**INTERCULTURAL THEATRE INSTITUTE LTD**
(Incorporated in Singapore)
(UEN No.: 200818680E)

AUDITED FINANCIAL STATEMENTS
31 MARCH 2017

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)
(UEN No.: 200818680E)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

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**Directors' Statement**
For the financial year ended 31 March 2017

The Directors are pleased to present their statement to the members together with the audited financial statements of Intercultural Theatre Institute Ltd (the "Company") for the financial year ended 31 March 2017.

## 1 OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will able to pay its debts as and when they fall due.

## 2 DIRECTORS

The directors of the Company in office at the date of this statement are:

Mahizhnan Arunachalam
Kwok Kian Woon Anthony
Chew Kheng Chuan
Tan Tarn How
Abel Thomas Van Staveren

## 3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects 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.

## 4 DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations .

## 5 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.

## 6 AUDITOR

Messrs. J Wong & Associates PAC. have expressed its willingness to accept re-appointment as auditor.

On behalf of the Board

| | |
|---|---|
| ………………………………… | ………………………………… |
| **Tan Tarn How** | **Abel Thomas Van Staveren** |
| Director | Director |

Singapore,

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**INTERCULTURAL THEATRE INSTITUTE LTD**
(Incorporated in Singapore)
UEN No.: 200818680E

**REPORT ON THE FINANCIAL STATEMENTS**

*OPINION*

We have audited the accompanying financial statements of Intercultural Theatre Institute Ltd (the "Company") which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ( the Act ) and Financial Reporting Standards in Singapore ( FRSs) so as to give true and fair view of the financial position of the company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

*BASIS FOR OPINION*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*OTHER INFORMATION*

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so , consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed , we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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*RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS 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 Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements , management is responsible for assessing the Company's ability to continue as a going concern , disclosing , as applicable , matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations , or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

*AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement,whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate , they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements , whether due to fraud or error , design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from error, as fraud may involve collusion , forgery intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of the accounting and based on the audit evidence obtained , whether a material uncertainity exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainity exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate , to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair representation.

We communicate with the directors regarding among other matters the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

*REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS*

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

(a) the Charity has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Charity has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations]*

J Wong & Associates PAC
Public Accountants and
Chartered Accountants

Singapore,



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

**Statement of Financial Position**
For the financial year ended 31 March 2017

| | Note | 2017 S$ | 2016 S$ |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 57,709 | 82,693 |
| **Current assets** | | | |
| Trade and other receivables | 5 | 1,050,234 | 757,993 |
| Cash and cash equivalents | 6 | 136,588 | 205,396 |
| | | 1,186,822 | 963,389 |
| **Total assets** | | **1,244,531** | **1,046,082** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Scholarship fund | | - | 45,136 |
| Restricted fund: Mobius Fund Reserve | 14 | 173,824 | - |
| Retained earnings | | 468,758 | 502,552 |
| | | 642,582 | 547,688 |
| **Current liabilities** | | | |
| Trade and other payables | 7 | 551,949 | 498,394 |
| Amount due to directors | 8 | 50,000 | - |
| | | 601,949 | 498,394 |
| **Total equity and liabilities** | | **1,244,531** | **1,046,082** |

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

**Statement of Comprehensive Income**
For the financial year ended 31 March 2017

| | Note | **2017** **S$** | **2016** **S$** |
|---|---|---|---|
| Revenue | | 643,066 | 630,126 |
| Other income | 9 | 1,534,625 | 1,514,619 |
| Cost of service | | (806,827) | (618,545) |
| Depreciation of property, plant and equipment | 4 | (26,428) | (32,542) |
| Employee benefits expenses | 10 | (932,421) | (808,142) |
| Other expenses | | (445,809) | (200,956) |
| **Surplus/(Deficit) before tax** | 12 | (33,794) | 484,560 |
| Income tax expense | 13 | - | - |
| **Surplus/(Deficit) for the year** | | (33,794) | 484,560 |
| Other comprehensive income, net of tax | | - | - |
| **Total comprehensive income for the year** | | (33,794) | 484,560 |

