

THE THEATRE PRACTICE LTD.

Unique Entity Number: 198801755D

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



independent member of
leading **edge** alliance

www.lohocklingco.com.sg

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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 2015.

(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.

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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, 10 SEP 2015

THE THEATRE PRACTICE LTD.

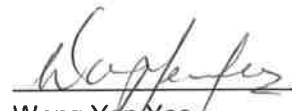
(Incorporated in the Republic of Singapore and Limited by Guarantee)

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 financial position of the company as at 31 March 2015 and the financial performance, changes in funds and cash flows of the company for the year ended 31 March 2015 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, 10 SEP 2015

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. (the "Company") set out on pages 6 to 22, which comprise the balance sheet (statement of financial position) as at 31 March 2015, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year ended 31 March 2015, 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 financial statements 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 financial position of the Company as at 31 March 2015 and the financial performance, 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 reporting year:

- (i) the use of the donation monies 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, 10 SEP 2015

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Statement of Financial Position as at 31 March 2015

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Asset</u>			
Property, plant and equipment	3	<u>22,068</u>	<u>22,706</u>
		<u>22,068</u>	<u>22,706</u>
<u>Current Assets</u>			
Accounts receivables	4	332,123	353,276
Other receivables	5	176,908	152,849
Cash and cash equivalents	6	<u>1,169,460</u>	<u>787,124</u>
		<u>1,678,491</u>	<u>1,293,249</u>
Total Assets		<u>1,700,559</u>	<u>1,315,955</u>
<u>FUND AND LIABILITIES</u>			
<u>Fund</u>			
Accumulated fund		<u>1,373,872</u>	<u>897,005</u>
Total Fund		<u>1,373,872</u>	<u>897,005</u>
<u>Current Liabilities</u>			
Accounts payables	7	289,433	354,687
Other payables	8	<u>37,254</u>	<u>64,263</u>
		<u>326,687</u>	<u>418,950</u>
Total Fund and Liabilities		<u>1,700,559</u>	<u>1,315,955</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 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		\$	\$
<u>INCOME</u>			
Surplus from activities	9	128,798	81,179
Donations		342,129	262,512
Government grants		678,962	462,655
Fixed deposit interest		830	207
Other income		<u>53,694</u>	<u>54,588</u>
Total Income		1,204,413	861,141
<u>LESS EXPENDITURE</u>		<u>727,546</u>	<u>663,591</u>
Net surplus for the year from continuing operations		476,867	197,550
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>476,867</u>	<u>197,550</u>

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

THE THEATRE PRACTICE LTD.

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Expenditure for the year ended 31 March 2015

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
		\$	\$
Audit fees		9,750	8,000
Bank charges		406	704
Business meeting		1,471	1,327
Central Provident Fund contributions		53,944	50,513
Cleaning expenses		8,389	9,009
Computer and internet expenses		1,805	2,321
Copywriter fees		7,664	-
Depreciation of property, plant and equipment	3	8,382	6,480
Expensed equipment		4,227	3,875
Filing and stamp fees		845	20
Foreign worker levy		2,399	-
Gifts and flowers		283	257
Immigration charges		290	-
Insurance		7,675	7,341
Marketing and publicity		8,453	1,993
Medical fees		1,142	1,135
Newspapers and magazine		696	531
Office/store supplies		8,871	7,860
Postage and courier		1,744	247
Printing and stationery		3,446	2,858
Property, plant and equipment written off		226	-
Rental of copier		4,980	4,980
Rental of premises		125,172	125,172
Repairs and maintenance		7,897	14,481
Salaries and bonus		422,396	385,731
Secretary fee		600	600
Skills Development Levy		900	874
Staff recruitment and training		692	400
Staff welfare		6,388	4,427
Telephone and fax		1,477	1,283
Training expenses		1,393	4,370
Translator fees		250	600
Transport and travelling		2,326	4,688
Utilities		10,967	11,514
Website design		10,000	-
Total Expenditure		<u>727,546</u>	<u>663,591</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 Accumulated Fund for the year ended 31 March 2015

	Accumulated fund
	\$
Balance as at 1 April 2013	699,455
Total comprehensive income for the year	<u>197,550</u>
Balance as at 31 March 2014	897,005
Total comprehensive income for the year	<u>476,867</u>
Balance as at 31 March 2015	<u>1,373,872</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 2015

