

THE THEATRE PRACTICE LTD.

Unique Entity Number: 198801755D

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



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Table Of Contents

Report of the Directors	1
Statement by Directors	3
Independent Auditors' Report	4
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Funds	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore and Limited by Guarantee)

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2014.

(1) Directors.

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

Quah Sy Ren
Wong Yen Yee
Goh Wei Fen
Samuel Seow Theng Beng
Kuo Jian Hong

(2) Arrangements to enable directors to acquire debentures.

The company is limited by guarantee and has no share capital or debentures.

(3) Directors' Interests.

As the company is 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.

(4) Directors' contractual benefits.

Since the end of previous financial year, no director has received or become entitled to receive a benefit (except as disclosed in the financial statements) 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.

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore and Limited by Guarantee)

REPORT OF THE DIRECTORS

(continued)

(5) Share options.

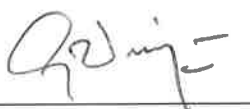
The company is limited by guarantee and does not have share capital.

(6) Auditors.

The Auditors, Messrs Lo Hock Ling & Co., have expressed their willingness to accept re-appointment.

On behalf of the Board,


Wong Yen Yee
Director


Goh Wei Fen
Director

Singapore, 9 SEP 2014

THE THEATRE PRACTICE LTD.


(Incorporated in the Republic of Singapore and Limited by Guarantee)


STATEMENT BY DIRECTORS

We, the undermentioned directors, state that, in the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2014 and of the results, changes in funds and cash flows of the company for the year ended 31 March 2014 and 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,


Wong Yen Yee
Director


Goh Wei Fen
Director

Singapore, 9 SEP 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of The Theatre Practice Ltd. set out on pages 6 to 22, which comprise the balance sheet (statement of financial position) as at 31 March 2014, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year ended 31 March 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

(continued)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in funds 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.

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

- (i) the use of the donation moneys was not in accordance with the objectives of the Company as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) the Company has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

Singapore, 9 SEP 2014

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Statement of Financial Position as at 31 March 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	3	<u>22,706</u>	<u>22,094</u>
Total Non-Current Assets		<u>22,706</u>	<u>22,094</u>
<u>Current Assets</u>			
Accounts receivables	4	353,276	214,197
Other receivables	5	152,849	136,326
Cash and cash equivalents	6	<u>787,124</u>	<u>755,173</u>
Total Current Assets		<u>1,293,249</u>	<u>1,105,696</u>
Total Assets		<u>1,315,955</u>	<u>1,127,790</u>
<u>FUND AND LIABILITIES</u>			
<u>Fund</u>			
Accumulated fund		<u>897,005</u>	<u>699,455</u>
Total Fund		<u>897,005</u>	<u>699,455</u>
<u>Current Liabilities</u>			
Accounts payables	7	354,687	385,669
Other payables	8	<u>64,263</u>	<u>42,666</u>
Total Current Liabilities		<u>418,950</u>	<u>428,335</u>
Total Fund and Liabilities		<u>1,315,955</u>	<u>1,127,790</u>

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Statement of Comprehensive Income for the year ended 31 March 2014

	<u>Note</u>	<u>2014</u>	<u>2013</u>
		\$	\$
<u>INCOME</u>			
Surplus from activities	9	81,179	2,780
Donations		262,512	357,476
Government grants		462,655	460,084
Fixed deposit interest		207	-
Other income		54,588	18,222
Total Income		861,141	838,562
<u>LESS EXPENDITURE</u>		<u>663,591</u>	<u>577,088</u>
Net surplus for the year from continuing operations		197,550	261,474
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>197,550</u>	<u>261,474</u>

