PROJECT DIGNITY PTE. LTD.
(Incorporated in Singapore)
(Registration No. 2010-17313-E)

ACCOUNTS AND REPORTS

For the financial year ended

31 December 2016

CONTENTS

DIRECTOR'S STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The director is pleased to present his statement to the members together with the audited financial statements of Project Dignity Pte. Ltd. for the financial year ended 31 December 2016.

1. Opinion of the director

In the opinion of the director,

(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 December 2016 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 be able to pay its debts as and when they fall due.

2. Director

The director of the Company in office at the date of this statement is:

Koh Seng Choon

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 director 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. Director's interests in shares or debentures

According to the register of director's shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the director 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 except as stated below:

	Shareholdings registered in the name of directors	
Number of ordinary shares	1/1/2016	31/12/2016
Koh Seng Choon	50,000	50,000

5. Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. Auditor

Messrs STRAITS ASSURANCE PAC has expressed its willingness to accept re-appointment as auditors.

The Sole Director

KOH SENG CHOON
Director

Dated: 30 JUN 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROJECT DIGNITY PTE. LTD.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **PROJECT DIGNITY PTE. LTD.**, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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 a true and fair view of the financial position of the Company as at 31 December 2016 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 21 in the financial statements, which indicates that the Company's current liabilities exceeded its total assets by $779,004. As stated in Note 21, these events or conditions, along with other matters as set forth in Note 21, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Director's Statement (set out on pages 1 to 2).

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 had 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.

Responsibilities of Management and Director 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 unauthorised use or disposition; and transactions are properly authorised 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 director's responsibilities include overseeing the Company's financial reporting process.

Blk 261 Waterloo Street #03-08 Waterloo Centre Singapore 180261 Tel : 6336 4557 Fax : 6336 5604
Email : audit@sapac.com.sg

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROJECT DIGNITY PTE. LTD. (CONT'D)

Auditor's 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 auditor's 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 scepticism 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 fraud is higher than for one 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 accounting and, based on the audit evidence obtained, whether a material uncertainty 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 uncertainty 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.

- 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 presentation.

We communicate with the director 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.

Straits Assurance PAC

STRAITS ASSURANCE PAC
Public Accountants and Chartered Accountants
Singapore, 30 JUN 2017
GL/SAPAC

Blk 261 Waterloo Street #03-08 Waterloo Centre Singapore 180261 Tel : 6336 4557 Fax : 6336 5604
Email : audit@sapac.com.sg

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 $	2015 $
SHARE CAPITAL	3	50,000	50,000
(ACCUMULATED LOSSES)		(767,441)	(788,819)
		(717,441)	(738,819)
Represented By:			
FIXED ASSETS	4	78,477	50,036
CURRENT ASSETS			
Trade receivables	5	269,363	168,465
Other receivables, deposits and prepayments	6	31,181	39,118
Cash and cash equivalents	18	30,031	10,157
		330,575	217,740
LESS CURRENT LIABILITIES			
Trade payables	7	167,787	112,318
Other payables, deposits and accruals	8	784,268	730,938
Bank overdraft - unsecured	9	131,985	90,441
Amount due to a director/ shareholder	10	-	5,502
Term loan - unsecured	11	25,539	24,147
		1,109,579	963,346
Net Current (Liabilities)		(779,004)	(745,606)
NON-CURRENT LIABILITIES			
Term loan - unsecured	11	(16,914)	(43,249)
		(717,441)	(738,819)

The accompanying notes form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 $	2015 $
Revenue	12	1,428,780	1,269,543
Cost of sales		(261,480)	(249,304)
Gross profit		1,167,300	1,020,239
Other income	13	240,840	226,183
Administrative expenses		(8,374)	(8,008)
Other operating expenses	14	(1,365,384)	(1,486,376)
Profit / (loss) from operations	15	34,382	(247,962)
Finance costs	16	(13,004)	(9,045)
Profit / (loss) for the financial year before taxation		21,378	(257,007)
Taxation	17	-	-
Profit / (loss) for the financial year after taxation		21,378	(257,007)
Other comprehensive income		-	-
Total comprehensive income / (expenses) for the financial year		21,378	(257,007)

