INTERCULTURAL THEATRE INSTITUTE LTD
(Incorporated in Singapore)
(ACRA Reg. No.: 200818680 E)

AUDITED FINANCIAL STATEMENTS
30TH JUNE 2013

J WONG & ASSOCIATES PAC
Chartered Accountants of Singapore
20 Maxwell Road, #07-12/13/14 Maxwell House, Singapore 069113

INTERCULTURAL THEATRE INSTITUTE LTD
(Incorporated in Singapore)
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REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

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Directors' Report
For the financial year ended 30 June 2013

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 30 June 2013.

1 DIRECTORS

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

Mahizhnan Arunachalam
Kwok Kian Woon Anthony
Chew Kheng Chuan
Philip Antony Jeyaretnam
David Chiem Phu An

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 OTHER MATTERS

As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares or share options are not applicable.

5 AUDITORS

The auditors, Messrs. J Wong & Associates PAC, have expressed their willingness to accept appointment.

On behalf of the Board,

....	....
Mahizhnan Arunachalam	Kwok Kian Woon Anthony
Director	Director

Singapore,

Statement by Directors
For the financial year ended 30 June 2013

We, Mahizhnan Arunachalam and Kwok Kian Woon Anthony, being two of the directors of Intercultural Theatre Institute 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 2013 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

A. Mahizhnan

....
Mahizhnan Arunachalam
Director

Kwok Kian Woon

....
Kwok Kian Woon Anthony
Director

Singapore,

J WONG & ASSOCIATES PAC
Chartered Accountants of Singapore
Co Reg. No.: 201000555N | GST Reg. No.: 201000555N

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

INTERCULTURAL THEATRE INSTITUTE LTD

(Incorporated in Singapore)
(ACRA Reg. No.: 200818680 E)

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Intercultural Theatre Institute Ltd which comprise the statement of financial position as at 30 June 2013, 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 of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (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 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 statement of financial position 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 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.

20 Maxwell Road, #07-12/13/14 Maxwell House, Singapore 069113
General Office 6227 7175 JPL Wong (Direct Line) 6227 3138 Fax 6227 3275
Email address: audit@jplwong.com.sg

REPORT ON FINANCIAL STATEMENTS (CONT'D)

OPINION

Without qualifying the accounts, we would like to draw attention to the fact that the company has a capital deficit of S$117,897 (2012: S$ 73,093) as at 30 June 2013.

In our opinion, 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 2013 and the results, changes in general fund and cash flows of the Company for the financial 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.

J Wong & Associates

J WONG & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore,

20 Maxwell Road, #07-12/13/14 Maxwell House, Singapore 069113
General Office 6227 7175 JPL Wong (Direct Line) 6227 3138 Fax 6227 3275
Email address: audit@jplwong.com.sg

INTERCULTURAL THEATRE INSTITUTE LTD
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Statement of Financial Position
As at 30 June 2013

	Notes	2013 S$	2012 S$
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	49,038	31,399
		49,038	31,399
Current Assets			
Trade receivables	5	234,253	97,597
Other receivables	5	141,273	80,349
Cash and cash equivalents	6	12,613	51,897
		388,139	229,843
Total Assets		**437,177**	**261,242**
LIABILITIES			
Current Liabilities			
Trade payables	7	208,458	82,440
Accruals	7	212,053	123,195
Other payables	7	234,469	163,776
		654,980	369,411
Net liability		**(217,803)**	**(108,168)**
GENERAL FUND			
Scholarship Fund		34,172	25,983
Balance at the beginning of the year		(134,151)	(61,058)
Deficit for the year		(117,824)	(73,093)
Total Equity and Liabilities		**(217,803)**	**(108,168)**

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

INTERCULTURAL THEATRE INSTITUTE LTD
(Incorporated in Singapore)
ACRA Reg. NO.: 200818680 E

Income and Expenditure Statement
For the year ended 30 June 2013

	Notes	2013 S$	2012 S$
INCOME			
Fees earned from acting diploma		194,395	84,445
Rental income		51,421	38,784
Master workshop/Lecture fees income		13,917	105,673
License fee income		27,678	11,720
Management income		102,500	66,000
Application fee income		-	492
Other income		288	1,855
Donations		143,550	199,132
Grants		507,247	405,860
	8	1,040,996	913,961
Less:			
DIRECT EXPENDITURE			
Employee benefit expense	9	235,776	197,269
Other direct expenses		425,612	353,274
		661,388	550,543
Gross profit		379,608	363,418
OPERATING EXPENDITURE			
Employee benefit expense	9	337,102	302,171
Rent expense		17,108	17,108
Depreciation	4	14,284	18,019
Bad debts		2,800	5,921
Others		130,982	95,282
		502,276	438,501
Loss from operating activities		(122,668)	(75,083)
Add: Non-operating income			
Bad debts recovered		4,882	1,904
GST on bad debts written off		(38)	54
Over Provision of GST		-	31
DEFICIT FOR THE YEAR		**(117,824)**	**(73,093)**

