

THE THEATRE PRACTICE LTD.

Unique Entity Number: 198801755D

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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LO HOCK LING & CO.

Certified Public Accountants

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INDEPENDENT MEMBER OF

POLARIS™
INTERNATIONAL

Website: www.lohocklingco.com.sg

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THE THEATRE PRACTICE LTD.

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

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2010.

(1) Directors.

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

Quah Sy Ren

Wong Yen Yee

Goh Wei Fen

Samuel Seow Theng Beng

Kuo Jian Hong (Appointed on 12-11-2010)

(2) Arrangements to enable directors to acquire debentures.

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

(3) Directors' Interests.

As the company is limited by guarantee and has no share capital, the statutory information required to be disclosed by the directors under Section 201(6)(g) and Section 201(12) of the Companies Act, Chapter 50 does not apply.

(4) Directors' contractual benefits.

Since the end of previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

THE THEATRE PRACTICE LTD.

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

REPORT OF THE DIRECTORS

(continued)

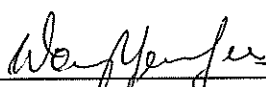
(5) Share options.

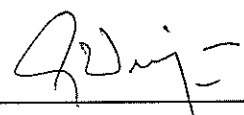
The company is limited by guarantee and does not have share capital.

(6) Auditors.

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

On behalf of the Board,


Wong Yen Yee
Director


Goh Wei Fen
Director

Singapore, 20 June 2011

THE THEATRE PRACTICE LTD.

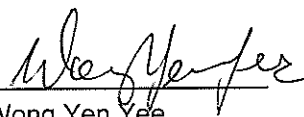
(Incorporated in the Republic of Singapore and Limited by Guarantee)

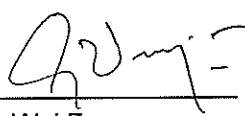
STATEMENT BY DIRECTORS

We, the undermentioned directors, state that, in the opinion of the directors, the financial statements set out on pages 8 to 25 are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2010 and of the results, changes in accumulated fund and cash flows of the company for the year ended 31 December 2010 and there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board,


Wong Yen Yee
Director


Goh Wei Fen
Director

Singapore, 20 June 2011

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

(Incorporated in the Republic of Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of The Theatre Practice Ltd. set out on pages 8 to 25, which comprise the balance sheet (statement of financial position) as at 31 December 2010, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements for the year ended 31 December 2009 were audited by other auditors, whose report dated 4 April 2010 expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

(Incorporated in the Republic of Singapore)

(continued)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2010 and the results, changes in funds and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required by the provisions of the Charities Act, Chapter 37 – Charities (Institutions of a Public Character) Regulations 2007 and its amendments in Charities (Institutions of a Public Character) (Amendment) Regulations 2008 to be kept by the Company have been properly kept in accordance with those regulations;
- (b) the company has complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) (Amendment) Regulations 2008, and total relevant fund-raising expenses of the Company did not exceed 30% of its total relevant receipts from fund-raising for the year; and
- (c) nothing has come to our attention to cause us to believe that the donation monies received during the year were not used in accordance with the objective of the Company.



LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Singapore, 20 June 2011

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Statement of Financial Position as at 31 December 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	3	15,387	14,667
Investment in associated companies	15	-	-
Total Non-Current Assets		<u>15,387</u>	<u>14,667</u>
<u>Current Assets</u>			
Trade receivables	4	1,798	48,713
Other receivables	5	78,424	43,259
Cash and cash equivalents	6	<u>307,492</u>	<u>464,527</u>
Total Current Assets		<u>387,714</u>	<u>556,499</u>
Total Assets		<u>403,101</u>	<u>571,166</u>
<u>FUND AND LIABILITIES</u>			
<u>Fund</u>			
Accumulated fund		<u>296,961</u>	<u>458,936</u>
Total Fund		<u>296,961</u>	<u>458,936</u>
<u>Current Liabilities</u>			
Trade payables	8	73,647	89,503
Other payables	9	<u>32,493</u>	<u>22,727</u>
Total Current Liabilities		<u>106,140</u>	<u>112,230</u>
Total Fund and Liabilities		<u>403,101</u>	<u>571,166</u>

