,521,880
Total assets		94,758,071	67,093,079
Funds attributable to members			
Reserve funds	8	351,373	351,373
Retained surplus		362,221	358,818
Total funds		713,594	710,191
Liabilities			
Trade and other payables	9	62,021,399	42,833,442
Non-current liabilities		62,021,399	42,833,442
Trade and other payables	9	32,023,078	23,549,446
Current liabilities		32,023,078	23,549,446
Total liabilities		94,044,477	66,382,888
Total equity and liabilities		94,758,071	67,093,079

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

Statement of profit or loss and other comprehensive income
Year ended 31 December 2023

	Note	2023 $	2022 $
Revenue	10	44,710,653	15,919,794
Other income		2,695,672	597,349
Depreciation of property, plant and equipment		(131,640)	(189,299)
Operating expenses		(1,366,272)	(1,149,275)
Staff costs		(2,442,510)	(2,067,598)
Royalty distribution to members		(43,462,500)	(13,110,720)
Surplus from operations before tax	11	3,403	251
Tax expense	12	–	–
Surplus for the year		3,403	251

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

Statement of changes in funds and reserves
Year ended 31 December 2023

	Reserve funds $	Retained surplus $	Total $
At 1 January 2022	351,373	358,567	709,940
Total comprehensive income for the year			
Surplus for the year		251	251
Total comprehensive income for the year	–	251	251
At 31 December 2022	351,373	358,818	710,191
At 1 January 2023	351,373	358,818	710,191
Total comprehensive income for the year			
Surplus for the year	–	3,403	3,403
Total comprehensive income for the year	–	3,403	3,403
At 31 December 2023	351,373	362,221	713,594

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

Statement of cash flows
Year ended 31 December 2023

	2023	2022
	$	**$**
Cash flows from operating activities		
Surplus for the year	3,403	251
Adjustments for:		
Depreciation of property, plant and equipment	131,640	189,299
Interest income	(2,695,672)	(597,349)
	(2,560,629)	(407,799)
Change in other receivables including prepayments	430,725	21,091
Change in trade and other payables	27,661,589	4,023,454
Net cash from operating activities	25,531,685	3,636,746
Cash flows from investing activities		
Interest received	2,462,870	420,572
Acquisition of property, plant and equipment	(27,060)	(10,780)
Fixed deposits with maturity of more than three months	(56,800,000)	(1,000,000)
Proceeds from disposal of other investments	1,750,000	750,000
Net cash (used in)/from investing activities	(52,614,190)	159,792
Net (decrease)/increase in cash and cash equivalents	(27,082,505)	3,796,538
Cash and cash equivalents at 1 January	50,021,081	46,224,543
Cash and cash equivalents at 31 December	22,938,576	50,021,081

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 Board of Directors on 30 May 2024.

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 60 Paya Lebar Road, #12-48 Paya Lebar Square, 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 3,283 members as at 31 December 2023 (2022: 3,186) being an amount not exceeding $10 (2022: $10).

3 Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs"). The changes to material accounting policies are described in note 3.5.

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

3.3 Functional and presentation currency

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 or estimation uncertainties in the application of accounting policies that have a significant effect on the amount recognised in the financial statements.

3.5 Changes in material accounting policies

New accounting standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2023:

- FRS 117: *Insurance Contracts*
- Amendments to FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 12: *International Tax Reform - Pillar Two Model Rules*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Material accounting policy information

The Company adopted Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in note 4 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

There is no impact to the comparative amounts as a result of changes in material accounting policies.

4 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 3.5, which addresses changes in material accounting policies.

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 as an expense 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.

Depreciation is recognised from the date that the asset is completed and ready for use. Assets under construction are not depreciated.

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

Leasehold land and building	-	99 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 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Other receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(vi) Share capital

Ordinary shares

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

4.3 Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost is deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) 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 exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. 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.

Impairment losses are recognised in profit or loss.

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.

4.4 Employee benefits

Defined contribution plans

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.

4.5 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.6 Revenue recognition

Information about the Company's accounting policies relating to revenue from services rendered is provided in note 10.

4.7 Income 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.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

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 at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable deductible temporary differences.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. 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; such reductions are reversed when the probability of future taxable profits improves.

4.8 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

None of the new standards, interpretations and amendments to standards are expected to have a significant impact on the financial statements of the Company.

5 Property, plant and equipment

	Leasehold land and building $	Renovations $	Furniture, fittings and office equipment $	Motor vehicles $	Computer equipment $	Total $
Cost						
At 1 January 2022	12,110,800	523,692	15,277	97,188	547,627	13,294,584
Additions	–	–	1,400	–	9,380	10,780
At 31 December 2022	12,110,800	523,692	16,677	97,188	557,007	13,305,364
Additions	–	–	–	–	27,060	27,060
At 31 December 2023	12,110,800	523,692	16,677	97,188	584,067	13,332,424
Accumulated depreciation						
At 1 January 2022	1,476,455	464,825	10,797	97,188	495,601	2,544,866
Charge for the year	113,131	58,867	1,558	–	15,743	189,299
At 31 December 2022	1,589,586	523,692	12,355	97,188	511,344	2,734,165
Charge for the year	113,133	–	1,306	–	17,201	131,640
At 31 December 2023	1,702,719	523,692	13,661	97,188	528,545	2,865,805
Carrying amounts						
At 1 January 2022	10,634,345	58,867	4,480	–	52,026	10,749,718
At 31 December 2022	10,521,214	–	4,322	–	45,663	10,571,199
At 31 December 2023	10,408,081	–	3,016	–	55,522	10,466,619

6 Other investments

	2023	2022
	$	$
Non-current financial assets		
Debt investments – at amortised cost	2,500,000	4,000,000
Current financial assets		
Debt investments – at amortised cost	500,000	750,000
Fixed deposits with maturity of more than three months	57,800,000	1,000,000
	58,300,000	1,750,000

The Company intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. Debt investments at amortised cost have stated interest rates of 3.07% to 6.50% (2022: 3.07% to 6.15%) and mature in 2 to 25 (2022: 1 to 27) years.