The accompanying notes form an integral part of these financial statements

INTERCULTURAL THEATRE INSTITUTE LTD
(Incorporated in Singapore)
ACRA Reg. NO.: 200818680 E

Statement of Changes in General Fund
For the year ended 30 June 2013

	Scholarship fund S$	Retained Earning S$	Total S$
Balance as at 30 June 2011	-	(61,058)	(61,058)
Scholarship Fund	25,983	-	25,983
Deficit for the year	-	(73,093)	(73,093)
Balance as at 30 June 2012	25,983	(134,151)	(108,168)
Scholarship Fund	8,189	-	8,189
Deficit for the year	-	(117,824)	(117,824)
Balance as at 30 June 2013	34,172	(251,975)	(217,803)

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

INTERCULTURAL THEATRE INSTITUTE LTD
(Incorporated in Singapore)
ACRA Reg. NO.: 200818680 E

Statement of Cash Flows
For the year ended 30 June 2013

	Notes	2013 S$	2012 S$
Cash flows from operating activites			
Net deficit for the year		(117,824)	(73,093)
Adjustments for :			
Depreciation	4	14,284	18,019
Gain on disposal of fixed assets		-	502
Operating loss before working capital changes		(103,540)	(54,572)
(Increase) in trade receivables		(136,656)	(84,140)
(Increase) in other receivables		(60,924)	(13,736)
Increase in trade payables		126,018	18,644
Increase in other payables		159,551	138,227
Net cash flows from/(used in) operating activities		**(15,551)**	**4,422**
Cash flows from investing activities			
(Used in) acquisition of fixed assets	4	(31,922)	(29,862)
Net cash flows (used in)/from investing activities		**(31,922)**	**(29,862)**
Cash flows from financing activities		8,189	25,983
Net cash flows from financing activities		**8,189**	**25,983**
Net (decrease)/increase in cash and cash equivalents		(39,284)	543
Cash and cash equivalents at the beginning of the year		51,897	51,354
Cash and cash equivalents at end of the year	6	12,613	51,897

The accompanying notes form an integral part of these financial statements

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

1 CORPORATE INFORMATION

Intercultural Theatre Institute Ltd, formerly known as Theatre Training & Research Space (Singapore) Ltd, was incorporated in the Republic of Singapore on 23rd 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 fined 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 Professional Diploma in Intercultural Theatre (Acting), formerly known as 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. On January 1, 2011, the Company was further approved as an Institution of Public Character for a period of three years.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in Accounting Policies

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.

At the reporting date, the Company has not adopted the following FRSs that have been issued but not yet effective:

	Effective for annual periods beginning on or after
• FRS 113 Fair Value Measurement	1 January 2013
• Improvements to FRSs 2012	1 January 2013
• FRS 112 Disclosure of Interests in Other Entities	1 January 2014

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.

<u>FRS 113 Fair Value Measurement</u>

FRS 113 is a single new standard that applies to both financial and non-financial items. It replaces the guidance in fair value measurement and related disclosures in other FRSs, with the exception of measurements dealt and under FRS 102 Share-based Payments, FRS17 Leases, net realisable value in FRS 2 Inventories and value in use in FRS 36 Impairment of Assets.

FRS 113 provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, but does not change the requirements in other FRSs regarding which items should be measured and disclosed in fair value.

FRS 113 is effective for financial periods beginning on or after 1 January 2013. The Company is currently evaluating the effects of FRS 113 in the period of initial adoption, if any.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in Accounting Policies (Cont'd)

FRS 112 Disclosure of Interests in Other Entities

FRS 112 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, and unconsolidated structured entities. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Company when implemented in 2014.

2.3 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.

Subsequent to recognition, all other property, plant and equipments are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computer	3 years
Renovation	5 years
Air Conditioner	5 years
Furniture & Fittings	10 years
Office Equipment	10 years
Production Lighting and State Equipment	10 years

The residual values, estimated useful lives and depreciation methods are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

Financial Assets at Fair Value through Profit or Loss
Financial assets at fair value through profit or loss are financial assets classified as held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivative financial instruments are also classified as held for trading unless they are designated as effective hedging instruments. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Loans and Receivables
Non-derivative 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 profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2.5 Trade and Other Receivables

Trade debtors, amounts owing by related companies, deposits and other receivables excluding prepayments 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.