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Statement of Comprehensive Income for the year ended 31 December 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		\$	\$
INCOME			
(Deficit)/surplus from activities	10	(235,700)	230,908
Donations		156,625	274,712
Government grants		374,057	344,057
Other income		16,561	50
Total income		311,543	849,727
LESS EXPENDITURE			
Accounting fees		18,440	24,096
Audit fees		6,300	3,100
Bad debts written off		6,103	1,400
Bank charges		341	95
Central Provident Fund & SDF Contributions		30,242	25,283
Cleaning expenses		11,167	12,703
Computer and internet expenses		1,823	2,208
Copywriter fee		10,660	4,800
Depreciation of property, plant and equipment	3	5,786	6,454
Entertainment and refreshment		813	1,843
Exhibition expenses		5,400	-
General expenses		1,401	626
Insurance		1,874	963
Loss of cash		600	-
Loss on disposal of property, plant and equipment		475	-
Marketing and publicity		2,460	11,380
Medical fees		628	422
Newspapers and magazine		744	708
Printing and stationery		3,520	2,958
Professional fees		14,360	10,903
Rental of copier		4,740	4,740
Rental of premises		104,508	104,508
Repair and maintenance		6,772	65,376
Salaries and bonus		218,389	187,240
Staff recruitment and training		648	2,047
Staff welfare		2,277	3,671
Telephone and postages		1,786	1,824
Transport and travelling		541	-
Utilities		8,470	10,964
Wages (Subcontract)		2,250	41,069
Total Expenditure		473,518	531,381
Net (deficit)/surplus for the year from continuing operations		(161,975)	318,346
Discontinued operation			
Loss from discontinued operation	12	-	(66,503)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss)/income for the year		(161,975)	251,843

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Statement of Changes in Funds for the year ended 31 December 2010

	<u>Note</u>	<u>Accumulated funds</u>	<u>Theatre Training and Research Programme Fund</u>	<u>Total</u>
		\$	\$	\$
Balance as at 31 December 2008		(958,165)	1,290,116	331,951
Total comprehensive income for the year		251,843	-	251,843
Net deficit from Theatre Training and Research Programme Fund	7	-	(124,858)	(124,858)
Transfer of Theatre Training and Research Programme Fund to Accumulated Fund	7	<u>1,165,258</u>	<u>(1,165,258)</u>	<u>-</u>
Balance as at 31 December 2009		458,936	-	458,936
Total comprehensive loss for the year		<u>(161,975)</u>	<u>-</u>	<u>(161,975)</u>
Balance as at 31 December 2010		<u>296,961</u>	<u>-</u>	<u>296,961</u>

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

Statement of Cash Flows for the year ended 31 December 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Deficit)/surplus for the year		(161,975)	251,843
Adjustments for:			
Depreciation on property, plant and equipment	3	5,786	6,454
Loss on disposal of property, plant and equipment		475	-
Operating (deficit)/surplus before working capital changes		(155,714)	258,297
(Increase)/decrease in receivables		(36,546)	121,364
Increase/(decrease) in payables		42,206	(57,409)
(Decrease)/increase in Theatre Training and Research Programme Fund	7	-	(124,858)
Changes in working capital		5,660	(60,903)
Net cash (used in)/generated from operations		(150,054)	197,394
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of property, plant and equipment	3	(6,981)	(6,409)
Proceeds from disposal of property, plant and equipment		-	112,330
Net cash (used in)/generated from investing activities		(6,981)	105,921
Net (decrease)/increase in cash and cash equivalents		(157,035)	303,315
Cash and cash equivalents at beginning of the year		464,527	161,212
Cash and cash equivalents at end of the year	6	307,492	464,527

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2010

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

1. GENERAL

The Theatre Practice Ltd., (the Company) is a public company limited by guarantee, incorporated in the Republic of Singapore. Under Article 6 of its Memorandum of Association, each member of the Company guarantees to contribute a sum not exceeding \$1.00 to the assets of the Company in the event of the same being wound up. The company has 5 (2009: 4) members as at balance sheet date and is also registered as a charity under the Charities Act (Cap. 37).