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

INTERCULTURAL THEATRE INSTITUTE LTD
(Incorporated in Singapore)
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**Statement of Changes in Equity**
For the financial year ended 31 March 2017

| | Scholarship Funds S$ | Restricted Fund S$ | Retained Earnings S$ | Total S$ |
|---|---|---|---|---|
| Balance at 01 April 2015 | 45,136 | - | 17,992 | 63,128 |
| Scholarship fund | - | - | - | - |
| Total comprehensive income for the year | - | - | 484,560 | 484,560 |
| Balance at 31 March 2016 | 45,136 | - | 502,552 | 547,688 |
| Scholarship fund | (45,136) | - | - | (45,136) |
| Restricted fund- Mobius Fund Reserve | - | 173,824 | - | 173,824 |
| Total comprehensive income for the year | - | - | (33,794) | (33,794) |
| **Balance at 31 March 2017** | - | 173,824 | 468,758 | 642,582 |

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

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

**Statement of Cash Flow**
For the financial year ended 31 March 2017

| | Note | 2017 S$ | 2016 S$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Surplus/ (Deficit) before tax | | (33,794) | 484,560 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 4 | 26,428 | 32,542 |
| Operating cash flows before changes in working capital | | (7,366) | 517,102 |
| Decrease/(Increase)in trade and other receivables | | (292,241) | (324,957) |
| (Decrease)/ Increase in trade and other payables | | 103,555 | (99,798) |
| Cash generated from / (used in) operations | | (196,052) | 92,347 |
| *Net cash flows used in operating activities* | | (196,052) | 92,347 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 4 | (1,444) | (29,747) |
| *Net cash flows used in investing activities* | | (1,444) | (29,747) |
| **Cash flows from financing activities** | | | |
| Payments from scholarship fund | | (45,136) | - |
| Proceeds from Mobius Fund | | 173,824 | - |
| *Net cash flows generated from financing activities* | | 128,688 | - |
| **Net increase/(decrease) in cash and cash equivalents** | | (68,808) | 62,600 |
| **Cash and cash equivalents at beginning of year** | | 205,396 | 142,796 |
| **Cash and cash equivalents at end of year** | 6 | 136,588 | 205,396 |

*The accompanying notes form an integral part of these 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. On January 1, 2014, the Company was further approved as an Institution of Public Character for a period of three years. On January 1,2017, the company was further approved as an Institution of Public Character for a period of 3 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 of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ($), which is the Company's functional currency. All financial information presented in Singapore Dollars has been rounded to the nearest one dollar, unless otherwise indicated.

### 2.2 Adoption of new and revised standards

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year. In the current financial year, the company has adopted all the new and revised FRSs and Interpretations to FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016. The adoption of these new or revised FRSs and INT FRSs did not result in changes to the company's accounting policies and had no material effect on the amounts reported for the current or prior years.

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ( CONTD)

### 2.3 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

| | |
|---|---|
| Computer | 3 years |
| Renovation | 5 years |
| Air Conditioner | 5 years |
| Furniture and Fittings | 10 years |
| Office Equipment | 10 years |
| Production Lighting and Stage Equipment | 10 years |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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 on de- recognition of the asset is included in profit or loss in the year the asset is derecognised.

Fully depreciated assets still in use are retained in the financial statements.

### 2.4 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash- generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ( CONTD)

### 2.4 Impairment of non-financial assets ( Contd)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

### 2.5 Financial instruments

**a) Financial assets**

**Initial recognition and measurement**

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

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.

**Subsequent measurement**

*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, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents comprise cash at banks and on hand.

**De-recognition**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

### 2.5 Financial instruments

**b) Financial liabilities**

**Initial recognition and measurement**

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

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

**Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise trade and other payables, and bank borrowings.

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### 2.6 Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

***Financial assets carried at amortised cost***

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised 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 financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

### 2.6 Impairment of Financial Assets ( Contd )

The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

### 2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

### 2.8 Government grants

Government grants are recognised on receipt or when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with whichever occurs first. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

### 2.9 Employee benefits

**a) Defined contribution plans**

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

**b) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

### 2.10 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, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

- *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 or on receipt of grant funds whichever occurs first.

- *Fees earned from acting diploma*
  For the main training programme, income will be recognized on a work in progress basis, ie month by month. Students will be invoiced before the commencement of each semester for the entire semester.

- *Interest income*
  Interest income is recognized using the effective interest method.

### 2.11 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 is a post-employment benefit plant 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.
ii. The entity is controlled or jointly controlled by a person identified in (a).
iii. 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).

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgements made in applying accounting policies

*Determination of functional currency*

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Useful lives of property, plant and equipment*

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly.

