

**THEATRE TRAINING & RESEARCH SPACE (S) LTD**  
(Incorporated in Singapore)  
(ACRA Reg. No.: 200818680 E)

AUDITED FINANCIAL STATEMENTS  
30<sup>TH</sup> JUNE 2010



THEATRE TRAINING & RESEARCH SPACE (S) LTD  
(Incorporated in Singapore)  
(ACRA Reg. No.: 200818680 E)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

I N D E X

	P A G E
DIRECTORS' REPORT	1
STATEMENT BY DIRECTORS	2
INDEPENDENT AUDITOR'S REPORT	3 - 4
STATEMENT OF FINANCIAL POSITION	5
INCOME AND EXPENDITURE ACCOUNT	6
STATEMENT OF CHANGES IN FUNDS	7
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9-19

**Directors' Report**

For the financial year ended 30 June 2010

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The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 30 June 2010.

**1 DIRECTORS**

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

Mahizhnan Arunachalam  
Kwok Kian Woon Anthony  
Chew Kheng Chuan  
Philip Anthony Jeyaretnam

**2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

Neither at the end of nor at any time during the year was the Company a party to any arrangement whose object 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.

**3 DIRECTORS' CONTRACTUAL BENEFITS**

Except as disclosed in the financial statements, since the end of the previous financial period, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a Company in which the director has substantial financial interest.

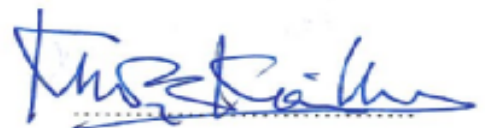
**4 AUDITORS**

The auditors, Messrs. J WONG & ASSOCIATES PAC, have expressed their willingness to accept appointment.

On behalf of the Board,



Mahizhnan Arunachalam  
Director



Kwok Kian Woon Anthony  
Director

Singapore, **10 DEC** 2010

THEATRE TRAINING & RESEARCH SPACE (S) LTD  
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**Statement by Directors**

For the financial year ended 30 June 2010

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**STATEMENT BY DIRECTORS**

We, Mahizhnan Arunachalam and Kwok Kian Woon Anthony, being two of the directors of Theatre Training & Research Space (S) Ltd, do hereby state that, in the opinion of the directors:

- (a) the accompanying statement of financial position, income and expenditure statement, statement of changes in general fund and statement of cash flows together with the notes there on are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2010 and its results, changes in general fund and cash flows of the Company for the financial year then ended, 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.

On behalf of the Board



.....  
Mahizhnan Arunachalam  
Director



.....  
Kwok Kian Woon Anthony  
Director

Singapore, **10 DEC 2010**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

**THEATRE TRAINING & RESEARCH SPACE (S) LTD**  
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We have audited the accompanying financial statements of Theatre Training & Research Space (S) Ltd which comprise the statement of financial position as at 30 June 2010, and the income and expenditure statement, statement of changes in general fund and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap.50 (The "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized 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;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

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

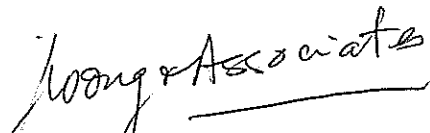
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*J WONG & ASSOCIATES PAC*  
*Certified Public Accountants, Singapore*

**OPINION**

In our opinion,

- (a) the financial statements of the Company 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 30 June 2010 and the results, changes in general fund and cash flows of the Company for the financial year ended on that date; and
- (b) 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.

  
J WONG & ASSOCIATES PAC  
Public Accountants and  
Certified Public Accountants

Singapore, 10 DEC 2010

THEATRE TRAINING & RESEARCH SPACE (S) LTD  
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**Statement of Financial Position**  
As at 30 June 2010