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

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

The Company has its domicile in Singapore and its registered office at 155 Waterloo Street, #02-06 Stanford Arts Centre, Singapore 187962.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

During the financial year, the Company adopted all the applicable revised FRSs which are effective on or before 1 January 2010.

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

(b) Significant Accounting Estimates and Judgments

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Accounting Estimates and Judgments (continued)

Key sources of estimation uncertainty

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

Depreciation on Property, Plant and Equipment

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

(c) FRS and INT FRS not yet effective

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

(d) Property, Plant and Equipment

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

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

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

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

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

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, Plant and Equipment (continued)

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

(e) Associated Company

An associated company is one in which the company has a long term equity interest of not less than 20% and not more than 50% and where there is management participation. Details of the associated company are set out in note 4.

Investment in associated company is held on a long term basis and stated at cost less impairment loss, if any.

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105, Non-Current Assets Held For Sale and Discounted Operations. Under the equity method, investment in an associate is carried in the balance sheet at cost and adjusted for post-acquisition changes in the company's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the company's interest in that associate are not recognised.

(f) Trade and Other Receivables

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

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

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

(g) Cash and Cash Equivalents

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Funds

(i) Accumulated Funds

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

(ii) Theatre Training And Research Programme Fund

The Theatre Training and Research Programme (TTRP) Fund was established in 1999. Monies received from donors designated for the TTRP Fund are credited to this account. The TTRP Fund is specifically used for multi-cultural theatre training and research programme.

(i) Trade and other payables

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

(j) Revenue Recognition

(i) Performances and Courses Income

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

(ii) Donations and Fund Raising Income

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

(iii) Government Grants

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

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

(iv) Interest Income

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

(v) Others

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Employee Benefits

(i) Defined Contribution Plans

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

(ii) Short-term Compensated Absences

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

(l) Impairment of Assets

(A) Impairment of Financial Assets

Impairment of Held-to-maturity Financial Assets and Receivables

If there is objective evidence that an impairment loss has been incurred in respect of a financial asset, 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 original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in the statement of comprehensive income.

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

(B) Impairment of Non-Financial Assets

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

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

THE THEATRE PRACTICE LTD.

(Incorporated in the Republic of Singapore)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Provisions

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

(n) Leases

Operating leases

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

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

THE THEATRE PRACTICE LTD.

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3. PROPERTY, PLANT AND EQUIPMENT

	<u>Renovation</u>	<u>Office Equipment</u>	<u>Furniture & Fittings</u>	<u>Air Conditioners</u>	<u>Sound & Lighting Equipment</u>	<u>Total</u>
<u>Cost</u>	\$	\$	\$	\$	\$	\$
At 1 January 2009	266,805	91,124	64,173	6,930	119,544	548,576
Additions	-	2,854	-	-	3,555	6,409
Disposals	(145,316)	(47,427)	(29,764)	-	(104,257)	(326,764)
At 31 December 2009 and 1 January 2010	121,489	46,551	34,409	6,930	18,842	228,221
Additions	-	4,421	-	2,400	160	6,981
Disposals	-	(2,576)	(51)	(5,070)	(5,747)	(13,444)
At 31 December 2010	121,489	48,396	34,358	4,260	13,255	221,758
<u>Accumulated depreciation</u>						
At 1 January 2009	185,325	81,987	55,289	5,482	93,451	421,534
Charge for the year	240	3,646	930	280	1,358	6,454
Disposals	(64,076)	(42,922)	(24,801)	-	(82,635)	(214,434)
At 31 December 2009 and 1 January 2010	121,489	42,711	31,418	5,762	12,174	213,554
Charge for the year	-	3,076	807	639	1,264	5,786
Disposals	-	(2,221)	(10)	(5,070)	(5,668)	(12,969)
At 31 December 2010	121,489	43,566	32,215	1,331	7,770	206,371
<u>Carrying amount</u>						
At 31 December 2010	-	4,830	2,143	2,929	5,485	15,387
At 31 December 2009	-	3,840	2,991	1,168	6,668	14,667

THE THEATRE PRACTICE LTD.