The accompanying notes form an integral part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Share Capital $	(Accumulated Losses) $	Total $
As at 1 January 2015	50,000	(531,812)	(481,812)
Total comprehensive (expenses) for the financial year	-	(257,007)	(257,007)
As at 31 December 2015	50,000	(788,819)	(738,819)
Total comprehensive income for the financial year	-	21,378	21,378
As at 31 December 2016	50,000	(767,441)	(717,441)

The accompanying notes form an integral part of these financial statements

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 $	2015 $
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) for the financial year before taxation		21,378	(257,007)
Adjustment for:-			
Depreciation of fixed assets	4	55,392	96,284
Finance costs		13,004	9,045
Operating profit / (loss) before working capital changes		89,774	(151,678)
(Increase)/decrease in trade receivables		(100,898)	204,806
Decrease/(increase) in other receivables, deposits and prepayments		7,937	(5,275)
Increase/(decrease) in trade payables		55,469	(37,190)
Increase in other payables, deposits and accruals		53,330	32,274
		15,838	194,615
Net cash generated from operating activities		105,612	42,937
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(83,833)	(4,015)
Net cash (used in) investing activities		(83,833)	(4,015)
CASH FLOW FROM FINANCING ACTIVITIES			
(Repayment) to a director/ shareholder		(5,502)	(1,100)
(Repayment) of term loan		(24,943)	(23,619)
Finance costs (paid)		(13,004)	(9,045)
Net cash (used in) financing activities		(43,449)	(33,764)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(21,670)	5,158
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(80,284)	(85,442)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	18	(101,954)	(80,284)

The accompanying notes form an integral part of these financial statements

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

1. CORPORATE INFORMATION

PROJECT DIGNITY PTE. LTD. is incorporated and domiciled in Singapore as a private limited liability company.

The registered office of the Company is located at Blk 267 Serangoon Ave 3, #02-02 Singapore 550267

The principal activities of the company include provision of technical and vocational education and operators of food courts, coffee shops and eating house.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note (c).

b) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2016. The adoption of these standards did not have any effect on the financial performance or position of the Company.

The Company has not adopted the following standards that have been issued but not effective and relevant to the Company:

CHANGES IN ACCOUNTING POLICIES (CONT'D)

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
FRS 109 Financial Instruments	1 January 2018

Except for Amendments to FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 is described below.

FRS 109 Financial Instruments
FRS 109 is effective for financial periods beginning on or after 1 January 2018. FRS 109 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in FRS 109 is based on how an entity manages its financial instruments (its business model) and contractual cash flow characteristics of the financial assets, and enables companies to reflect their risk management activities better in their financial statements, and, in turn, help investors to understand the effect of those activities on future cash flows. FRS 109 is principle-based, and will more closely align hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

c) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

(i) Income taxes
The Company is subject to income taxes in Singapore. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

Key sources of estimation uncertainty

Key assumptions concerning the future, and key sources of estimation uncertainty at the statement of financial position 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.

(i) Useful lives of fixed assets

The Company's fixed assets are depreciated on a straight-line basis over the fixed assets economic useful lives. Changes in the expected level of usage and technologies developments could impact the economic useful lives and the residual values of these assets, therefore, depreciation charges could be revised. The carrying amount of the Company's fixed assets is disclosed in Note 4.

(ii) Allowance for doubtful receivables

Allowance for doubtful receivables of the Company is based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realization of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

d) FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on the straight-line basis to write off the cost of the assets over their estimated useful lives, which has been taken as follows:

	Years
Computer and IT equipment	3
Kitchen Equipment	3
Office equipment	3
Other equipment	3
Renovation	3

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further depreciation is charged in respect of these assets.

e) FINANCIAL ASSETS

Financial assets are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or have been transferred. On derecognition 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 had been recognised in other comprehensive income is recognised in the statement of comprehensive income.

