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

AND ITS SUBSIDIARY

ACCOUNTS AND REPORTS

For the financial year ended

31 December 2019

CONTENTS

DIRECTOR'S STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The director is pleased to present his statement to the members together with the audited consolidated financial statements of Project Dignity Pte. Ltd. and of the Group for the financial year ended 31 December 2019.

1. Opinion of the director

In the opinion of the director,

(a) The consolidated financial statements of the Group and the Company are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group and 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. Acquisition or disposal of subsidiaries

There was acquisition of subsidiary during the financial year.

4. 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.

5. 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:

5. Director's interests in shares or debentures (Cont'd)

Number of ordinary shares in the Company	Shareholdings registered in the name of directors 1/1/2019	31/12/2019	Shareholdings in which directors are deemed to have an interest 1/1/2019	31/12/2019
The Company – Project Dignity Pte Ltd				
Koh Seng Choon	50,000	50,000	-	-
The Subsidiary Project Dignity (Hong Kong) Company Limited				
Koh Seng Choon	-	-	17	17

6. 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.

7. Auditor

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

The Sole Director

KOH SENG CHOON
Director

Dated: 13th January 2021

SAPAC
Straits Assurance PAC
Public Accountants and Chartered Accountants
Reg. No. 201326650Z

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying financial statements of **PROJECT DIGNITY PTE. LTD.** (the "Company"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company 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 consolidated financial position of the Group and financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Qualified Opinion

We do not have access to the audit working papers of the Company's subsidiary as we are not the auditor for the subsidiary. Due to the above restriction, we were also not able to perform any other satisfactory alternative procedures for us to fulfil the requirements of Singapore Standards on Auditing 600, Special Considerations – Audit of Group Financial Statements (including the Work of Component Auditors). Therefore, we were unable to determine whether the audited management accounts of subsidiary is suitable for inclusion in the preparation of the consolidated financial statement of the Group and whether any adjustments and/or additional disclosures is necessary in respect of the subsidiary to be included in the consolidated financial statements of the Group.

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 Group 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 25 in the financial statements, which indicates that the Group and the Company's current liabilities exceeded its current assets by $1,067,544 and $710,798 respectively. As stated in Note 25, these events or conditions, along with other matters as set forth in Note 25, 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.

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)

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.

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:

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 (Cont'd)

- 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, 13 JAN 2021
MP/SAPAC

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

THE GROUP	Note	2019 $
SHARE CAPITAL	3	50,000
(ACCUMULATED LOSSES)		(1,088,986)
TRANSLATION RESERVE		1,432
		(1,037,554)
Represented By:		
PROPERTY, PLANT AND EQUIPMENT	4	759,177
CURRENT ASSETS		
Trade receivables	6	236,743
Other receivables, deposits and prepayments	7	228,096
Cash and cash equivalents	14	94,729
		559,568
LESS CURRENT LIABILITIES		
Trade payables	9	358,985
Other payables, deposits and accruals	10	791,157
Amount due to director	11	173,100
Borrowings	12	303,870
		1,627,112
Net Current (Liabilities)		(1,067,544)
NON-CURRENT LIABILITIES		
Amount due to director	11	(519,300)
Borrowings	12	(209,887)
		(729,187)
		(1,037,554)

The accompanying notes form an integral part of these financial statements

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

THE COMPANY	Note	2019 $	2018 $
SHARE CAPITAL	3	50,000	50,000
(ACCUMULATED LOSSES)		(813,657)	(661,522)
		(763,657)	(611,522)
Represented By:			
PROPERTY, PLANT AND EQUIPMENT	4	157,011	109,836
INVESTMENT IN SUBSIDIARY	5	17	-
CURRENT ASSETS			
Trade receivables	6	236,743	438,835
Other receivables, deposits and prepayments	7	113,375	60,437
Amount due from related party	8	87,216	-
Cash and cash equivalents	14	20,870	88,376
		458,204	587,648
LESS CURRENT LIABILITIES			
Trade payables	9	184,363	135,540
Other payables, deposits and accruals	10	611,529	760,570
Amount due to director	11	69,240	-
Borrowings	12	303,870	161,297
		1,169,002	1,057,407
Net Current (Liabilities)		(710,798)	(469,759)
NON-CURRENT LIABILITIES			
Borrowings	12	(209,887)	(251,599)
		(209,887)	(251,599)
		(763,657)	(611,522)