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4. TRADE RECEIVABLES

	<u>2010</u>	<u>2009</u>
	\$	\$
Amount due from outside parties	1,798	48,713
Less: Allowance for doubtful trade receivables		
Balance at beginning of year	-	(46,460)
Allowance written back	-	46,460
Balance at end year	<u>-</u>	<u>-</u>
	<u>1,798</u>	<u>48,713</u>

The trade receivables are non-interest bearing and are generally on 30 (2009: 30) days' term.

5. OTHER RECEIVABLES

	<u>2010</u>	<u>2009</u>
	\$	\$
Non-trade receivables	27,640	5,541
Deposits	3,182	3,023
Prepayments	47,602	32,512
Receivable from associated companies	-	2,183
	<u>78,424</u>	<u>43,259</u>

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

6. CASH AND CASH EQUIVALENTS

	<u>2010</u>	<u>2009</u>
	\$	\$
Cash in hand	600	1,147
Cash at bank	<u>306,892</u>	<u>463,380</u>
	<u>307,492</u>	<u>464,527</u>

THE THEATRE PRACTICE LTD.

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7. THEATRE TRAINING AND RESEARCH PROGRAMME (TTRP) FUND

This fund recorded the cash receipts and cash outlays in respect of the activities of the TTRP. In the prior year, the income and expenditure have been recorded in the TTRP fund account as shown below and have not been reflected in the Income and Expenditure Account of the Company. As at 30 November 2009, the Company had transferred the fund to its accumulated fund account.

	<u>2010</u>	<u>2009</u>
	\$	\$
Balance at beginning of year		1,290,116
Income for the year		
Services rendered	-	87,500
Donation received	-	45,786
Other income	-	253,348
	-	386,634
Total income for the year	-	386,634
Less: Expenditure		
Staff costs (note 11)	-	267,456
Course expenses	-	730
Allowance for doubtful trade receivables	-	3,410
General overheads	-	120,228
Rental of premises	-	119,668
	-	511,492
Net deficit for the year	-	(124,858)
	-	1,165,258
Less: Transfer of fund to accumulated fund upon cessation of activities	-	(1,165,258)
Balance at end of the year	-	-

8. TRADE PAYABLES

	<u>2010</u>	<u>2009</u>
	\$	\$
Amount due to outside parties	21,553	16,321
Revenue received in advance	52,094	24,886
Goods & services tax payable	-	48,296
	73,647	89,503

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9. OTHER PAYABLES

	<u>2010</u>	<u>2009</u>
	\$	\$
Accrued operating expenses	27,285	13,678
Amount due to employees	-	225
Withholding tax payable	438	1,438
Non-trade payables	<u>4,770</u>	<u>7,386</u>
	<u>32,493</u>	<u>22,727</u>

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

10. (DEFICIT)/SURPLUS FROM ACTIVITIES

	<u>Income</u>	<u>Expenditure</u>	<u>Surplus/(Deficit)</u>
	\$	\$	\$
<u>2010</u>			
Performances	647,971	(a) 1,030,159	(382,188)
Courses	<u>318,182</u>	<u>(b) 171,694</u>	<u>146,488</u>
	<u>966,153</u>	<u>1,201,853</u>	<u>(235,700)</u>
<u>2009</u>			
Performances	1,361,613	(a) 1,218,467	143,146
Courses	<u>177,635</u>	<u>(b) 89,873</u>	<u>87,762</u>
	<u>1,539,248</u>	<u>1,308,340</u>	<u>230,908</u>

(a) Included in these expenditure are employee benefits expense of \$313,524 (2009: \$307,091) as disclosed in note 11.

(b) During the year, the courses were conducted by the contract instructors. The total contract fees paid in this regards amounted to \$124,252 (2009: \$48,636).