All regular way purchases and sales of financial assets are recognised and derecognised on trade date basis where the purchase or sale of financial assets are under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every report date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loan and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

The Company has no financial assets at fair value through profit or loss, held-to-maturity financial assets and available-for-sale financial assets as of the reporting date.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

FINANCIAL ASSETS (CONT'D)

Subsequent measurement

Loan and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables
The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, the carrying amount of impaired financial assets 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 value 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 is 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 the statement of comprehensive income.

f) TRADE AND OTHER RECEIVABLES

Trade receivables which generally have 30 days terms are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2(e).

Trade receivables are recognized initially at original invoiced amount less allowance for impairment. An allowance for impairment of trade receivables is established 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. The amount of the allowance is recognized in the statement of comprehensive income when identified.

g) FINANCIAL LIABILITIES

Financial liabilities within the scope of FRS 39 are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in statement of comprehensive income. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

h) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash in hand and bank balances less bank overdrafts placed with creditworthy financial institutions.

i) TRADE PAYABLES

Liabilities for trade payables are carries at cost, which is the fair value of the consideration to be paid in the future for goods and services rendered, whether or not billed to the Company.

j) LEASES

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

k) PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and 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 of the amount of the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the reporting date, and are discounted to present value when the effect is material. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

PROVISIONS (CONT'D)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

l) TAXATION

Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the composition of taxable profit, except that a debit to the deferred tax balance is not carried forward unless there is a reasonable expectable of realization and the potential tax saving relating to a tax loss carry forward and unutilized capital allowances is not recorded as an asset.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the assets are realized or the liability is settled. Deferred tax is charged or credited to the profit and loss account. Deferred tax assets and liabilities are offset when they relate to income taxed levied by the same tax authority.

m) CURRENCIES TRANSLATION

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the date of statement of financial position are recognized in the statement of comprehensive income.

Non-Monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when fair values are determined.

n) REVENUE RECOGNITION

Income from services is recognized in the statement of comprehensive income when the services are rendered, completed and on an accrual basis.

Revenue from sales of goods is recognised upon delivery and acceptance of goods.

Rental income is recognized based on accrual basis over the lease term.

o) GOVERNMENT GRANT

Government grants are recognized at their fair value where is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that is intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

p) EMPLOYEE BENEFITS

Defined Contribution Plan

As required by the Law, the Company makes contribution to the Central Provident Fund ("CPF") Scheme in Singapore, a defined contribution pension scheme. CPF contributions are recognised as an expense in the same period as the employment that gives rise to the contribution.

3. SHARE CAPITAL

	2016		2015	
	No. of shares	$	No. of shares	$
Ordinary shares issued and fully paid:				
At beginning and end of the financial year	50,000	50,000	50,000	50,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

4. FIXED ASSETS

	At 1 January 2016 $	Additions / Charge $	(Disposal) $	At 31 December 2016 $
2016				
Cost				
Computer and IT equipment	60,122	6,003	-	66,125
Kitchen Equipment	9,748	980	-	10,728
Office equipment	23,461	1,673	-	25,134
Other equipment	16,174	-	-	16,174
Renovation	245,890	75,177	-	321,067
	355,395	83,833	-	439,228
Accumulated depreciation				
Computer and IT equipment	60,122	5,480	-	65,602
Kitchen Equipment	8,481	960	-	9,441
Office equipment	18,032	3,662	-	21,694
Other equipment	15,800	236	-	16,036
Renovation	202,924	45,054	-	247,978
	305,359	55,392	-	360,751