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Expenditure for the year ended 31 March 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		\$	\$
Audit fees		8,000	7,000
Bank charges		704	351
Business meeting		1,327	916
Central Provident Fund contributions		50,513	43,533
Cleaning expenses		9,009	8,190
Computer and internet expenses		2,321	1,656
Depreciation of property, plant and equipment	3	6,480	5,960
Expensed equipment		3,875	3,703
Filing and stamp fees		20	1,072
General expenses		-	200
Gifts and flowers		257	681
Insurance		7,341	3,721
Marketing and publicity		1,993	-
Medical fees		1,135	1,277
Newspapers and magazine		531	586
Office/store supplies		7,860	6,857
Printing and stationery		2,858	4,058
Postage and courier		247	217
Property, plant and equipment written off		-	2,801
Rental of copier		4,980	4,565
Rental of premises		125,172	122,316
Repairs and maintenance		14,481	18,206
Repair of equipment		-	2,035
Salaries and bonus		385,731	316,151
Secretary fee		600	600
Skills Development Levy		874	733
Staff recruitment and training		400	414
Staff welfare		4,427	2,384
Telephone and fax		1,283	1,081
Training expenses		4,370	1,200
Translator fees		600	2,500
Transport and travelling		4,688	1,577
Utilities		11,514	10,547
Total Expenditure		<u>663,591</u>	<u>577,088</u>

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Statement of Changes in Funds for the year ended 31 March 2014

	Accumulated fund
	\$
Balance as at 31 March 2012	437,981
Total comprehensive income for the year	<u>261,474</u>
Balance as at 31 March 2013	699,455
Total comprehensive income for the year	<u>197,550</u>
Balance as at 31 March 2014	<u>897,005</u>

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Statement of Cash Flows for the year ended 31 March 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Surplus for the year		197,550	261,474
Adjustments for:			
Depreciation on property, plant and equipment	3	6,480	5,960
Property, plant and equipment written off		-	2,801
Interest income		(207)	-
		<u>6,273</u>	<u>8,761</u>
Operating surplus before working capital changes		203,823	270,235
(Increase)/decrease in receivables		(155,602)	26,776
(Decrease)/increase in payables		(9,385)	52,764
Changes in working capital		(164,987)	79,540
Cash generated from operations		38,836	349,775
Interest received		207	-
Net cash from operating activities		39,043	349,775
<u>CASH FLOWS FROM INVESTING ACTIVITY</u>			
Purchase of property, plant and equipment	3	(7,092)	(13,715)
Net cash used in investing activity		(7,092)	(13,715)
Net increase in cash and cash equivalents		31,951	336,060
Cash and cash equivalents at beginning of the year		<u>755,173</u>	<u>419,113</u>
Cash and cash equivalents at end of the year	6	<u>787,124</u>	<u>755,173</u>

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2014

The following notes form an integral part of the financial statements.

1. GENERAL

The Theatre Practice Ltd., (the Company) is a public company limited by guarantee, incorporated in the Republic of Singapore. Under Article 6 of its Memorandum of Association, each member of the Company guarantees to contribute a sum not exceeding \$1.00 to the assets of the Company in the event of the same being wound up. The company has 3 (2013: 3) members as at balance sheet date and is also registered as a charity under the Charities Act (Cap. 37).

The company is a non-profit performing arts institution registered with the Ministry of Education to promote dance and theatre in English and Chinese. The principal activities of the Company are to promote and develop performing arts and to produce and present dramas, dances and other cultural activities.

The Company has been granted a special account membership with the National Arts Council (NAC), a gazetted Institution of a public character, to enable the Company to extend tax exempt benefit to its donors. The Company is authorised to issue tax deduction receipts to its donors effective from 4 January 2008 by the Ministry of Information Communication and the Arts.

The Company has its domicile in Singapore and its registered office at 155 Waterloo Street, #02-08 Stamford Arts Centre, Singapore 187962.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The Company presents its financial statements in Singapore Dollars, which is also its functional currency.

These financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and comply with Singapore Financial Reporting Standards (FRS), including related Interpretations promulgated by the Accounting Standards Council.

During the financial year, the Company adopted all the applicable revised FRSs which are effective on or before 1 April 2013.