The accompanying notes form an integral part of these financial statements

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)
AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		The Group	The Company	
				(Reclass)
	Note	2019 $	2019 $	2018 $
Revenue	16	1,948,726	1,941,694	1,800,886
Cost of sales		(1,411,746)	(1,402,038)	(1,193,085)
Gross profit		536,980	539,656	607,801
Other income	17	143,937	201,641	298,214
Administrative expenses		(11,157)	(9,206)	(10,330)
Other operating expenses	18	(1,052,000)	(839,002)	(827,724)
(Loss)/profit from operations	19	(382,240)	(106,911)	67,961
Finance costs	20	(40,066)	(40,066)	(23,090)
(Loss)/profit for the financial year before taxation		(422,306)	(146,977)	44,871
Taxation	21	-	-	-
(Loss)/profit for the financial year after taxation		(422,306)	(146,977)	44,871
Other comprehensive income		-	-	-
Total comprehensive (expenses)/ income for the financial year		(422,306)	(146,977)	44,871

The accompanying notes form an integral part of these financial statements

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)
AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Share Capital $	(Accumulated Losses) $	Translation reserve $	Total $
The Group				
As at 1 January 2018	50,000	(706,393)	-	(656,393)
Total comprehensive income for the financial year	-	44,871	-	44,871
As at 31 December 2018	50,000	(661,522)	-	(611,522)
As at 1 January 2019	50,000	(661,522)	-	(611,522)
Effects of adopting amendments to FRS 116 *leases*	-	(5,158)	-	(5,158)
As at 1 January 2019 (restated)	50,000	(666,680)	-	(616,680)
Total comprehensive (expenses) for the financial year	-	(422,306)	1,432	(420,874)
As at 31 December 2019	50,000	(1,088,986)	1,432	(1,037,554)
The Company				
As at 1 January 2018	50,000	(706,393)	-	(656,393)
Total comprehensive income for the financial year	-	44,871	-	44,871
As at 31 December 2018	50,000	(661,522)	-	(611,522)
As at 1 January 2019	50,000	(661,522)	-	(611,522)
Effects of adopting amendments to FRS 116 *leases*	-	(5,158)	-	(5,158)
As at 1 January 2019 (restated)	50,000	(666,680)	-	(616,680)
Total comprehensive (expenses) for the financial year	-	(146,977)	-	(146,977)
As at 31 December 2019	50,000	(813,657)	-	(763,657)

The accompanying notes form an integral part of these financial statements

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)
AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	The Group 2019 $
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) for the financial year before taxation		(422,306)
Adjustment for:-		
Depreciation of property, plant and equipment	4	199,918
Finance costs		40,066
Unrealised currency translation loss		1,449
Operating profit before working capital changes		(180,873)
Decrease in trade receivables		202,092
(Increase) in other receivables, deposits and prepayments		(167,660)
Increase in trade payables		223,445
Increase in other payables, deposits and accruals		30,587
		288,464
Net cash generated from operating activities		107,591
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) of fixed assets		(628,771)
Acquisition of a subsidiary		(17)
Net cash (used in) investing activities		(628,788)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in amount due to a director		692,400
(Repayment) of term loan		(74,395)
Proceeds from term loan		50,000
(Repayment) of lease liabilities		(132,878)
Finance costs (paid)		(40,066)
Net cash generated from financing activities		495,061
NET CHANGE IN CASH AND CASH EQUIVALENTS		(26,136)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		13,726
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	14	(12,410)

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 consolidated 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 69 Boon Keng Road, Singapore 339772 which was changed on 16 December 2020.