	At 1 January 2015 $	Additions / Charge $	(Disposal) $	At 31 December 2015 $
2015				
Cost				
Computer and IT equipment	58,007	2,115	-	60,122
Kitchen Equipment	8,471	1,900	(623)	9,748
Office equipment	23,461	-	-	23,461
Other equipment	16,174	-	-	16,174
Renovation	245,890	-	-	245,890
	352,003	4,015	(623)	355,395

FIXED ASSETS (CONT'D)

	At 1 January 2015 $	Additions / Charge $	(Disposal) $	At 31 December 2015 $
Accumulated depreciation				
Computer and IT equipment	54,491	5,631	-	60,122
Kitchen Equipment	8,471	633	(623)	8,481
Office equipment	10,212	7,820	-	18,032
Other equipment	15,563	237	-	15,800
Renovation	120,961	81,963	-	202,924
	209,698	96,284	(623)	305,359

	Net Book Value		Depreciation	
	2016 $	2015 $	2016 $	2015 $
Computer and IT equipment	523	-	5,480	5,631
Kitchen Equipment	1,287	1,267	960	633
Office equipment	3,440	5,429	3,662	7,820
Other equipment	138	374	236	237
Renovation	73,089	42,966	45,054	81,963
	78,477	50,036	55,392	96,284

5. TRADE RECEIVABLES

	2016 $	2015 $
Trade receivables	269,363	168,465

Receivables that are past due but not impaired

The Company has trade receivables amounting to $269,363 (2015: $168,465) that are past due at the date of statement of financial position but not impaired. These trade receivables are unsecured and the analysis of their aging at the date of statement of financial position is as follows:

TRADE RECEIVABLES (CONT'D)

	2016 $	2015 $
Lesser than 31 days	235,898	17,345
31 to 60 days	15,190	27,738
61 to 90 days	2,202	17,134
More than 90 days	16,073	106,248
	269,363	168,465

Trade receivables that are individually determined to be impaired at the statement of financial position date relate to debtors that are in significant and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The carrying amount of trade receivables which approximate their fair values are denominated in Singapore Dollar.

6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016 $	2015 $
Other receivables	257	3,781
Deposits	25,481	29,970
Prepayments	5,443	5,367
	31,181	39,118

7. TRADE PAYABLES

	2016 $	2015 $
Trade payables	157,819	102,172
GST payables	9,968	10,146
	167,787	112,318

The carrying amount of trade payables which approximate their fair values are denominated in Singapore Dollar.

8. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	2016 $	2015 $
Advance from sponsors	11,098	34,170
Deferred income	21,988	4,974
Loan creditors – unsecured and interest-free	675,526	634,743
Deposits	1,090	-
Accruals	74,566	57,051
	784,268	730,938

9. BANK OVERDRAFT - UNSECURED

	2016 $	2015 $
Bank overdraft 1	-	1,436
Bank overdraft 2	131,985	89,005
	131,985	90,441

Bank overdraft 1 arise due to unpresented cheques not cleared as at date of statement of financial position.

Bank overdraft 2 has a credit limit of $90,000 and bears an interest of 12.88% per annum. It is secured by personal guarantee from Company director.

10. AMOUNT DUE TO A DIRECTOR/ SHAREHOLDER

The amount due to a director/ shareholder is unsecured, interest-free and with no fixed terms of repayment.

11. TERM LOAN - UNSECURED

	2016 $	2015 $
Payable within 1 year	25,539	24,147
Payables after 1 year	16,914	43,249
	42,453	67,396

Term loan of $100,000 commenced on 1 July 2015 is repayable over 48 monthly instalments. Interest rate is charged at 5.5% per annum on a monthly rest. It is secured by personal guarantee from Company director.

12. REVENUE

Revenue represents sponsorship income received, sales of food and beverages, training services rendered, etc in the ordinary course of business.

