

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

AUDITED FINANCIAL STATEMENTS
30TH JUNE 2012

J WONG & ASSOCIATES PAC
Certified Public Accounts, 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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INTERCULTURAL THEATRE INSTITUTE LTD
(Incorporated in Singapore)
ACRA Reg. NO.: 200818680 E

Directors' Report

For the financial year ended 30 June 2012

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 30 June 2012.

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.

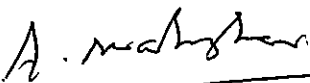
3 DIRECTORS' CONTRACTUAL BENEFITS

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.

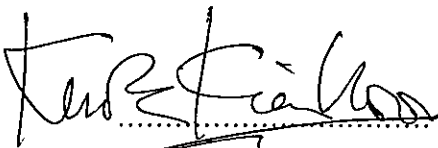
4 AUDITORS

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, 18 DEC 2012

INTERCULTURAL THEATRE INSTITUTE LTD
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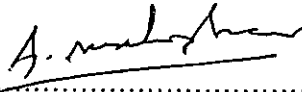
Statement by Directors

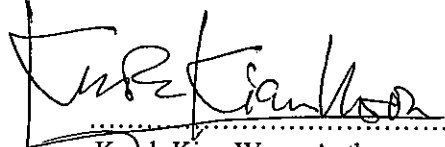
For the financial year ended 30 June 2011

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 2012 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, 18 DEC 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

INTERCULTURAL THEATRE INSTITUTE LTD

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

We have audited the accompanying financial statements of Intercultural Theatre Institute Ltd which comprise the statement of financial position as at 30 June 2012, 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.

J WONG & ASSOCIATES PAC
Certified Public Accountants, Singapore

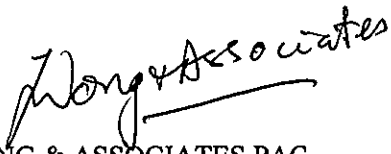
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Without qualifying our report, we wish to highlight to the fact that the Company has a capital deficit of S\$108,168.

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 2012 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, 18 DEC 2012

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

Statement of Financial Position
As at 30 June 2012

	Notes	2012 S\$	2011 S\$
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	31,399	20,059
		<u>31,399</u>	<u>20,059</u>
Current Assets			
Trade receivables	5	97,597	13,456
Other receivables	5	80,349	66,612
Cash and cash equivalents	6	51,897	51,354
		<u>229,843</u>	<u>131,423</u>
Total Assets		<u>261,242</u>	<u>151,482</u>
LIABILITIES			
Current Liabilities			
Trade payables	7	82,440	63,796
Accruals	7	123,195	109,605
Other payables	7	163,776	39,139
		<u>369,411</u>	<u>212,539</u>
Net liability		<u>(108,168)</u>	<u>(61,058)</u>
GENERAL FUND			
Scholarship Fund		25,983	
Balance at the beginning of the year		(61,058)	(39,441)
Deficit for the year		(73,093)	(21,617)
Total Equity and Liabilities		<u>(108,168)</u>	<u>(61,058)</u>

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 2012

	Notes	2012 S\$	2011 S\$
INCOME			
Fees earned from acting diploma		84,445	-
Rental income		38,784	98,453
Master workshop/Lecture fees income		105,673	83,382
License fee income		11,720	23,833
Management income		66,000	54,000
Application fee income		492	90
Other income		1,855	3,155
Donations		199,132	57,458
Grants		405,860	320,360
	8	<u>913,961</u>	<u>640,731</u>
Less:			
DIRECT EXPENDITURE			
Employee benefit expense	9	197,269	108,151
Other direct expenses		353,274	286,583
		<u>550,543</u>	<u>394,734</u>
Gross profit		<u>363,418</u>	<u>245,996</u>
OPERATING EXPENDITURE			
Employee benefit expense	9	302,171	209,452
Rent expense		17,108	17,108
Depreciation	4	18,019	17,736
Bad debts		5,921	-
Others		95,282	26,162
		<u>438,501</u>	<u>270,458</u>
Loss from operating activities		(75,083)	(24,462)
Add: Non-operating income			
Bad debts recovered		1,904	2,784
GST on bad debts written off		54	62
Over Provision of GST		31	-
DEFICIT FOR THE YEAR		<u>(73,093)</u>	<u>(21,617)</u>

The accompanying notes form an integral part of these financial statements

INTERCULTURAL THEATRE INSTITUTE LTD
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Statement of Changes in General Fund
For the year ended 30 June 2012