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 consolidated financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of consolidated financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's and 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 consolidated financial statements are disclosed in Note (c).

b) ADOPTION OF NEW AND REVISED STANDARDS

During the current financial year beginning 1 January 2019, the Group and the Company has adopted all applicable new and revised FRS INT FRS that are relevant to its operations and effective for the current financial year. Except for the adoption of FRS 116 *Leases* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

b) ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

FRS 116 Leases

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Company adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The effect of adopting FRS 116 as at 1 January 2019 was as follows:

	Increase/ (decrease) $
Property, plant and equipment	103,189
Lease liabilities	108,347
Retained earnings	(5,158)

The Company has lease contracts for motor vehicles and office. Before the adoption of FRS 116, the Company classified of its leases (as lessee) at the inception date as an operating lease, the accounting policy prior to 1 January 2019 is disclosed in Note 2(r).

Upon adoption of FRS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2(r). The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

b) ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

FRS 116 Leases (Cont'd)

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

i) used a single discount rate to a portfolio of leases with reasonably similar characteristics;

ii) relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;

iii) applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;

iv) excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and

v) used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 January 2019:

i) right-of-use assets of $103,189 were recognised and presented within property, plant and equipment.

ii) additional lease liabilities of $108,347 were recognised;

iii) the net effect of these adjustments of $5,158 had been adjusted to retained earnings. Comparative information is not restated.

b) ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

FRS 116 Leases (Cont'd)

Leases previously accounted for as operating leases (Cont'd)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	$
Operating lease commitments as at 31 December 2018	110,874
Weighted average incremental borrowing rate as at 1 January 2019	5.00%
Discounted operating lease commitments as at 1 January 2019	108,347
Lease liabilities as at 1 January 2019	108,347

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under FRS 17). The requirements of FRS 116 were applied to these leases from 1 January 2019.

FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, the Group and the Company has not adopted the following new/revised FRS (including their consequential amendments) and INT FRS which are potentially relevant to the Group and the Company that have been issued but not yet effective for the current financial year.

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 *Definition of Material*	1 January 2020

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

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 Group and 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 Group and the Company is subjected 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 Group and 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.

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 property, plant and equipment

The Group's property, plant and equipment are depreciated on a straight-line basis over the 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 Group's property, plant and equipment is disclosed in Note 4.

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

(ii) Allowance for doubtful receivables

Allowance for doubtful receivables of the Group and 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 Group and the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

d) BASIS OF CONSOLIDATION

(a) Subsidiary

(i) Consolidation
Subsidiary are entity (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiary are consolidated from the date on which control is transferred to the Group. There are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated but are considered and impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in non-controlling interests having a deficit balance.

d) BASIS OF CONSOLIDATION (CONT'D)

(ii) Acquisitions
The acquisition method of accounting is used to account for business combinations by the Group

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to paragraph "intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the management of all amounts has been reviewed, the difference is recognised directly in profit of loss as a gain from bargain purchase.

(iii) Disposals
When a change in the group ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognized. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associates" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

e) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment 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	1-3
Kitchen Equipment	1-3
Motor vehicle	5
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.

f) 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, where applicable, when an annual impairment testing for an asset is required), the Group and 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.

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.

g) FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial assets.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed off in profit or loss.

Trade receivables are measure at the amount of consideration to which the Group or the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

i) Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group or the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Group or the Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measure at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition and measurement

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. 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 for debt instruments is recognised in profit and loss.

The Group or 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.

h) IMPAIRMENT OF FINANCIAL ASSETS

The Group or the Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group or the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group or the Company applies a simplified approach in calculating ECLs. Therefore, the Group or the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group or the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group or the Company consider a financial asset to be in default when internal or external information indicates that the Group or the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group or the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

i) FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. The Group or 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 FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL 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 comprises of trade and other payables, and borrowings.

i) FINANCIAL LIABILITIES (CONT'D)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit and loss.

j) LOANS AND BORROWING COSTS

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the date of statement of financial position.