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Surplus for the year		476,867	197,550
Adjustments for:			
Depreciation on property, plant and equipment	3	8,382	6,480
Property, plant and equipment written off		226	-
Interest income		(830)	(207)
		7,778	6,273
Operating surplus before working capital changes		484,645	203,823
		(2,906)	(155,602)
Increase in receivables		(92,263)	(9,385)
Decrease in payables			
Changes in working capital		(95,169)	(164,987)
Cash generated from operations		389,476	38,836
Interest received		830	207
Net cash from operating activities		390,306	39,043
<u>CASH FLOWS FROM INVESTING ACTIVITY</u>			
Purchase of property, plant and equipment	3	(7,970)	(7,092)
Net cash used in investing activity		(7,970)	(7,092)
Net increase in cash and cash equivalents		382,336	31,951
Cash and cash equivalents at beginning of the year		787,124	755,173
Cash and cash equivalents at end of the year	6	1,169,460	787,124

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 2015

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

1. CORPORATE INFORMATION

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 (2014: 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 ("S\$"), 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, as required by the Companies Act.

During the financial year, the company adopted all the applicable new/revised FRSs which are effective on or before 1 April 2014.

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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Accounting Estimates and Judgments (continued)

(A) 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.

(i) Depreciation on Property, Plant and Equipment

The costs 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 to the financial statements.

(B) There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(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.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

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	20%
Office equipment	10% - 33%
Furniture and fittings	10%
Air-conditioners	15%
Sound and lighting equipment	10% - 20%

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, Plant and Equipment (continued)

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

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year-end.

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 recognised in the statement of comprehensive income in the year the asset is derecognised.

(e) Receivables

Receivables are recognised when the company becomes a party to the contractual provision of the financial instrument. Receivables are derecognised when the rights to receive cash flows for the assets have ceased or expired.

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.

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 which are subject to insignificant risks of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

(g) Fund

Accumulated funds are unrestricted funds available for use at the discretion of the Board of Directors for the furtherance of the company's objectives.

(h) Financial Liabilities

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

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using effective interest method, except for derivatives, which are measured at fair value. Financial liabilities with short duration are not discounted.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial Liabilities (continued)

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the statement of comprehensive income. Net gains or losses on derivatives include exchange differences.

(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.

(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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Impairment of Non-Financial Assets

The carrying amounts of the company's non-financial assets subject to impairment are 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.

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) 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.

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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 2013	121,489	37,768	43,876	8,110	9,457	220,700
Additions	-	7,092	-	-	-	7,092
Written off	-	(381)	-	-	-	(381)
At 31 March 2014 and 1 April 2014	121,489	44,479	43,876	8,110	9,457	227,411
Additions	-	7,970	-	-	-	7,970
Written off	-	(678)	-	-	-	(678)
At 31 March 2015	121,489	51,771	43,876	8,110	9,457	234,703
<u>Accumulated depreciation</u>						
At 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
Written off	-	(381)	-	-	-	(381)
At 31 March 2014 and 1 April 2014	121,489	37,482	35,253	4,937	5,544	204,705
Charge for the year	-	5,507	1,211	1,034	630	8,382
Written off	-	(452)	-	-	-	(452)
At 31 March 2015	121,489	42,537	36,464	5,971	6,174	212,635
<u>Carrying amount</u>						
At 31 March 2015	-	9,234	7,412	2,139	3,283	22,068
At 31 March 2014	-	6,997	8,623	3,173	3,913	22,706

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4. ACCOUNTS RECEIVABLES

Accounts receivables are interest-free and are generally on 30 (2014: 30) days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

5. OTHER RECEIVABLES

	<u>2015</u>	<u>2014</u>
	\$	\$
Accrued revenue	22,170	12,642
Grants receivable	10,600	7,000
Deposits	32,154	34,854
Non-trade receivables	478	1,071
Prepayments	<u>111,506</u>	<u>97,282</u>
	<u>176,908</u>	<u>152,849</u>

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

6. CASH AND CASH EQUIVALENTS

	<u>2015</u>	<u>2014</u>
	\$	\$
Cash and bank balances	1,147,460	765,124
Fixed deposit with financial institution	<u>22,000</u>	<u>22,000</u>
	<u>1,169,460</u>	<u>787,124</u>

Fixed deposit amounting to \$22,000 (2014: \$22,000) has been pledged with a bank as security for a corporate credit card issued to a director for payment of company's expenses.

The fixed deposit matures within one year and earns interest at 0.25% (2014: 0.25%) per annum.