	2012	2011
	General	General
	fund	fund
	S\$	S\$
Balance as at 30 June 2009	-	(1,981)
Deficit for the year	-	(37,460)
Balance as at 30 June 2010	<u>(39,441)</u>	<u>(39,441)</u>
Deficit for the year	(21,617)	(21,617)
Balance as at 30 June 2011	<u>(61,058)</u>	<u>(61,058)</u>
Scholarship Fund	25,983	-
Deficit for the year	(73,093)	-
Balance as at 30 June 2012	<u><u>(108,168)</u></u>	<u><u>(61,058)</u></u>

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

INTERCULTURAL THEATRE INSTITUTE LTD
(Incorporated in Singapore)
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Statement of Cash Flows
For the year ended 30 June 2012

	Notes	2012 S\$	2011 S\$
Cash flows from operating activities			
Net deficit for the year		(73,093)	(21,617)
<u>Adjustments for :</u>			
Depreciation	4	18,019	17,736
Gain on disposal of fixed assets		502	-
Gain under venture purchase agreement		-	-
Operating loss before working capital changes		<u>(54,572)</u>	<u>(3,880)</u>
Decrease/(Increase) in trade receivables		(84,140)	146,667
(Increase) in other receivables		(13,736)	(56,797)
(Decrease)/Increase in trade payables		18,644	(100,310)
Increase in other payables		<u>138,227</u>	<u>68,373</u>
Net cash flows from/(used in) operating activities		<u>4,422</u>	<u>54,052</u>
Cash flows from investing activities			
(Used in) acquisition of fixed assets	4	(29,862)	(11,000)
Proceeds from disposal of fixed assets		-	-
Gain under venture purchase agreement		-	-
Net cash flows (used in)/from investing activities		<u>(29,862)</u>	<u>(11,000)</u>
Cash flows from financing activities			
Net cash flows from financing activities		<u>25,983</u>	<u>-</u>
Net increase in cash and cash equivalents during the year		543	43,052
Cash and cash equivalents at the beginning of the year		51,354	8,302
Cash and cash equivalents at end of the year	6	<u>51,897</u>	<u>51,354</u>

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows
For the year ended 30 June 2012

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 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 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.

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.

Statement of Cash Flows
For the year ended 30 June 2012

2.1 Basis of Preparation (Cont'd)

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
▪ Improvements to FRSs (2010)	1 January 2011
▪ INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

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.

2.2 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation of plant and equipment is recognised in the income and expenditure statement on a straight line basis over the estimated useful lives of each part of an item of plant and equipment 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, useful life and depreciation method are reviewed and adjusted as appropriate at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of future benefits are embodied in the items of plant and equipment.

2.3 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

Statement of Cash Flows
For the year ended 30 June 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Related Party (Cont'd)

- 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.

2.4 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 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.

(iii) Foreign currency transactions and balances

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.

2.6 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial Assets (Cont'd)

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.

2.7 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 2.6.

2.8 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 2.6.

2.9 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.

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.

2.9 Derecognising of Financial Assets and Liabilities (Cont'd)

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.

2.10 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.

3 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.

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Notes to Financial Statements
For the year ended 30 June 2012

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\$	S\$	S\$	S\$	S\$	S\$	S\$	
<i>Cost</i>															
At 1 July 2010	27,941		6,383		20,516		102,324		145,316		1,873		-		304,353
Additions	-	-	-	-	-	-	-	-	11,000	-	-	-	-	-	11,000
Disposals	-	-	-	-	-	-	(6,602)	-	-	-	-	-	-	-	(6,602)
At 30 June 2011	27,941		6,383		20,516		95,722		156,316		1,873		-		308,751
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		37,504		175,816		-		10,362		259,919
<i>Accumulated Depreciation</i>															
At 1 July 2010	27,608		4,659		20,516		101,225		121,837		1,713		-		277,558
Additions	285		420		-		711		16,251		70		-		17,736
Disposals	-		-		-		(6,602)		-		-		-		(6,602)
At 30 June 2011	27,893		5,079		20,516		95,334		138,088		1,783		-		288,692
Additions	13		407		-		-		15,528		-		2,072		18,019
Disposals	(6,174)		(2,007)		(10,399)		(57,829)		-		(1,783)		-		(78,192)
At 30 June 2012	21,732		3,479		10,117		37,505		153,616		-		2,072		228,521
<i>Net Carrying Amount</i>															
At 30 June 2011	48		1,304		-		388		18,228		90		-		20,058
At 30 June 2012	12		897		-		(0)		22,200		-		8,290		31,399

Notes to Financial Statements
For the financial year ended 30 June 2012

5 TRADE AND OTHER RECEIVABLES

	2012	2011
	S\$	S\$
Trade receivables	97,597	13,456
Prepayments	2,349	32,096
GST receivable	1,995	1,876
Other receivables	76,005	32,641
	<u>177,945</u>	<u>80,069</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 \$5,921.