Borrowings are initially recognized at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs are recognized in profit or loss using the effective interest method.

k) CASH AND CASH EQUIVALENTS

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

l) 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.

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.

m) 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.

n) RELATED PARTIES

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Group and the Company if that person:

- Has control or joint control over the Group and the Company;
- Has significant influence over the Group and the Company; or
- Is a member of the key management personnel of the Group and of the Company or a parent of the Group and of the Company.

(ii) An entity is related to the Group and the Company if any of the following conditions applies:

- The entity and both the Group and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- Both entities are joint ventures of the same third party;
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- The entity is a post-employment benefit plan for the benefit of employees of both the Group and the Company, or an entity related to the Group and the Company. If the Group and the Company is itself such a plan, the sponsoring employers are also related to the Group and the Company;
- The entity is controlled or jointly controlled by a person identified in (i); or
- A person identified in (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).

o) 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.

p) 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.

q) 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.

r) LEASES ASSETS

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

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

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

s) CURRENCIES TRANSLATION

Functional and presentation currency

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

t) REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Group or the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group or the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

Revenue from sale of goods is recognised when the Group or the Company has delivered the products to the customers and the customers have accepted the products in accordance with the terms of the sale contracts or arrangement.

u) 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.

v) LEASES

These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019:

The Group or the Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) As lessee

The Group or the Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group or the Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group or the Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group or the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2(f).

The Group and the Company's right-of-use assets are presented within property, plant and equipment in Note 4.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

v) **LEASES (CONT'D)**

i) **As lessee (Cont'd)**

Lease liabilities (Cont'd)

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in borrowings (Note 12).

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

i) **As lessee**

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

3. SHARE CAPITAL

	The Group and the Company			
	2019		2018	
	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. PROPERTY, PLANT AND EQUIPMENT

	At beginning of the year $	Effect of adopting FRS 116 $	Additions / Charge $	(Disposals) $	At end of the year $
The Group					
2019					
Cost					
Computer and IT equipment	84,334	-	8,500	-	92,834
Kitchen Equipment	46,793	-	900	-	47,693
Motor vehicle	56,646	(56,646)	-	-	-
Office equipment	28,934	-	-	-	28,934
Other equipment	16,174	-	-	-	16,174
Renovation	338,767	-	287,032	-	625,799
Furniture & equipment	-	-	312,211	-	312,211
Utensils	-	-	20,128	-	20,128
	571,648	(56,646)	628,771	-	1,143,773
Right-of-use asset					
Retail Stores	-	26,899	-	-	26,899
Office	-	335,047	117,299	(335,047)	117,299
Motor vehicle	-	56,646	-	-	56,646
	-	418,592	117,299	(335,047)	200,844
	571,648	361,946	746,070	(335,047)	1,344,617

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At beginning of the year $	Effect of adopting FRS 116 $	Additions / Charge $	(Disposals) $	At end of the year $
The Group					
2019					
Accumulated depreciation					
Computer and IT equipment	73,888	-	6,609	-	80,497
Kitchen Equipment	21,363	-	12,073	-	33,436
Motor vehicle	17,938	(17,938)	-	-	-
Office equipment	25,995	-	1,778	-	27,773
Other equipment	16,174	-	-	-	16,174
Renovation	306,454	-	36,844	-	343,298
Furniture & equipment	-	-	8,673	-	8,673
Utensils	-	-	559	-	559
	461,812	(17,938)	66,536	-	510,410
Right-of-use asset					
Retail Stores	-	7,472	8,967	-	16,439
Office	-	251,285	113,086	(335,047)	29,324
Motor vehicle	-	17,938	11,329	-	29,267
	-	276,695	133,382	(335,047)	75,030
	461,812	258,757	199,918	(335,047)	585,440