11. EMPLOYEE BENEFITS EXPENSES

	<u>2010</u>	<u>2009</u>
	\$	\$
Salaries and related costs	525,430	719,398
Employer's Contribution to Central Provident Fund	55,165	71,199
Other benefits	<u>6,143</u>	<u>2,613</u>
	<u>586,738</u>	<u>793,210</u>

The above employee benefits expense included the following:

	<u>2010</u>	<u>2009</u>
	\$	\$
- Director's remuneration	113,216	-
- Other key management personnel compensation	<u>56,945</u>	<u>155,606</u>
	<u>170,161</u>	<u>155,606</u>

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11. EMPLOYEE BENEFITS EXPENSES (continued)

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

	<u>2010</u>	<u>2009</u>
\$100,001 - \$150,000	1	1
\$50,001 - \$100,000	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

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

	<u>2010</u>	<u>2009</u>
	\$	\$
Theatre Training and Research Programme Fund (note 7)	-	267,456
Performances (note 10)	316,742	307,091
Operating expenses (The Theatre Practice)	<u>269,996</u>	<u>218,663</u>
	<u>586,738</u>	<u>793,210</u>

12. DISCONTINUED OPERATIONS

In the prior year, the Company entered into a venture sale agreement to dispose one of its non-profit arts education venture comprising the theatre training programme which is known as the Theatre Training and Research Programme ("TTRP"). The disposal was completed on 30 November 2009, on which date control of the venture passed to the acquirer.

The consideration of the disposal was nil, resulting in a loss from discontinued operation of \$66,503.

13. FUND RAISING INCOME AND EXPENSES

	<u>2010</u>	<u>2009</u>
	\$	\$
<u>Income:</u>		
Outright donations and direct appeals	233,864	392,878
Income from fund raising events	<u>-</u>	<u>-</u>
	<u>233,864</u>	<u>392,878</u>
<u>Expenses:</u>		
Direct costs incurred for fund raising events	<u>-</u>	<u>-</u>

Total gross donations received which qualified for tax deduction amounted to \$233,864 (2009: 392,878).

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13. FUND RAISING INCOME AND EXPENSES (continued)

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.

14. TAXATION

The Company is a registered charity under the Charities Act, Cap 37, and by virtue of section 13 of the Income Tax Act, Cap 134, is exempted from taxation. Therefore, no provision for taxation has been made in the financial statements for the current financial year (2009: nil).

15. INVESTMENT IN ASSOCIATED COMPANIES

	<u>2010</u>	<u>2009</u>
	\$	\$
Unquoted shares, at cost	-	1
Company's share of post-acquisition loss	-	(1)
	-	-

The details of the associated companies were as follows:-

<u>Name of company</u>	<u>Principal activity</u>	<u>Country of incorporation/ place of business</u>	<u>Percentage of shareholding</u>		<u>Cost of investment</u>	
			<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
			%	%	\$	\$
Cinemancer Pte Ltd	Development of Intellectual property for film production	Singapore	-	30	-	1

Investment in associate held directly through Cinemancer Pte Ltd was as follows:-

<u>Name of company</u>	<u>Principal activity</u>	<u>Country of incorporation/ place of business</u>	<u>Percentage of shareholding</u>		<u>Cost of investment</u>	
			<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
			%	%	\$	\$
Exile Productions Pte Ltd	Film production	Singapore	-	30	-	1

Both the associated companies have been struck off from the Registrar of Companies during the financial year.

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16. OPERATING LEASE COMMITMENTS

As at the balance sheet date, the Company has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	<u>2010</u>	<u>2009</u>
	\$	\$
Payable within 1 year	10,836	10,836
Payable after 1 year but not later than 5 years	<u>6,320</u>	<u>14,460</u>
	<u>17,156</u>	<u>25,296</u>

17. FINANCIAL RISK MANAGEMENT

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

(i) Credit risk

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

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

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

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

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

(ii) Liquidity risk

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

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

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

18. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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19. FINANCIAL STATEMENTS FOR YEAR 2009

The financial statements for the year ended 31 December 2009 were audited by another firm of auditors (other than Lo Hock Ling & Co.) whose report dated 4 April 2010 expressed an unqualified opinion on those statements.

20. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the company for the year ended 31 December 2010 were approved by the Management Committee on 20 June 2011.