The Company's exposure to interest rate risk related to other investments is disclosed in note 14.

7 Other receivables

	2023	2022
	$	$
Other receivables	200	4,200
Interest receivable	477,233	244,431
	477,433	248,631

The Company's exposure to credit risk related to other receivables is disclosed in note 14.

8 Reserve funds

	2023	2022
	$	$
Capital Fund	6,043	6,043
COMPASS Music Development Fund	345,330	345,330
	351,373	351,373

The reserve funds comprise of amounts set aside by the Board of Directors for computerisation of the operations of the Company and a Music Development Fund. The Music Development Fund has been designated for the development of Choral Music and Xin Yao Music and donation to the Jazz Association (Singapore) Limited.

9 Trade and other payables

	2023 $	2022 $
Royalties due to members	92,021,399	64,559,898
Accrued operating expenses	1,000,000	717,094
Other payables	436,802	649,411
	93,458,201	65,926,403
Accrued employee benefits	586,276	456,485
	94,044,477	66,382,888
Non-current	62,021,399	42,833,442
Current	32,023,078	23,549,446
	94,044,477	66,382,888

The Company expects to pay royalties members amounting to approximately $30,000,000 (2022: $21,726,456) within 12 months of the reporting date.

The Company's exposure to liquidity risk related to trade and other payables is disclosed in note 14.

10 Revenue

	2023 $	2022 $
Revenue from licence and permit fees, net	44,710,653	15,919,794

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of services	The Company principally generates revenue from licensing of public performances and broadcast use of music under the Company's control.
When revenue is recognised	Revenue is recognised pursuant to usage of songs in music media and performance of the songs through mass media.
Significant payment terms	Payment is due within 30 days from the sales invoice date.

11 Surplus from operations before tax

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

	2023 $	2022 $
Other income		
Interest income:		
- investments	2,584,985	217,539
- cash and cash equivalents	110,687	379,810
	2,695,672	597,349
Staff costs		
Wages and salaries	2,200,505	1,879,049
Contributions to defined contribution plans	180,083	163,236
Other staff related costs	61,922	25,313
	2,442,510	2,067,598
Others		
Directors' fees	25,000	29,000
Short-term lease expense	3,960	660

12 Tax expense

	2023 $	2022 $
Reconciliation of effective tax rate		
Surplus from operations before tax	3,403	251
Tax using the Singapore tax rate of 17% (2022: 17%)	579	43
Non-deductible expenses	83,122	23,769
Effect of tax losses and wear and tear allowances utilised	(82,023)	(19,171)
Others	(1,678)	(4,641)
	–	–

The following temporary differences have not been recognised:

	2023 $	2022 $
Deductible temporary differences	2,506,059	3,023,848
Unutilised wear and tear allowances and tax losses	46,885	11,585
	2,552,944	3,035,433

The unutilised wear and tear 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.

13 Related parties

Key management personnel

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

	2023 $	2022 $
Short-term employee benefits	1,005,176	749,632
Contributions to defined contribution plans	58,759	56,521
	1,063,935	806,153

14 Financial risk management

Overview

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

- credit risk
- liquidity risk
- market 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.

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 investments in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

The Company did not have any investments that were past due nor impaired at 31 December 2023.

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.

Cash and cash equivalents

Cash and bank balances are placed with bank which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

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 following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

		Cash flows		
	Carrying amount	**Contractual cash flows**	**Within 1 year**	**Between 2 to 5 years**
	$	**$**	**$**	**$**
2023				
Trade and other payables*	93,458,201	(93,458,201)	(31,436,802)	(62,021,399)
2022				
Trade and other payables*	65,926,403	(65,926,403)	(23,092,961)	(42,833,442)

* *Excluding accrued employee benefits*

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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	
	2023	**2022**
	$	**$**
Fixed rate instruments		
Other investments	3,000,000	4,750,000
Fixed deposits with maturity of more than three months	57,800,000	1,000,000
	60,800,000	5,750,000

Fair value sensitivity analysis for 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.

Fair value hierarchy

The different levels have been defined as follows:

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Instruments based on such unobservable inputs are included in Level 3, if any.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value with maturity of less than one year are assumed to approximate their of fair value because of the short period to maturity.

	Carrying amount		Fair value			
	Financial assets at amortised cost $	Total $	Level 1 $	Level 2 $	Level 3 $	Total $
31 December 2023						
Financial assets not measured at fair value						
Debt investments – at amortised cost	3,000,000	3,000,000	2,622,008			
Fixed deposits with maturity of more than three months	57,800,000	57,800,000				
Other receivables	477,433	477,433				
Cash and cash equivalents	22,938,576	22,938,576				
	84,216,009	84,216,009				
Financial liabilities not measured at fair value						
Trade and other payables*	(93,458,201)	(93,458,201)				

* *Excluding accrued employee benefits*

	Carrying amount		Fair value			
	Financial assets at amortised cost	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
31 December 2022						
Financial assets not measured at fair value						
Debt investments – at amortised cost	4,750,000	4,750,000	4,552,280			
Fixed deposits with maturity of more than three months	1,000,000	1,000,000				
Other receivables	248,631	248,631				
Cash and cash equivalents	50,021,081	50,021,081				
	56,019,712	56,019,712				
Financial liabilities not measured at fair value						
Trade and other payables*	(65,926,403)	(65,926,403)				

* *Excluding accrued employee benefits*