	Net Book Value 2019 $	Depreciation 2019 $
The Group		
Computer and IT equipment	12,337	6,609
Kitchen Equipment	14,257	12,073
Motor vehicle	-	-
Office equipment	1,161	1,778
Other equipment	-	-
Renovation	282,501	36,844
Furniture & equipment	303,538	8,673
Utensils	19,569	559
	633,363	66,536
Right-of-use asset		
Retail Stores	10,460	8,967
Office	87,975	113,086
Motor vehicle	27,379	11,329
	125,814	133,382
	759,177	199,918

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At beginning of the year $	Effect of adopting FRS 116 $	Additions / Charge $	(Disposals) $	At end of the year $
The Company					
2019					
Cost					
Computer and IT equipment	84,334	-	8,500	-	92,834
Kitchen Equipment	46,793	-	900	-	47,693
Motor vehicle	56,646	(56,646)	-	-	-
Office equipment	28,934	-	-	-	28,934
Other equipment	16,174	-	-	-	16,174
Renovation	338,767	-	-	-	338,767
	571,648	(56,646)	9,400	-	524,402
Right-of-use asset					
Retail Stores	-	26,899	-	-	26,899
Office	-	335,047	117,299	(335,047)	117,299
Motor vehicle	-	56,646	-	-	56,646
		418,592	117,299	(335,047)	200,844
	571,648	361,946	126,699	(335,047)	725,246

	At beginning of the year $	Effect of adopting FRS 116 $	Additions / Charge $	(Disposals) $	At end of the year $
The Company					
2019					
Accumulated depreciation					
Computer and IT equipment	73,888	-	6,609	-	80,497
Kitchen Equipment	21,363	-	12,073	-	33,436
Motor vehicle	17,938	(17,938)	-	-	-
Office equipment	25,995	-	1,778	-	27,773
Other equipment	16,174	-	-	-	16,174
Renovation	306,454	-	28,871	-	335,325
	461,812	(17,938)	49,331	-	493,205
Right-of-use asset					
Retail Stores	-	7,472	8,967	-	16,439
Office	-	251,285	113,086	(335,047)	29,324
Motor vehicle	-	17,938	11,329	-	29,267
	-	276,695	133,382	(335,047)	75,030
	461,812	258,757	182,713	(335,047)	568,235

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At beginning of the year $	Additions / Charge $	(Disposals) $	At end of the year $
The Company				
2018				
Cost				
Computer and IT equipment	72,598	11,736	-	84,334
Kitchen Equipment	24,725	22,068	-	46,793
Motor vehicle	56,646	-	-	56,646
Office equipment	28,934	-	-	28,934
Other equipment	16,174	-	-	16,174
Renovation	338,767	-	-	338,767
	537,844	33,804	-	571,648
Accumulated depreciation				
Computer and IT equipment	68,077	5,811	-	73,888
Kitchen Equipment	12,377	8,986	-	21,363
Motor vehicle	6,609	11,329	-	17,938
Office equipment	24,171	1,824	-	25,995
Other equipment	16,174	-	-	16,174
Renovation	275,495	30,959	-	306,454
	402,903	58,909	-	461,812

	Net Book Value		Depreciation	
	2019 $	2018 $	2019 $	2018 $
Computer and IT equipment	12,337	10,446	6,609	5,811
Kitchen Equipment	14,257	25,430	12,073	8,986
Motor vehicle	-	38,708	-	11,329
Office equipment	1,161	2,939	1,778	1,824
Other equipment	-	-	-	-
Renovation	3,442	32,313	28,871	30,959
	31,197	109,836	49,331	58,909
Right-of-use asset				
Retail Stores	10,460	-	8,967	-
Office	87,975	-	113,086	-
Motor vehicle	27,379	-	11,329	-
	125,814	-	133,382	-
	157,011	109,836	182,713	58,909

5. INVESTMENT IN SUBSIDIARY

	The Group 2019 $	The Group 2018 $	The Company 2019 $	The Company 2018 $
Unquoted equity shares, at cost				
At beginning of the financial year	-	-	-	-
Acquisition during the year	-	-	17	-
At end of the financial year	-	-	17	-

Details of subsidiary are as follows:

Name of Subsidiary	Principal Activities	Country of Incorporation / Operations	Cost of Investments 2019 $	Cost of Investments 2018 $	Group's Effective Interest 2019 %	Group's Effective Interest 2018 %
Project Dignity (Hong Kong) Company Limited	Cooked food centre and provision of training services and motivational courses	Hong Kong	17	-	100	-

6. TRADE RECEIVABLES

	The Group 2019 $	The Company 2019 $	The Company 2018 $
Trade receivables	236,743	236,743	438,835
	236,743	236,743	438,835

<u>Receivables that are past due but not impaired</u>

The Company has trade receivables amounting to $236,743 (2018: $438,835) 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:

6. TRADE RECEIVABLES (CONT'D)

	The Group	The Company	
	2019	2019	2018
	$	$	$
Lesser than 31 days	147,154	147,154	294,088
31 to 60 days	2,733	2,733	11,501
61 to 90 days	1,746	1,746	16,707
More than 90 days	85,110	85,110	116,539
	236,743	236,743	438,835

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.

7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	The Company	
	2019	2019	2018
	$	$	$
Other receivables	86,978	86,978	20,170
Deposits	113,935	19,783	19,745
Prepayments	27,183	6,614	20,522
	228,096	113,375	60,437

8. AMOUNTS DUE FROM RELATED PARTY

The amounts due from related party are unsecured, interest-free and are repayable on demand.

	The Group	The Company	
	2019	2019	2018
	$	$	$
Due from related company			
- Non-trade	-	69,240	-
- Trade	-	17,976	-
	-	87,216	-

9. TRADE PAYABLES

	The Group	The Company	
	2019	2019	2018
	$	$	$
Trade payables	324,859	150,237	104,822
GST payable	34,126	34,126	30,718
	358,985	184,363	135,540

The carrying amount of trade payables which approximates their fair values are denominated in the following currencies:

	The Group	The Company	
	2019	2019	2018
	$	$	$
Hong Kong Dollar	174,622	-	-
Singapore Dollar	184,363	184,363	135,540
	358,985	184,363	135,540

10. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	The Group	The Company	
	2019	2019	2018
	$	$	$
Advance from sponsors	177,288	-	-
Deferred income	18,485	18,485	94,794
Loan creditors – unsecured and interest-free	562,606	562,606	627,526
Deposits	2,340	-	-
Accruals	30,438	30,438	38,244
Other payables	-	-	6
	791,157	611,529	760,570

The carrying amount of trade payables which approximates their fair values are denominated in the following currencies:

	The Group	The Company	
	2019	2019	2018
	$	$	$
Hong Kong Dollar	179,628	-	-
Singapore Dollar	611,529	611,529	760,570
	791,157	611,529	760,570

11. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest-free and is repayable on demand.

12. BORROWINGS

	The Group	The Company	
	2019	2019	2018
	$	$	$
Current:			
Bank overdraft	107,139	107,139	74,650
Finance lease liabilities (Note 15)	-	-	6,694
Lease liabilities (Note 13)	104,958	104,958	-
Term loans	91,773	91,773	79,953
	303,870	303,870	161,297
Non-current:			
Finance lease liabilities (Note 15)	-	-	33,948
Lease liabilities (Note 13)	28,451	28,451	-
Term loans	181,436	181,436	217,651
	209,887	209,887	251,599
	513,757	513,757	412,896

The carrying amounts of borrowings which approximate their fair values are denominated in Singapore Dollars.

The discount rate implicit in the lease liabilities are approximately 5.00% - 6.04% per annum.

Bank overdraft 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.

Term loan of $40,000 commenced on 28 February 2018 is repayable over 60 monthly instalments. Interest rate is charged at 8.88% per annum on a monthly rest. It is secured by personal guarantee from Company director.

Term loan of $300,000 commenced on 02 April 2018 is repayable over 60 monthly instalments. Interest rate is charged at 6.25% per annum on a monthly rest. It is secured by personal guarantee from Company director.