7. ACCOUNTS PAYABLES

	<u>2015</u>	<u>2014</u>
	\$	\$
Amount due to external parties	68,120	52,633
Deferred revenue	200,956	275,595
Goods & services tax payable	<u>20,357</u>	<u>26,459</u>
	<u>289,433</u>	<u>354,687</u>

Accounts payables are non-interest bearing and are normally settled within 30 (2014: 30) days' term.

8. OTHER PAYABLES

	<u>2015</u>	<u>2014</u>
	\$	\$
Accrued operating expenses	36,683	63,673
Amount due to employees	343	-
Withholding tax payable	-	438
Non-trade payables	<u>228</u>	<u>152</u>
	<u>37,254</u>	<u>64,263</u>

Other payables are unsecured, non-interest bearing and repayable on demand.

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9. SURPLUS FROM ACTIVITIES

	<u>Income</u>	<u>Expenditure</u>	<u>Surplus</u>
	\$	\$	\$
<u>2015</u>			
Performances	1,285,949	(a) 1,468,287	(182,338)
Courses	510,382	(b) 199,246	311,136
	1,796,331	1,667,533	128,798
<u>2014</u>			
Performances	661,772	(a) 864,080	(202,308)
Courses	512,206	(b) 228,719	283,487
	1,173,978	1,092,799	81,179

(a) Included in these expenditure are employee benefits expense of \$386,781 (2014: \$328,432) as disclosed in note 10.

(b) During the year, the courses were conducted by contract instructors. The total contract fees paid to these contract instructors amounted to \$122,840 (2014: \$148,205).

10. EMPLOYEE BENEFITS EXPENSES

	<u>2015</u>	<u>2014</u>
	\$	\$
Salaries and related costs	770,187	689,671
Employer's Contribution to Central Provident Fund	83,217	69,882
Other benefits	22,641	21,373
	876,045	780,926

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

	<u>2015</u>	<u>2014</u>
	\$	\$
Expenditure relating to performances presented by the company (note 9)	386,781	328,432
Other operating expenses in statement of comprehensive income	489,264	452,494
	876,045	780,926

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10. EMPLOYEE BENEFITS EXPENSES (continued)

The above employee benefits expense included the following:

	<u>2015</u>	<u>2014</u>
	\$	\$
(a) Director's remuneration		
Salaries and related costs	114,400	114,400
Employer's contributions to Central Provident Fund	11,202	11,008
	125,602	125,408
(b) Other key management personnel compensation		
Salaries and related costs	34,858	34,100
Employer's contributions to Central Provident Fund	2,585	2,392
	37,443	36,492
	163,045	161,900

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

	<u>2015</u>	<u>2014</u>
\$100,001 - \$150,000	1	1
Less than \$100,000	1	1
	2	2

11. FUND RAISING INCOME AND EXPENSES

	<u>2015</u>	<u>2014</u>
	\$	\$
<u>Income</u>		
Outright donations and direct appeals	472,653	313,240
Income from fund raising events	-	-
	* 472,653	313,240
<u>Expenses:</u>		
Direct costs incurred for fund raising events	-	-

Total gross donations received which qualified for tax deduction amounted to \$443,553 (2014: \$306,928).

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11. FUND RAISING INCOME AND EXPENSES (continued)

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

	<u>2015</u>	<u>2014</u>
	\$	\$
- Donations income in statement of comprehensive income	342,129	262,512
- Donation income relating to Activities conducted by the company (refer to note 9)	<u>130,524</u>	<u>50,728</u>
	<u>472,653</u>	<u>313,240</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 (2014: 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 is the lessee are as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
Payable within 1 year	9,152	17,497
Payable after 1 year but not later than 5 years	<u>5,395</u>	<u>14,548</u>
	<u>14,547</u>	<u>32,045</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.

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14. FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

The company's exposure to credit risk arises primarily from accounts and other receivables. Other financial assets consist of cash and cash equivalents which are placed with financial institutions that are regulated.

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

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

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

(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 and maintains a level of cash and cash equivalents deemed adequate to finance the company's operation 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. RESERVE MANAGEMENT

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

The Company regularly reviews and manages its reserves to ensure optimal capital structure, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability and projected capital expenditures.

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.

16. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amount 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 the different category of the company's financial assets and liabilities are as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
Loans and receivables	1,566,985	1,195,967
Financial liabilities at amortised cost	125,731	143,355

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17. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the company for the year ended 31 March 2015 were authorised for issue in accordance with a directors' resolution dated 10 SEP 2015