The adoption of these revised FRSs did not have any material effect on the Company's financial statements and did not result in substantial changes to the Company's accounting policies.

(b) Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Accounting Estimates and Judgments (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation on Property, Plant and Equipment

The costs, less the residual values, of property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management's Committee's estimates of the useful lives of these property, plant and equipment are disclosed in note 2(d). Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amount of property, plant and equipment and the depreciation charge for the year are disclosed in note 3.

(c) FRS and INT FRS not yet effective

The Company has not applied any new FRS or INT FRS (Interpretations of Financial Reporting Standards) that has been issued as at the balance sheet date but is not yet effective. The Management Committee does not anticipate the adoption of the new FRS and INT FRS in future financial periods to have any material impact on the Company's financial statements in the period of initial application.

(d) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The annual rates of depreciation are as follows:

Renovation	5 years
Office equipment	3 - 10 years
Furniture and fittings	10 years
Air-conditioners	7 years
Sound and lighting equipment	5 - 10 years

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year-end. The effects of any revision are recognised in the statement of comprehensive income when changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, Plant and Equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is included in the statement of comprehensive income in the year the asset is derecognised.

(e) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Receivables with a short duration are not discounted.

Financial assets are recognised on the balance sheet when the company becomes a contractual party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

When there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables, an impairment loss is recognised. The amount of the impairment loss is measured as the difference between the carrying value of the receivable and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the receivable is reduced directly or through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The amount of the reversal shall be recognised in profit or loss.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits with financial institutions which are subject to insignificant risks of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

(g) Funds

Accumulated Fund

This comprises distributable funds which are intended for general use of the Company.

(h) Financial Liabilities

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Financial liabilities with a short duration are not discounted.

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Revenue Recognition

(i) Performances and Courses Income

Income from performances is recognised upon completion of performances. Courses fees are recognised when services are rendered/consumed.

(ii) Donations and Fund Raising Income

Provided there is evidence of entitlement, as expressed in writing, donations and income from fund raising events are recognised in the statement of comprehensive income in the period of receipt or when they become receivable.

(iii) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and the conditions attached to the grants will be complied with. Where the grant relates to an expense item, it is recognised in statement of comprehensive income over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

Government grants relating to the purchase of assets are deducted against the carrying amount of the assets.

(iv) Interest Income

Interest income is recognised on a time proportion basis, using the effective interest method, unless collectibility is in doubt.

(v) Others

All other income are recognised when the right to receive payment is established.

(j) Employee Benefits

(i) Defined Contribution Plans

The company makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

(ii) Short-term Compensated Absences

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

(k) Impairment of Non-Financial Assets

The carrying amounts of property, plant and equipment is reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of Non-Financial Assets (continued)

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. 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 if no impairment loss had been recognised.

(l) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(m) Leases

Operating leases

Leases whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases.

When the company is the lessee, operating lease payments are recognised as an expense on a straight line basis over the lease term.

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

3. PROPERTY, PLANT AND EQUIPMENT

	<u>Renovation</u>	<u>Office equipment</u>	<u>Furniture and fittings</u>	<u>Air-conditioners</u>	<u>Sound and lighting equipment</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<u>Cost</u>						
At 1 April 2012	121,489	49,599	34,676	8,110	15,090	228,964
Additions	-	2,317	9,200	-	2,198	13,715
Disposals	-	(14,148)	-	-	(7,831)	(21,979)
At 31 March 2013 and 1 April 2013	121,489	37,768	43,876	8,110	9,457	220,700
Additions	-	7,092	-	-	-	7,092
Disposals	-	(381)	-	-	-	(381)
At 31 March 2014	121,489	44,479	43,876	8,110	9,457	227,411
<u>Accumulated depreciation</u>						
At 1 April 2012	121,489	46,025	32,787	2,548	8,975	211,824
Charge for the year	-	2,690	1,246	1,217	807	5,960
Disposals	-	(14,148)	-	-	(5,030)	(19,178)
At 31 March 2013 and 1 April 2013	121,489	34,567	34,033	3,765	4,752	198,606
Charge for the year	-	3,296	1,220	1,172	792	6,480
Disposals	-	(381)	-	-	-	(381)
At 31 March 2014	121,489	37,482	35,253	4,937	5,544	204,705
<u>Carrying amount</u>						
At 31 March 2014	-	6,997	8,623	3,173	3,913	22,706
At 31 March 2013	-	3,201	9,843	4,345	4,705	22,094