13. OTHER INCOME

	2016 $	2015 $
Absentee Payroll	695	960
Amortisation of deferred income	-	45,438
Capability Development Grant	-	20,000
Curriculum Development Grant	-	26,204
Marketing and outreach Grant	-	13,243
Miscellaneous income	158,792	50,650
PIC Cash Payout	7,591	-
Rental income	-	2,565
SG Enable	7,284	9,530
Special Employment Credit	33,628	37,472
Wage Credit Scheme	32,850	20,121
	240,840	226,183

14. OTHER OPERATING EXPENSES

	2016 $	2015 $
Other operating expenses include the following significant items:		
- Allowance to trainee	59,792	118,429
- CET expenses	34,559	84,820
- Rental of premises	128,588	140,484
- Staff costs (Note 19)	913,529	865,615
- Transport	4,013	6,328
- Utilities	57,205	72,283

15. PROFIT / (LOSS) FROM OPERATIONS

	2016 $	2015 $
Profit / (loss) from operations is arrived at after charging:		
- Depreciation of fixed assets (Note 4)	55,392	96,284
- Loss in foreign exchange	-	556

16. FINANCE COSTS

	2016 $	2015 $
Interest on term loan	2,965	4,289
Overdraft facility interest	10,039	4,756
	13,004	9,045

17. TAXATION

Tax expense

	2016 $	2015 $
Current year tax expense	-	-

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit / (loss) before taxation due to the following factors:

	2016 $	2015 $
Profit / (loss) for the financial year before taxation	21,378	(257,007)
Tax calculated at a tax rate of 17% (2015: 17%)	3,634	(43,691)
Income not taxable for tax purpose	-	(7,724)
Expenses not deductible for tax purpose	11,019	18,793
PIC Enhanced deduction	-	-
S14Q	(4,934)	(6,924)
Unabsorbed loss brought forward	(125,885)	(86,338)
Deferred tax assets not recognised	116,166	125,884
	-	-
Deferred tax assets not recognised		
Unabsorbed tax losses	116,166	125,884

Deferred tax assets arising from unutilised tax losses have not been recognised as the availability of future taxable profit is still uncertain against which the company may utilize the benefits.

As at the date of statement of financial position, the Company had unabsorbed tax losses of approximately $680,000 (2015: $740,000) available for set-off against future taxable profit subject to the provisions of Section 37 of the Income Tax Act.

18. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise the following statement of financial position items:

	2016 $	2015 $
Cash in hand	12,241	8,350
Cash at bank	17,790	1,807
	30,031	10,157
Bank overdraft (Note 9)	(131,985)	(90,441)
	(101,954)	(80,284)

The carrying amounts of cash and cash equivalents which approximate their fair values are denominated in Singapore Dollar.

19. STAFF COSTS

	2016 $	2015 $
Director's remuneration	74,333	81,600
Central Provident Fund	101,482	87,731
Salaries and bonus	717,425	664,260
Foreign Worker's Levy	8,370	8,640
Medical fee	2,652	1,584
Skill Development Levy	1,971	1,795
Staff training	1,689	9,217
Staff welfare	5,607	10,788
	913,529	865,615

20. OPERATING LEASE COMMITTMENT

The Company leases property from non-related parties under non-cancellable operating lease agreements. These leases have varying terms, escalating clauses and renewal rights.

The future minimum lease payables under these non-cancellable operating leases contracted for at date of statement of financial position but not recognised as liabilities, is as follows:

	2016 $	2015 $
Within 1 year	133,287	140,484
Within 2 to 5 years	213,391	94,198
	346,678	234,682

21. GOING CONCERN

The Company has a net capital deficit of $717,441 and its current liabilities exceeded its current assets by $779,004. The ability of the Company to continue as a going concern is dependent on the ability of the directors and shareholders to obtain financial support for the Company.

22. FINANCIAL RISKS AND FAIR VALUES

The Company does not have written risk management policies and guidelines. The Company is exposed to financial risks arising in the normal course of business.

a) Liquidity risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

b) Interest rate risk

The Company obtains additional financing through bank borrowings and leasing arrangements.