	Notes	2010 S\$	2009 S\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	26,795	-
		<u>26,795</u>	<u>-</u>
<b>Current Assets</b>			
Trade receivables	4	160,123	-
Other receivables	4	9,815	-
Cash and cash equivalents	5	8,302	-
		<u>178,240</u>	<u>-</u>
<b>Total assets</b>		<u><b>205,035</b></u>	<u><b>-</b></u>
<b>LIABILITIES</b>			
Trade payables	6	164,106	-
Accruals	6	76,639	-
Other payables	6	3,731	1,981
		<u>244,476</u>	<u>1,981</u>
<b>Net liability</b>		<u><b>(39,441)</b></u>	<u><b>(1,981)</b></u>
<b>GENERAL FUND</b>			
Balance at the beginning of the year		(1,981)	-
Deficit for the year		<u>(37,460)</u>	<u>(1,981)</u>
<b>TOTAL GENERAL FUND</b>		<u><b>(39,441)</b></u>	<u><b>(1,981)</b></u>

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



THEATRE TRAINING & RESEARCH SPACE (S) LTD  
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**Income and Expenditure Statement**  
For the year ended 30 June 2010

	Notes	2010 S\$	23/9/2008 to 30/06/2009 S\$
<b>INCOME</b>			
Service revenues		42,850	-
Rental Income		70,831	-
License fee income		8,167	-
Other income		4,499	-
Donations		1,316	-
Grants		98,647	-
	8	<u>226,310</u>	<u>-</u>
Less:			
<b>DIRECT EXPENDITURE</b>			
Employee benefit expense	9	71,251	-
Other direct expenses		13,094	-
		<u>84,345</u>	<u>-</u>
Gross profit		<u>141,965</u>	<u>-</u>
<b>OPERATING EXPENDITURE</b>			
Employee benefit expense	9	59,084	-
Rent expense	11	74,211	-
Depreciation	3	40,772	-
Bad debts	4	48,332	-
Others		94,499	1,981
		<u>316,898</u>	<u>1,981</u>
Income from operating activities		(174,933)	(1,981)
Add: non operating income			
Bad debts recovered		8,436	-
GST on bad debts written off		10,916	-
Gain on sale of fixed assets		1,253	-
Gain under venture purchase agreement		116,868	-
		<u>(37,460)</u>	<u>(1,981)</u>
<b>DEFICIT FOR THE YEAR</b>			

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

THEATRE TRAINING & RESEARCH SPACE (S) LTD  
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**Statement of Cash Flows**  
For the year ended 30 June 2010

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	<b>General fund S\$</b>
Balance as at 23 September, 2008	-
Deficit for the period	<u>(1,981)</u>
Balance as at 30 June, 2009	(1,981)
Deficit for the year	<u>(37,460)</u>
<b>Balance as at 30 June 2010</b>	<b><u>(39,441)</u></b>

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

THEATRE TRAINING & RESEARCH SPACE (S) LTD  
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**Statement of Cash Flows**  
For the year ended 30 June 2010

	Notes	2010 S\$	2009 S\$
Cash flows from operating activities			
Net deficit for the year		(37,460)	(1,981)
<u>Adjustments for:</u>			
Depreciation	3	40,772	-
Gain on sale of fixed assets	8	(1,253)	-
Gain under venture purchase agreement	1	(116,868)	-
Operating profit before working capital changes		<u>(114,809)</u>	<u>-</u>
(Increase) in trade receivables		(160,123)	-
(Increase) in other receivables		(9,815)	-
Increase in trade payables		164,106	-
Increase in other payables		<u>78,390</u>	<u>1,981</u>
<b>Net cash flows from operating activities</b>		<b><u>(42,251)</u></b>	<b>-</b>
Cash flows from investing activities			
(Used in) acquisition of fixed assets		(67,716)	-
Proceeds from disposal of fixed assets		1,401	-
Gain under venture purchase agreement		116,868	-
<b>Net cash flows used in investing activities</b>		<b><u>50,553</u></b>	<b>-</b>
Cash flows from financing activities			
<b>Net cash flows from/(used in) financing activities</b>		<b><u>-</u></b>	<b><u>-</u></b>
Net increase in cash and cash equivalents during the year		8,302	-
Cash and cash equivalents at the beginning of the year		-	-
<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b><u>8,302</u></b>	<b><u>-</u></b>

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

THEATRE TRAINING & RESEARCH SPACE (S) LTD  
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**Notes to financial statements**  
For the year ended 30 June 2010

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

**1 CORPORATE INFORMATION**

Theatre Training & Research Space (S) Ltd was incorporated in the Republic of Singapore on 23<sup>rd</sup> September 2008 under the Companies Act, Chapter 50 as a company limited by guarantee. Under article 6 of its Memorandum of Association, each member of the Company guarantees to contribute a sum not exceeding \$1 to the assets to the Company in the event of the same being wound up.