6 CASH AND CASH EQUIVALENTS

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

	2012	2011
	S\$	S\$
Cash on hand	300	300
Cash in bank	51,597	51,054
	<u>51,897</u>	<u>51,354</u>

7 TRADE AND OTHER PAYABLES

	2012	2011
	S\$	S\$
Trade payables	82,440	63,796
Accruals	123,195	109,605
Other payables	163,776	39,139
	<u>369,410</u>	<u>212,539</u>

Notes to Financial Statements
For the financial year ended 30 June 2012

8 INCOME

	2012	2011
	S\$	S\$
Fees earned from acting diploma	84,445	-
Rental income	38,784	98,453
Master workshop/Lecture fees income	105,673	83,382
License fee income	11,720	23,833
Management income	66,000	54,000
Application fee income	492	90
Other income	1,855	3,155
Donation	199,132	57,458
Grants	405,860	320,360
	<u>913,961</u>	<u>640,731</u>

Grants received for the year are as follows:

	2012	2011
	S\$	S\$
National Arts Council	405,860	320,360
	<u>405,860</u>	<u>320,360</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.

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\$183,115 (2010: S\$57,458).

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.

Notes to Financial Statements
For the financial year ended 30 June 2012

9 STAFF COSTS

	2012	2011
	S\$	S\$
<u>Direct Expenditures</u>		
Employee benefit expense	197,269	108,151
<u>Operating Expenses</u>		
Employee benefit expense	302,171	209,452
	<u>499,440</u>	<u>317,603</u>

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\$12,848 and S\$29,109 (2011: S\$7,081 and S\$21,873) 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.

Notes to Financial Statements
For the financial year ended 30 June 2012

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 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:

	2012	2011
	S\$	S\$
Within one year	115,094	95,912
After one year but not more than five years	172,641	-
	<u>287,735</u>	<u>95,912</u>

12 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2012.

13 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 30 June 2012 were authorized for issue in accordance with a resolution of the directors on **18 DEC 2012**

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 30 June 2012.

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

Expenses Schedule

For the financial year ended 30 June 2012

<u>Expenditures</u>	2012 S\$	2011 S\$
Courses/workshops: Accomodation	84,768	7,699
Courses/Workshops: Airfares	12,588	-
Courses/workshops: Business meetings	2,220	678
Courses/Workshops: Cost of Fundraising	913	-
Courses/workshops: Cost of library	300	300
Courses/workshops: Course materials	4,175	504
Courses/workshops: CPE registration	8,237	7,968
Courses/workshops: Food and refreshment	2,142	2,186
Courses/Workshops: FWL Teachers	260	-
Courses/Workshops: Immigration - Curriculum / Teach	637	-
Courses/Workshops: Insurance - Curriculum / Teaching	343	-
Courses/Workshops: Local Transport	382	-
Courses/workshops: Other costs	1,336	2,964
Courses/Workshops: Per Diem	2,040	-
Courses/workshops: Project Coordinator Fee	4,800	-
Courses/workshops: Rental of training space	153,971	153,971
Courses/workshops: Short term teachers fees	54,409	36,560
Courses/workshops: Speaker fees	2,360	1,760
Courses/Workshops: Student & Teachers Welfare	1,905	-
Courses/workshops: Students' recruitment	7,691	29,105
Courses/workshops: Upkeep of training space	3,864	2,930
Courses/Workshops: Withholding Tax - Teachers	834	-
Courses/workshops: Teachers' recruitment	1,440	10,315
Employee benefit expense	197,269	108,151
General marketing	-	29,504
Travelling expenses	1,659	140
	<u>550,543</u>	<u>394,734</u>

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 2012

<u>Expenditures</u>	2012 S\$	2011 S\$
<u>Operating expenses</u>		
Audit fees	2,600	2,600
Bad debts	5,921	-
Bank charges	503	281
Business Meetings	696	-
Depreciation	18,019	17,736
Employee benefit expense	302,171	209,452
Employee immigration costs	-	100
Employee medical expense	40	136
Employee training expense	-	742
Equipment rentals	3,480	3,480
Equipment repairs	10,868	944
Filing and stamp fees	65	65
General Marketing Costs	9,273	-
Gifts and condolence	80	46
Insurance	777	93
Late Fees and Fines	10	-
Loss of Disposal of Fixed Assets	502	-
Membership Subscription	150	-
Postage and courier expense	50	187
Printing and stationery	3,270	3,485
Rent expense	17,108	17,108
Representation	-	1,596
Scholarship Account	42,000	-
Secretarial fees	1,200	1,202
Supplies expense	1,990	1,221
Telephone, fax and internet	2,701	2,390
Transport and travelling	431	251
Unrecoverable Rental Deposit	1,740	-
Upkeep of premises	603	440
Water and electricity	12,095	6,905
Welfare - Admin	158	-
	438,501	270,458

These do not form an integral part of the financial statements