*Impairment of loans and receivables*

The impairment of trade and other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

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## 4 PROPERTY, PLANT AND EQUIPMENT

| | Furniture & Fittings | Office Equipment | Computers | Production Lighting and Stage Equipment | Renovation | Air Conditioner | Total |
|---|---|---|---|---|---|---|---|
| | S$ | S$ | S$ | S$ | S$ | S$ | S$ |
| *Cost* | | | | | | | |
| At 01 April 2015 | 21,744 | 4,376 | 21,262 | 40,810 | 257,786 | 10,362 | 356,340 |
| Additions | - | 3,128 | 764 | - | 25,855 | - | 29,747 |
| At 31 March 2016 | 21,744 | 7,504 | 22,026 | 40,810 | 283,641 | 10,362 | 386,087 |
| Additions | - | - | 1,444 | - | - | - | 1,444 |
| At 31 March 2017 | 21,744 | 7,504 | 23,470 | 40,810 | 283,641 | 10,362 | 387,531 |
| *Accumulated Depreciation* | | | | | | | |
| At 01 April 2015 | 21,744 | 4,343 | 17,593 | 31,169 | 188,233 | 7,770 | 270,852 |
| Depreciation for the year | - | 346 | 2,779 | 1,330 | 26,015 | 2,072 | 32,542 |
| At 31 March 2016 | 21,744 | 4,689 | 20,372 | 32,499 | 214,248 | 9,842 | 303,394 |
| Depreciation for the year | - | 312 | 1,727 | 1,329 | 22,540 | 520 | 26,428 |
| At 31 March 2017 | 21,744 | 5,001 | 22,099 | 33,828 | 236,788 | 10,362 | 329,822 |
| *Net Carrying Amount* | | | | | | | |
| At 31 March 2016 | - | 2,815 | 1,654 | 8,311 | 69,393 | 520 | 82,693 |
| At 31 March 2017 | - | 2,503 | 1,371 | 6,982 | 46,853 | - | 57,709 |

## 5 TRADE AND OTHER RECEIVABLES

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| Trade receivables | 927,527 | 652,764 |
| Less: Allowance for doubtful debt | (183,102) | (84,682) |
| | 744,425 | 568,082 |
| Other receivables | 109,157 | 141,249 |
| Mobius Fund | 148,453 | - |
| Deposit | 20,193 | 17,796 |
| Rental deposit | 9,600 | 15,800 |
| Prepayments | 8,985 | 8,465 |
| GST receivable | 9,421 | 6,601 |
| | 1,050,234 | 757,993 |

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.

The Mobius fund receivables are unsecured and interest-free up till one year after the student's graduation. Simple interest of 3% is charged on the outstanding receivables amounts with repayment expected to be made within a period of 10 years after the student's graduation.

Trade and other receivables are unsecured and the analysis is of the age of trade and other receivables that are not impaired at the reporting date are as follows:

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| Lesser than 30 days | 35,519 | 54,477 |
| 31 to 60 days | (8,046) | 600 |
| 61 to 90 days | 138,967 | 10,272 |
| More than 90 days | 761,088 | 587,415 |
| | 927,527 | 652,764 |

## 6 CASH AND CASH EQUIVALENTS

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

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| Cash in bank | 136,502 | 204,927 |
| Cash in hand | 86 | 469 |
| | 136,588 | 205,396 |

## 7 TRADE AND OTHER PAYABLES

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| Trade payables | 267,976 | 257,459 |
| Deferred Revenue | 255,934 | - |
| CMF reserve | - | 93,562 |
| Mobius Fund | - | - |
| Mobius fund control account | - | - |
| Other payables | 17,320 | 11,036 |
| Accruals | 10,719 | 136,337 |
| | 551,949 | 498,394 |

## 8 AMOUNT DUE TO DIRECTORS

Amount due to directors is unsecured and interest free.

## 9 OTHER INCOME

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| Bursary Income | 5,000 | 6,854 |
| CMF - Capacity Building | 113,259 | 25,855 |
| Cultural Matching fund | 372,791 | 355,383 |
| Local foundations | 57,000 | 181,900 |
| NAC grant | 600,000 | 627,000 |
| Tax deductible donations | 209,500 | 183,530 |
| Other donations | 2,492 | 2,288 |
| Others | 5,000 | 5,000 |
| Sponsorship | 142,000 | - |
| Miscellaneous income | 666 | 447 |
| Special and temporary employment credit | 13,201 | 6,847 |
| Wage credit scheme | 8,389 | 17,469 |
| Bad debts recovered | 5,327 | 102,046 |
| | 1,534,625 | 1,514,619 |

Grants received for the year are as follows:

During the year the National Arts Council awarded a grant to enable ITI to work towards becoming a full theatre conservatory that will bridge professional theatre training gaps in Singapore and become a reputable institution in cross-cultural theatre practice with a presence in Singapore and the region.