The principal activities for which the Company is incorporated are to promote education and training in theatre, performance and performing arts; to provide research in theatre, theatre training, performance, training, performing arts and performing arts training; to present, promote, exhibit, direct, manage, produce, compose, choreograph and design public performances of theatrical works, dramas, plays, musicals and other allied fine arts productions.

On November 2, 2009, the Company, entered into a Venture Sale and Purchase Agreement with The Theatre Practice Ltd (TTPL), formerly known as Practice Performing Arts Centre Ltd where the Company has agreed to purchase the "Venture", a non-profit arts education venture comprising of the theatre training programme known as the Theatre Training and Research Programme (TTRP), comprising the Assets and to assume the Encumbrances as a going concern on the terms set out in the agreement.

On January 1, 2010, the Company was approved as an Institution of Public Character for a period of one year.

The registered office of the Company is located at No.11 Upper Wilkie Road, Singapore 228120.

There have been no significant changes in the nature of these activities during the financial year.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest one dollar.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial period, except that during the period the Company has adopted the new and revised FRS that are mandatory from the effective date stated in the relevant FRS. The adoption of these FRS did not result in any significant changes in the accounting policies.

**Notes to financial statements**  
For the year ended 30 June 2010

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**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.1 Basis of Preparation (Cont'd)**

The adoption of the following FRS resulted in additional disclosures which have been reflected in the financial statements:

Amendment to FRS 1 FRS 107	Presentation of Financial Statements - Capital Disclosures Financial Instruments: Disclosures
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At the date of the balance sheet, the Company has not adopted the following FRS that have been issued but are applicable for annual periods commencing on or after 1 January 2009:

	<u>Description</u>
FRS 1(revised)	Presentation of Financial Statements - Revised Presentation Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
FRS 23(revised)	Borrowing Costs
Amendments to FRS 32	Financial Instruments: Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to FRS 102	Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 27	Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 108	Operating Segments
General Amendments	Amendments to FRSs - Improvements to FRSs
INT FRS 117	Distributions of Non-Cash Assets to Owners

The Company does not expect that adoption of these FRS to have a material impact on the Company's financial statements. The main impact of the adoption of the revised FRS1 will lead to the presentation of an additional primary statement, the statement of comprehensive income. As a result, the presentation of the statement of changes in equity will also be revised.

## **2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **2.2 Significant Accounting Estimates and Judgments**

The preparation of the financial statements requires management to exercise judgments and requires the use of estimates and assumptions. These judgments affect the application of the Company's accounting policies. The use of estimates and assumptions affect the reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

These judgments, estimates and assumptions are however not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

### **2.3 Currency Translation**

#### **(i) Functional and Foreign Currency**

The management has determined the currency of the primary economic environment in which the Company operates i.e. the functional currency, to be the Singapore Dollar (SGD).

The financial statements are presented in SGD.

#### **(ii) Foreign currency transactions and balances**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the transaction dates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the income statement.

### **2.4 Financial Assets**

Financial assets within the scope of FRS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial period-end.

## **2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **2.4 Financial Assets (Cont'd)**

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

#### ***Loans and Receivables***

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

### **2.5 Trade and Other Receivables**

Trade receivables, amounts owing by related companies, deposits and other receivables are classified and accounted for as loans and receivables. Non-current other receivables are also classified and accounted for in the same way. The accounting policy for this category of financial assets is stated in Note 2.4.

### **2.6 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, bank balance, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. These also include bank overdrafts that form an integral part of the Company's cash management.

Cash and cash equivalents carried in the balance sheets are classified and accounted for as loans and receivables. The accounting policy for this category of financial assets is stated in Note 2.4.

### **2.7 Derecognising of Financial Assets and Liabilities**

#### ***Financial Assets***

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The Company transfers the contractual rights to receive the cash flows of the financial asset; or
- The Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## **2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **2.7 Derecognising of Financial Assets and Liabilities (Cont'd)**

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### ***Financial Liabilities***

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 income statement when the liabilities are derecognised or impaired, and through the amortisation process.