Further details on the accounting policy for impairment of financial assets are stated in Note 2.7.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 amounts 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 carried in the balance sheets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.4.

2.7 Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Assets Carried at Cost
If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.8 Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets including property, plant and equipment, intangible assets, investment properties carried at cost, investment in subsidiaries, associates and joint ventures are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment assessment for an asset is required for example for intangible assets with indefinite lives, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is assessed based on the higher of its fair value less costs to sell or its value in use as considered appropriate and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in profit or loss as 'impairment losses' except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Impairment of Non-Financial Assets (Cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. All reversals of impairment are recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss is treated as a revaluation increase.

2.9 Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provision of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially recognised at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

- *Financial liabilities at fair value through profit or loss*
  Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

  The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

- *Other financial liabilities*
  After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a Company 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.

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 profit or loss when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

2.11 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 reporting 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Leases

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregated benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.13 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.

- *Fees earned from acting diploma*
  Fees earned from acting diploma are recognized when the course fees are due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Related Party

A related party is a person or entity that is related to the Company and includes:

a. A person or a close member of that person's family which is related to a reporting entity if that person:
   - i. has control or joint control over the reporting entity;
   - ii. has significant influence over the reporting entity; or
   - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity which is related to a reporting entity if any of the following conditions applies:
   - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   - iii. Both entities are joint ventures of the same third party.
   - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third party.
   - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or any related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
   - vi. The entity is controlled or jointly controlled by a person identified in (a).
   - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Emily Hills Enterprise Ltd is a related party to Intercultural Theatre Institute Ltd.

2.15 Government Grants

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all conditions attached to the grant will be complied with. Where the grant relates to an expense item, it is recognised in the profit or loss over the period necessary to match them on a systematic basis to the costs it is intended to compensate. Where the grant relates to an asset, the fair value is deducted against the grant and the net carrying amount is amortised on a straight line basis over the estimated useful life.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

3.1 Judgements made in applying accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Fair value of financial instruments
Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.
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.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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.

Impairment of non-financial and financial assets

Fixed assets
The Company assesses at each reporting date whether there is any objective evidence that any fixed asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the market condition and whether there is a significant prolonged decline in the values of these fixed assets.

Where there is objective evidence of impairment for fixed assets, the difference between the cost and recoverable value is recognised as impairment loss in profit or loss. The recoverable value is the higher of value in use and fair value less cost to sell. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the Cash-generating Unit (CGU) and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

Impairment of non-financial and financial assets (cont'd)

Impairment of loans and receivables
The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

4 PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fixture	Office Equipment	Computers	Production Lighting and Stage Equipment	Renovation	Tools	Air Conditioner	Total
	S$	S$	S$	S$	S$	S$	S$	S$
Cost								
At 1 July 2011	27,941	6,383	20,516	95,723	156,316	1,873	-	308,752
Additions	-	-	-	-	19,500	-	10,362	29,862
Disposals	(6,197)	(2,007)	(10,399)	(58,218)	-	(1,873)	-	(78,694)
At 30 June 2012	21,744	4,376	10,117	37,505	175,816	-	10,362	259,920
Additions	-	-	4,764	13,298	13,860	-	-	31,922
Disposals	-	-	-	(9,993)	-	-	-	(9,993)
At 30 June 2013	21,744	4,376	14,881	40,810	189,676	-	10,362	281,849
Accumulated Depreciation								
At 1 July 2011	27,892	5,079	20,516	95,334	138,088	1,783	-	288,692
Additions	13	407	-	-	15,528	-	2,072	18,020
Disposals	(6,174)	(2,007)	(10,399)	(57,829)	-	(1,783)	-	(78,192)
At 30 June 2012	21,731	3,479	10,117	37,505	153,616	-	2,072	228,520
Additions	13	407	1,588	1,330	8,874	-	2,072	14,284
Disposals	-	-	-	(9,993)	-	-	-	(9,993)
At 30 June 2013	21,744	3,886	11,705	28,842	162,490	-	4,144	232,811
Net Carrying Amount								
At 30 June 2012	13	897	-	-	22,200	-	8,290	31,400
At 30 June 2013	-	490	3,176	11,968	27,186	-	6,218	49,038

5 TRADE AND OTHER RECEIVABLES

	2013	2012
	S$	S$
Trade receivables	234,253	97,597
Prepayments	5,587	2,349
GST receivable	-	1,995
Other receivables	135,686	76,005
	375,526	177,946

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 is amounting to $2,800 (2012: $5,921).