NAC income recognized for the financial year pertains to the amount received from the National Arts Council.

## 9 OTHER INCOME ( CONTD)

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$413,500 (2016: S$372,284).

## 10 EMPLOYEE BENEFITS AND EXPENSES

| | **2017** | **2016** |
|---|---|---|
| | **S$** | **S$** |
| Administrative Staffs | | |
| - Salaries | 458,292 | 430,725 |
| - Fees | - | 25 |
| - CPF | 66,351 | 58,426 |
| - SDF | 869 | 717 |
| Curriculum & teaching staffs | | |
| - Salaries | 379,302 | 296,547 |
| - CPF | 26,445 | 20,823 |
| - SDF | 627 | 502 |
| - FWL | 534 | 377 |
| | 932,421 | 808,142 |

Top 3 executives' annual remuneration is broadly categorized into the following bands:

| **Range of Remuneration** | **Number of Executives** |
|---|---|
| | **Executive** |
| $$50,001 to S$100,000 | 1 |
| Above S$100,000 | 2 |

2 executives received remuneration above $100k in 2017.

## 11 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

| | **2017** | **2016** |
|---|---|---|
| | **S$** | **S$** |
| Rental and Maintenance Expense | 172,689 | 203,934 |
| Consultancy/Management Services | 71,500 | 126,000 |
| Curriculum Licenses | 16,813 | 39,175 |
| | 261,002 | 369,109 |

## 12 SURPLUS/( DEFICIT) BEFORE TAX

Surplus/( Deficit) before tax is stated after charging :

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| Auditors' remuneration | 5,000 | 4,950 |
| Depreciation of property, plant and equipment | 26,428 | 32,542 |
| Repair and maintenance | 2,831 | - |
| Secretarial fee | 570 | 1,225 |

## 13 INCOME TAX EXPENSE

The company has no tax liability at year end as the company is a registered Charity and is therefore exempt from paying tax.

## 14 UNRESTRICTED AND RESTRICTED FUNDS

Mobius Fund

The fund was established in 2016 to provide loans to students who require financial assistance with course fees and living expenses. The loans are unsecured and interest-free up till one year after the student's graduation. Simple interest of 3% is charged on the outstanding loan amounts with repayment expected to be made within a period of 10 years after the student's graduation.

## 15 FINANCIAL RISK MANAGEMENT

### 15.1 Overview

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risk. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

### 15.2 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. For other financial assets (including cash and cash equivalents), the Company minimize credit risks by dealing exclusively with credit worthy counter parties.

It is the Company's policy that all customers who wish to trade on credit terms undergo credit verification procedures. In addition, receivable balances are monitored on an on-going basis to minimize the Company's exposure to bad debts.

## 15 FINANCIAL RISK MANAGEMENT ( CONTD)

### 15.2 Credit Risk

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

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| Trade and other receivables | 1,050,234 | 757,993 |
| Cash and bank balances | 136,588 | 205,396 |
| Total Credit Exposure | 1,186,822 | 963,389 |

***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.

***Financial assets that are either past due or impaired***
Information regarding financial assets that are either past due or impaired are disclosed in Note 5.

### 15.3 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.

## 16 CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table classifies the financial assets and liabilities in the statement of financial position by class of financial instruments:

## 16 CLASSIFICATION OF FINANCIAL INSTRUMENTS

| | Receivables and Cash and Cash Equivalents | Financial liabilities at amortised cost | Carrying amount |
|---|---|---|---|
| *2017* | S$ | S$ | S$ |
| **Assets** | | | |
| Trade and other receivables | 1,002,035 | - | 1,002,035 |
| Cash and bank balances | 136,588 | - | 136,588 |
| Total financial assets | 1,138,623 | - | 1,138,623 |
| Total non-financial assets | - | - | 105,908 |
| Total assets | 1,138,623 | - | 1,244,531 |
| **Liabilities** | | | |
| Trade and other payables | - | 551,949 | 551,949 |
| Total financial liabilities | - | 551,949 | 551,949 |
| Total liabilities | - | 551,949 | 551,949 |
| *2016* | | | |
| **Assets** | | | |
| Trade and other receivables | 757,993 | - | 757,993 |
| Cash and bank balances | 205,396 | - | 205,396 |
| Total financial assets | 963,389 | - | 963,389 |
| Total non-financial assets | - | - | 82,693 |
| Total assets | 963,389 | - | 1,046,082 |
| **Liabilities** | | | |
| Trade and other payables | - | 404,832 | 404,832 |
| Total financial liabilities | - | 404,832 | 404,832 |
| Total liabilities | - | 404,832 | 404,832 |

## 16 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 March 2017 (2016: Nil).

## 17 EVENTS OCCURRING AFTER REPORTING DATE

There are no significant events occurred after the reporting date.