### **2.8 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

### **2.9 Revenue Recognition**

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

- *Rendering of service*  
Income from providing services is recognised when the services have been substantially performed in accordance with agreements.

Revenue comprises the fair value of the consideration received or receivable for the service rendered net of goods and services tax, rebates and discounts.

- *Donations*  
Donations and income from fund raising projects are recognised as and when received.
- *Grants*  
Government subventions are recognised as income according to the terms of the funding agreements, on accrual basis.
- *Interest income*  
Interest income is recognised using the effective interest method.



Notes to financial statements  
For the year ended 30 June 2010

**3 PROPERTY PLANT AND EQUIPMENT**

	Furniture and Fixture	Office Equipment	Computers	Production Lighting and Stage Equipment	Renovation	Tools	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Cost</b>							
At 1 July 2009	-	-	-	-	-	-	-
Additions	29,764	6,383	36,171	102,383	145,316	1,873	321,890
Disposals	(1,823)	-	(15,655)	(59)	-	-	(17,537)
<b>At 30 June 2010</b>	<b>27,941</b>	<b>6,383</b>	<b>20,516</b>	<b>102,324</b>	<b>145,316</b>	<b>1,873</b>	<b>304,353</b>
<b>Accumulated Depreciation</b>							
At 1 July 2009	-	-	-	-	-	-	-
Additions	29,294	4,659	36,171	101,272	121,837	1,713	294,946
Disposals	(1,686)	-	(15,655)	(47)	-	-	(17,388)
<b>At 30 June 2010</b>	<b>27,608</b>	<b>4,659</b>	<b>20,516</b>	<b>101,225</b>	<b>121,837</b>	<b>1,713</b>	<b>277,558</b>
<b>Net Carrying Amount</b>							
At 30 June 2009	-	-	-	-	-	-	-
<b>At 30 June 2010</b>	<b>333</b>	<b>1,724</b>	<b>-</b>	<b>1,099</b>	<b>23,479</b>	<b>160</b>	<b>26,795</b>

**Notes to financial statements**

For the financial year ended 30 June 2010

**4 TRADE AND OTHER RECEIVABLES**

	2010 S\$	2009 S\$
Trade receivables	160,123	-
Prepayments	251	-
GST receivable	1,903	-
Other receivables	7,661	-
	<u>169,938</u>	<u>-</u>

Trade receivables are non-interest bearing. Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. Receivables written-off within the year amount to 48,332 (2009:Nil)

**5 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the of cash flow statement comprise the following:

	2010 S\$	2009 S\$
Cash on hand	300	-
Cash in bank	8,002	-
	<u>8,302</u>	<u>-</u>

**6 TRADE AND OTHER PAYABLES**

	2010 S\$	2009 S\$
Trade payables	164,106	-
Accruals	76,639	-
Other payables	3,731	1,981
	<u>244,476</u>	<u>1,981</u>

**7 INCOME TAX**

Prior to Year of Assessment 2008, all registered charities are required to spend at least 80% of their annual receipts on charitable object in Singapore within two (2) years in order to qualify for tax exemption. With effect from Year of Assessment 2008, this requirement has been removed. As a registered IPC the Company enjoys automatic tax exemption and is not required to file income tax returns.

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**Notes to financial statements**

For the financial year ended 30 June 2010

**8 INCOME**

	2010	23/09/2008 to 30/06/2009
	S\$	S\$
Service revenues	42,850	-
Rental Income	70,831	-
License fee income	8,167	-
Other income	4,499	-
Donation	1,316	-
Grants	98,647	-
	<u>226,310</u>	<u>-</u>

Grants received for the year are as follows:

	2010	23/09/2008 to 30/06/2009
	S\$	S\$
National Arts Council	75,000	-
United States Embassy in Singapore	23,647	-
	<u>98,647</u>	<u>-</u>

The grant from the National Arts Council has been awarded to the Company to undertake strengthening of management and administrative capabilities through employing additional manpower in administration, marketing and communications; to conduct one (1) theatre related masterclass or workshop for the industry in FY2010 provided that student recruitment and staffing plans materialize within the timeframe; and to start the accreditation process for the core acting programme including work to secure an appropriate accreditation partner.