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

4. ACCOUNTS RECEIVABLES

The accounts receivables are non-interest bearing and are generally on 30 (2013: 30) days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

5. OTHER RECEIVABLES

	<u>2014</u>	<u>2013</u>
	\$	\$
Accrued revenue	12,642	29,412
Grants receivable	7,000	20,200
Non-trade receivables	1,071	1,955
Deposits	34,854	4,069
Prepayments	<u>97,282</u>	<u>80,690</u>
	<u>152,849</u>	<u>136,326</u>

Non-trade receivables are unsecured, interest-free and are expected to be repayable on demand.

6. CASH AND CASH EQUIVALENTS

	<u>2014</u>	<u>2013</u>
	\$	\$
Cash in hand	12,400	8,300
Cash at bank	752,724	746,873
Fixed deposit with financial institution	<u>22,000</u>	<u>-</u>
	<u>787,124</u>	<u>755,173</u>

Fixed deposit amounting to \$22,000 (2013: nil) has been pledged with a bank as security for a corporate credit card issued to a director for payment of company's expenses.

7. ACCOUNTS PAYABLES

	<u>2014</u>	<u>2013</u>
	\$	\$
Amount due to external parties	52,633	70,115
Deferred revenue	275,595	294,638
Goods & services tax payable	<u>26,459</u>	<u>20,916</u>
	<u>354,687</u>	<u>385,669</u>

8. OTHER PAYABLES

	<u>2014</u>	<u>2013</u>
	\$	\$
Accrued operating expenses	63,673	39,553
Amount due to employees	-	683
Withholding tax payable	438	438
Non-trade payables	<u>152</u>	<u>1,992</u>
	<u>64,263</u>	<u>42,666</u>

Non-trade payables are unsecured, interest-free and are expected to be repayable on demand.

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

9. SURPLUS FROM ACTIVITIES

	<u>Income</u>		<u>Expenditure</u>		<u>Surplus/ (deficit)</u>
	\$		\$		\$
<u>2014</u>					
Performances	661,772	(a)	864,080	(202,308)
Courses	<u>512,206</u>	(b)	<u>228,719</u>		<u>283,487</u>
	<u>1,173,978</u>		<u>1,092,799</u>		<u>81,179</u>
<u>2013</u>					
Performances	976,413	(a)	1,261,640	(285,227)
Courses	<u>524,305</u>	(b)	<u>236,298</u>		<u>288,007</u>
	<u>1,500,718</u>		<u>1,497,938</u>		<u>2,780</u>

(a) Included in these expenditure are employee benefits expense of \$328,432 (2013: \$437,295) as disclosed in note 10.

(b) During the year, the courses were conducted by the contract instructors. The total contract fees paid to these contract instructors amounted to \$148,205 (2013: \$173,928).

10. EMPLOYEE BENEFITS EXPENSES

	<u>2014</u>	<u>2013</u>
	\$	\$
Salaries and related costs	689,671	719,971
Employer's Contribution to Central Provident Fund	69,882	73,897
Other benefits	<u>21,373</u>	<u>9,205</u>
	<u>780,926</u>	<u>803,073</u>

Total employee benefits expenses have been allocated and charged to the following accounts:

	<u>2014</u>	<u>2013</u>
	\$	\$
Expenditure relating to performances presented by the company (note 9)	328,432	437,295
Other operating expenses in statement of comprehensive income	<u>452,494</u>	<u>365,778</u>
	<u>780,926</u>	<u>803,073</u>