## 18 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2017 were authorized for issue in accordance with a resolution of the Board of Directors of the Company on

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

**Supplementary Statement**
For the financial year ended 31 March 2017

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| | 2017 | 2016 |
|---|---|---|
| | **S$** | **S$** |
| **Revenue** | | |
| Fees earned from acting diploma | 439,787 | 407,304 |
| Rental income | 37,759 | 39,954 |
| Conferences | - | 1,248 |
| Curriculum license fee income | 16,813 | 39,175 |
| Management income | 139,000 | 134,000 |
| Ticket revenue from performance | 5,900 | 5,129 |
| Workshop fee | 3,807 | 3,316 |
| | 643,066 | 630,126 |
| **Add: Other income** | | |
| Bursary Income | 5,000 | 6,854 |
| CMF- Capacity Building | 113,259 | 25,855 |
| Cultural Matching fund | 372,791 | 355,383 |
| Local foundations | 57,000 | 181,900 |
| NAC grant | 600,000 | 627,000 |
| Tax deductible donations | 209,500 | 183,530 |
| Other donations | 2,492 | 2,288 |
| Sponsorship | 142,000 | - |
| Others | 5,000 | 5,000 |
| Miscellaneous income | 666 | 447 |
| Special and temporary employment credit | 13,201 | 6,847 |
| Wage credit scheme | 8,389 | 17,469 |
| Bad debts recovered | 5,327 | 102,046 |
| | 1,534,625 | 1,514,619 |
| **Less: Cost of sales** | | |
| Cost of fundraising | 36,505 | 32,622 |
| Course / workshops - curriculum & teaching staff | 192,721 | 201,457 |
| Course / workshops - course expenses | 577,601 | 384,466 |
| | 806,827 | 618,545 |
| **Less: Depreciation of property, plant and equipment** | 26,428 | 32,542 |
| **Less: Employee benefits and expenses** | 932,421 | 808,142 |
| **Less: Other expenses** | 445,809 | 200,956 |
| **Surplus/ (Deficit) before tax** | (33,794) | 484,560 |

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

**Expenses Schedule**
For the financial year ended 31 March 2016

| | 2017 | 2016 |
|---|---|---|
| | **S$** | **S$** |
| **Other expenses** | | |
| Admin Staffs expenses - medical | 190 | 112 |
| Admin Staffs expenses - insurance | 1,855 | 1,817 |
| Admin Staffs expenses & welfare | 93 | 41 |
| Admin Staffs expenses - training | 68 | 115 |
| Admin Staffs expenses - recruitment | 192 | - |
| Auditors' remuneration | 5,000 | 4,950 |
| Bank charges | 493 | 535 |
| Business meetings | 660 | 713 |
| Bad debts w/off | 98,541 | 5,000 |
| Curriculum licences | 96 | - |
| Fundraising meetings | 718 | 1,546 |
| Filing & stamp fees | 10 | 5 |
| Gifts & condolences | 60 | - |
| Internet and Telephone | 5,214 | 5,632 |
| Late fees and fines | - | - |
| Marketing expenses | 174,648 | 8,883 |
| Management exp for EHICE | - | - |
| Maintenance & repair equipment | 2,831 | - |
| Others | 36,000 | - |
| Office insurance | 400 | 400 |
| Office supplies | 226 | 214 |
| Office rental | 14,928 | 17,914 |
| Postage and courier | 85 | 50 |
| Printing and stationery | 1,229 | 2,270 |
| Provision for bad debt | 91,982 | 135,524 |
| Rental of copier | 2,599 | 3,048 |
| Secretarial fee | 570 | 1,225 |
| Transportation & travelling | 186 | 489 |
| Upkeep of premises | 842 | 2,168 |
| Water & electricity | 6,093 | 8,305 |
| | 445,809 | 200,956 |
| ***Surplus/ (Deficit) before tax*** | (33,794) | 484,560 |

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