The income recognized for the financial year pertains to the amount received from the National Art Council upon signing of the funding agreement.

The grant from United States Embassy in Singapore has been granted to support the Company for activities as provided for in the grant's award specifics.

As a registered Institution of Public Character (IPC), the Company is authorised to issue tax deduction receipts. Tax deductible donations received within the financial year amount to S\$1,050 (2009: Nil).

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**Notes to financial statements**  
For the financial year ended 30 June 2010

**9 STAFF COSTS**

	2010	23/09/2008 to 30/06/2009
	S\$	S\$
<u>Direct Expenditures</u>		
Employee benefit expense	71,251	-
<u>Operating expenses</u>		
Employee benefit expense	59,084	-
	<u>130,335</u>	<u>-</u>

Employee benefits include salaries and central provident fund contributions. Employee benefits charged to direct expenditure account relates to the compensation of instructors for workshops and courses offered by the Company.

During the year, contributions to the Central Provident Fund charged as Direct expenditure and Operating expense amounted to S\$5,903 and S\$7,964 (2009: NIL) respectively.

**10 FINANCIAL RISK MANAGEMENT**

**10.1 Overview**

Risk management is integral to the whole business of the Company. The Company's ability to sustain or further enhance its current level of activities is dependent on its ability to attract donors to donate or contribute to its activities and objectives and in its ability to raise its own income. The company believes that they will be able to carry out their objectives and activities. The management also believes that their membership with the NAC would be renewed when expired.

The main risks faced by the Company are credit and liquidity risks that arise in the normal course of business.

**10.2 Credit Risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risks arises primarily from trade and other receivables.

The maximum exposure to credit risk for the Company is as follows:

*Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with Company. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

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ACRA Reg. NO.: 200818680 E

**Notes to financial statements**

For the financial year ended 30 June 2010

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**10 FINANCIAL RISK MANAGEMENT (CONT'D)**

**10.3 Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its obligations as they fall due. The company supplements its cash flows through government grants, donations and from its other sources of income.

**11 CONTINGENT LIABILITIES**

The Company leases office space under non-cancellable operating lease agreement. The lease has a term of 3 years with an option to renew.

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

	2010 S\$	2009 S\$
Within one year	115,094	-
After one year but not more than five years	95,912	-
	<u>211,006</u>	<u>-</u>

**12 CONTINGENT LIABILITIES**

There were no Contingent liabilities as at 30 June 2010.

**13 AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements of the Company for the year ended 30 June 2010 were authorized for issue in accordance with a resolution of the directors on **10 DEC 2010**

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 30 June 2010.

THEATRE TRAINING & RESEARCH SPACE (S) LTD  
(Incorporated in Singapore)  
ACRA Reg. NO.: 200818680 E

**Expense Schedule**

For the financial year ended 30 June 2010

	2010	2009
	S\$	S\$
<u>Expenditures</u>		
Employee benefit expense	71,251	-
Publicity and marketing	350	-
Traveling expenses	5,106	-
Courses/workshops: Cost of library	150	-
Courses/workshops: Professional fees	2,000	-
Courses/workshops: Instructors	3,925	-
Courses/workshops: Accommodation	704	-
Courses/workshops: Entertainment	339	-
Courses/workshops: Cost of studios	500	-
Curriculum director medical expense	20	-
	<u>84,345</u>	<u>-</u>
<u>Operating expenses</u>		
Accounting fees	4,550	-
Audit fees	3,400	-
Bad debts	48,332	-
Bank charges	166	-
Depreciation	40,772	-
Employee benefit expense	59,084	-
Employee medical expense	53	-
Equipment rentals	2,030	-
Equipment repairs	385	-
Filing and stamp fees	5	10
Incorporation costs	720	720
Insurance	278	-
Penalties and fines	100	-
Postage and courier expense	87	-
Production and technical costs	450	-
Printing and stationery	1,046	120
Rent expense	74,211	-
Representation	1,145	-
Secretarial fees	2,031	1,131
Supplies expense	32	-
Telephone, fax and internet	1,862	-
Transport and traveling	123	-
Upkeep of premises	34,370	-
Water and electricity	3,844	-
Other expenses	37,822	-
	<u>316,898</u>	<u>1,981</u>

*These do not form an integral part of the financial statements*