The Company's policy is to obtain the most favorable interest rates available in the market. Information relating to the Company's interest-rate exposure is disclosed in Notes 11 to the financial statements.

c) Credit risk

The carrying amount of financial assets in the statement of financial position represents the Company's maximum exposure to credit risk.

The Company has no significant concentration of credit risk as at the date of statement of financial position.

d) Fair values

As at the date of statement of financial position, the carrying amounts of the Company's financial assets and financial liabilities were approximate to their net fair values.

FINANCIAL RISKS AND FAIR VALUES (CONT'D)

e) Capital management

The Company manages it capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt, bank balances and equity attributable to equity holders of the Company, comprising issued capital and retained earnings as disclosed in relevant notes to financial statements.

Management reviews the Company's capital structure from time to time and recommends to the Board of Directors appropriate actions such as payment of dividend and new share issues.

As at 31 December 2016, the Company is not subject to any externally imposed capital requirement.

23. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 30 JUN 2017

THE FOLLOWING SCHEDULE DOES NOT FORM PART OF THE AUDITED STATUTORY FINANCIAL STATEMENTS

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	2016 $	2015 $
Revenue	1,428,780	1,269,543
Less: Cost of sales		
Purchases	(261,480)	(249,304)
Gross profit	1,167,300	1,020,239
Add: Other income		
Absentee Payroll	695	960
Amortisation of deferred income	-	45,438
Capability Development Grant	-	20,000
Curriculum Development Grant	-	26,204
Marketing and outreach Grant	-	13,243
Miscellaneous income	158,792	50,650
PIC Cash Payout	7,591	-
Rental income	-	2,565
SG Enable	7,284	9,530
Special Employment Credit	33,628	37,472
Wage Credit Scheme	32,850	20,121
	240,840	226,183
	1,408,140	1,246,422
Less: Total expenses (page 28)	(1,386,762)	(1,503,429)
Profit / (loss) for the financial year	21,378	(257,007)

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)

SCHEDULE OF TOTAL EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	2016 $	2015 $
Administrative expenses		
Audit fee – current year	1,900	1,900
Postage and courier	130	141
Printing and stationery	5,894	5,517
Tax fee	450	450
	8,374	8,008
Other operating expenses		
Advertisement and promotion	51	3,248
Allowance to trainee	59,792	118,429
Bank service charges	2,734	2,295
Central Provident Fund	101,482	87,731
CET expenses	34,559	84,820
Cleaning supplies	3,365	2,835
Computer expenses	865	1,167
Depreciation of fixed assets	55,392	96,284
Director's remuneration	74,333	81,600
Donation	300	-
Entertainment and refreshment	958	398
Foreign Worker Levy	8,370	8,640
General expenses	3,319	4,654
Insurance	5,460	5,199
Late payment interest	6,382	2,883
License and permit	4,072	2,626
Loss in foreign exchange	-	556
Medical fees	2,652	1,584
Membership and subscription	405	475
Non CET training expenses	32,973	7,792
Office supplies	1,928	2,475
Pest control services	1,395	1,860
Professional and legal fee	8,090	24,623
Rental of equipment	4,005	4,980
Rental of premises	128,588	140,484
Repair and maintenance	19,294	17,379
Salaries and bonus	717,425	664,260
Skill Development Levy	1,971	1,795
Staff training	1,689	9,217
Staff welfare	5,607	10,788
Telecommunication	4,768	4,236
Transport	4,013	6,328
Travelling	2,494	1,645
Upkeep of stalls	4,548	7,807
Upkeep of motor vehicles	4,900	-
Utilities	57,205	72,283
Website expenses	-	3,000
	1,365,384	1,486,376
Less: Finance costs		
Interest on term loan	2,965	4,289
Overdraft facility interest	10,039	4,756
	13,004	9,045
Total expenses	1,386,762	1,503,429