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

10. EMPLOYEE BENEFITS EXPENSES (continued)

The above employee benefits expense included the following:

	<u>2014</u>	<u>2013</u>
	\$	\$
(a) Director's remuneration		
Salaries and related costs	114,400	127,800
Employer's contributions to Central Provident Fund	11,008	14,176
	125,408	141,976
(b) Other key management personnel compensation		
Salaries and related costs	34,100	33,326
Employer's contributions to Central Provident Fund	2,392	2,275
	<u>36,492</u>	<u>35,601</u>
	<u>161,900</u>	<u>177,577</u>

The number of key management personnel in the annual remuneration bands stated below are as follows:-

	<u>2014</u>	<u>2013</u>
\$100,001 - \$150,000	1	1
Less than \$100,000	1	1
	<u>2</u>	<u>2</u>

11. FUND RAISING INCOME AND EXPENSES

	<u>2014</u>	<u>2013</u>
	\$	\$
<u>Income</u>		
Outright donations and direct appeals	313,240	393,895
Income from fund raising events	-	-
	<u>* 313,240</u>	<u>393,895</u>
<u>Expenses:</u>		
Direct costs incurred for fund raising events	-	-

Total gross donations received which qualified for tax deduction amounted to \$306,928 (2013: \$366,195).

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

11. FUND RAISING INCOME AND EXPENSES (continued)

* This amount has been accounted for in the following manner:-

	<u>2014</u>	<u>2013</u>
	\$	\$
- Donations income in statement of comprehensive income	262,512	357,476
- Donation income relating to Activities conducted by the company (refer to note 9)	<u>50,728</u>	<u>36,419</u>
	<u>313,240</u>	<u>393,895</u>

The total donations collected from and the total expenses incurred on public fund-raising appeals in the financial year have been audited and the company had met the 30/70 fund-raising rule as the total expenses incurred in public fund-raising appeals in the financial year did not exceed 30% of total donations collected through the public appeals in the same year.

12. TAXATION

The Company is a registered charity under the Charities Act, Cap 37, and by virtue of section 13 of the Income Tax Act, Cap 134, is exempted from taxation. Therefore, no provision for taxation has been made in the financial statements for the current financial year (2013: nil).

13. OPERATING LEASE COMMITMENTS

The Company leases office spaces from non-related party under non-cancellable operating leases.

As at the balance sheet date, future minimum lease payments under non-cancellable operating leases where the Company are the lessees are as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Payable within 1 year	17,497	17,497
Payable after 1 year but not later than 5 years	<u>14,548</u>	<u>19,527</u>
	<u>32,045</u>	<u>37,024</u>

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

14. FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk and liquidity risk. The Management Committee reviews and agrees on policies for managing each of these risks and they are summarised below:

(i) Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of the counterparties to settle their financial and contractual obligations to the Company as and when they fall due.

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

14. FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

The Company's main financial assets consist of receivables and cash and cash equivalents. Cash and bank deposits are placed with financial institutions which are regulated.

Management Committee monitors the Company's exposure to credit risks on an ongoing basis.

There are no financial assets that are past due or impaired as at the balance sheet date.

As at the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

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

All the financial liabilities of the Company are repayable on demand or mature within one year.

15. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of cash and cash equivalents, receivables and payables approximate their fair values due to their short term nature.

Financial Instruments by Category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Loans and receivables	1,195,967	1,025,006
Financial liabilities at amortised cost	143,355	132,697

16. RESERVE MANAGEMENT

The primary objective of the Company's reserve management policy is to ensure that it maintains optimal reserves in order to support its operations and the development of its principal activities.

The Company monitors its cash flow and overall liquidity position on a continuous basis, taking into consideration the prevailing and projected operating income and expenditure, and other financial obligations, including projected capital expenditure.

The Company is not subject to externally imposed reserve requirements.

There were no changes to the Company's approach to reserve management during the year.

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

17. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31 March 2014 were approved by the board of directors on 3 SEP 2014