6 CASH AND CASH EQUIVALENTS

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

	2013	2012
	S$	S$
Cash on hand	300	300
Cash in bank	12,313	51,597
	12,613	51,897

7 TRADE AND OTHER PAYABLES

	2013	2012
	S$	S$
Trade payables	208,458	82,440
Accruals	212,053	123,195
Other payables	229,215	163,776
Provision for GST	5,254	-
	654,980	369,411

8 INCOME

	2013	2012
	S$	S$
Fees earned from acting diploma	194,395	84,445
Rental income	51,421	38,784
Master workshop/Lecture fees income	13,917	105,673
License fee income	27,678	11,720
Management income	102,500	66,000
Application fee income	-	492
Other income	288	1,855
Donation	143,550	199,132
Grants	507,247	405,860
	1,040,996	913,961

Grants received for the year are as follows:

	2013	2012
	S$	S$
National Arts Council	507,247	405,860
	507,247	405,860

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.

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$122,498 (2012: S$183,115).

9 STAFF COSTS

	2013	2012
	S$	S$
Direct Expenditures		
Employee benefit expense	235,776	197,269
Operating Expenses		
Employee benefit expense	337,102	302,171
	572,878	499,440

Employee benefits include salaries and central provident fund contributions. Employee benefit expense charged to 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$13,694.50 and S$36,805.50 (2011: S$12,848 and S$29,109) respectively.

10 COMMITMENTS

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:

	2013	2012
	S$	S$
Within one year	115,094	115,094
After one year but not more than five years	57,547	172,641
	172,641	287,735

11 FINANCIAL RISK MANAGEMENT

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.

11 FINANCIAL RISK MANAGEMENT (CONT'D)

11.1 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.

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.

11.2 Liquidity Risk

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

12 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2013.

13 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 30 June 2013 were authorized for issue in accordance with a resolution of the directors on

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 30 June 2013.

INTERCULTURAL THEATRE INSTITUTE LTD
(Incorporated in Singapore)
ACRA Reg. NO.: 200818680 E

Expenses Schedule
For the financial year ended 30 June 2013

Expenditures	2013 S$	2012 S$
Cost of Fundraising	7,532	913
Course / Workshops		
i) Curriculum and Teaching Staff		
Employee benefit expense	235,776	197,269
Fees - Short Term Teachers	69,343	54,409
Per Diem	240	2,040
Taxes Withholding Tax - Teachers	395	834
Benefits - Curriculum / Teachers		
Accomodation Costs for Teachers	4,363	-
Airfares	30,145	12,588
Courses/Workshops: FWL Teachers	-	260
Courses/workshops: Other costs	-	1,336
Courses/workshops: Project Coordinator Fee	-	4,800
Courses/workshops: Speaker fees	-	2,360
Immigration	710	637
Insurance	1,885	343
Medical	100	-
Rental of Accomodation for Teachers	103,621	-
Training	1,257	-
Travelling expenses	-	1,659
Welfare	200	-
ii) Course Expenses		
Accomodation	142	84,768
Business meetings	5,272	2,220
Class Presentations	4,272	-
Cost of library	311	300
Course materials	16,262	4,175
CPE registration	4,720	8,237
Food and refreshment	484	2,142
Rental of training space	153,971	153,971
Student Welfare	602	1,905
Students' recruitment	6,734	7,691
Teachers' recruitment	315	1,440
Transport	1,109	382
Upkeep of training space	11,627	3,864
	661,388	550,543

These do not form an integral part of the financial statements

INTERCULTURAL THEATRE INSTITUTE LTD
(Incorporated in Singapore)
ACRA Reg. NO.: 200818680 E

Expenses Schedule
For the financial year ended 30 June 2013

	2013	2012
Expenditures	S$	S$
Operating expenses		
Audit fees	2,600	2,600
Bad debts	2,800	5,921
Bank charges	321	503
Business Meetings	511	696
Depreciation	14,284	18,020
Employee benefit expense	337,102	302,171
Employee medical expense	130	40
Employee training expense	100	-
Equipment expensed off	504	-
Equipment rentals	3,084	3,480
Equipment repairs	2,580	10,868
Filing and stamp fees	(65)	65
General Marketing Costs	27,632	9,273
Gifts and condolence	50	80
Insurance	1,680	777
Late Fees and Fines	-	10
Loss of Disposal of Fixed Assets	-	502
Membership Subscription	-	150
Postage and courier expense	254	50
Printing and stationery	1,904	3,270
Rent expense	17,108	17,108
Scholarship account	67,000	42,000
Secretarial fees	270	1,200
Staff recruitment	251	-
Supplies expense	655	1,990
Telephone, fax and internet	3,088	2,701
Transport and travelling	472	431
Unrecoverable Rental Deposit	-	1,740
Upkeep of premises	898	603
Water and electricity	17,026	12,095
Welfare - Admin	37	158
	502,276	438,501