Term loan of $50,000 commenced on 04 January 2019 and is repayable over 48 monthly instalments. Interest rate is charged at 5% per annum on a monthly rest. It is secured by personal guarantee from Company director.

12. BORROWINGS (CONT'D)

A reconciliation of liabilities arising from financing activities excluding bank overdrafts is as follows:

			Non-cash changes			
	1 January 2019 $	Cash flows $	Acquisition $	Accretion of interest $	Other $	31 December 2019 $
Liabilities						
Lease liabilities						
- current	104,100	(138,262)	28,778	5,384	104,958	104,958
- non-current	44,888	-	88,521	-	(104,958)	28,451
	148,988	(138,262)	117,299	5,384	-	133,409

13. LEASES

Company as a lessee

The Company has lease contracts for motor vehicle and office. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options which are further discussed below.

Company as a lessee (Cont'd)

a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Motor Vehicle $	Office $	Retail Store $	Total $
Balance at 1 January 2019	38,708	83,762	19,427	141,897
Depreciation charge for the year	(11,329)	(29,324)	(8,967)	(49,620)
Addition to right-of-use asset	-	33,537	-	33,537
Balance at 31 December 2019	27,379	87,975	10,460	125,814

b) Lease liabilities

The carrying amounts of lease liabilities (included under borrowings) and the movements during the year are disclosed in Note 12.

13. LEASES (CONT'D)

c) Amounts recognised in profit or loss

	2019 $
Depreciation of right-of-use assets	133,382
Interest expense on lease liabilities	5,384
Lease expense not capitalised in lease liabilities:	
- Expense relating to short term leases (included in other operating expenses)	19,298
Total amount recognised in profit or loss	158,064

d) Total cash outflow

The Company had total cash outflows for leases of $138,262 in 2019.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows are as follows:

	The Group 2019 $	The Company 2019 $	 2018 $
Cash in hand	6,760	4,269	13,398
Cash at bank	87,969	16,601	74,978
	94,729	20,870	88,376
Bank overdraft (Note 12)	(107,139)	(107,139)	(74,650)
	(12,410)	(86,269)	13,726

The carrying amount of cash and cash equivalents which approximates their fair values are denominated in the following currencies:

	The Group 2019 $	The Company 2019 $	 2018 $
Hong Kong Dollar	73,859	-	-
Singapore Dollar	(86,269)	(86,269)	13,726
	(12,410)	(86,269)	13,726

15. FINANCE LEASE OBLIGATION

The Company leases motor vehicle under finance lease arrangements. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Minimum Payments 2018 $	Present value of payments 2018 $
Within 1 year	8,628	6,694
After 1 year but within 5 year	37,381	33,948
	46,009	40,642
Finance charge	(5,367)	-
	40,642	40,642

The discount rate implicit in the lease is charged at rate of 6.04% per annum.

Finance lease liabilities were reclassified to lease liabilities on 1 January 2019 arising from the adoption of FRS 116. The impact of adoption is disclosed in Note 2(b).

16. REVENUE

	The Group 2019 $	The Company 2019 $	The Company 2018 $
Training fees	1,108,525	1,108,525	1,007,295
Social programme income	252,839	249,863	231,047
Food and beverage sales	587,362	583,306	562,544
	1,948,726	1,941,694	1,800,886

17. OTHER INCOME

	The Group	The Company	
	2019	2019	2018
	$	$	$
Absentee Payroll	3,533	3,533	3,439
Amortisation of deferred income	11,900	11,900	11,900
Miscellaneous income	3,388	3,388	20,501
Management income	-	60,000	-
PIC Cash Payout	-	-	10,157
Rental income	93	93	140
RAISE venture for good grant	-	-	150,000
SG Enable	-	-	25,785
SNEF grant	14,208	14,208	20,000
Special Employment Credit	58,688	58,688	26,797
Sponsorship income	2,296	-	-
Wage Credit Scheme	39,183	39,183	24,323
Workforce SG grant	10,648	10,648	5,172
	143,937	201,641	298,214

18. OTHER OPERATING EXPENSES

	The Group	The Company	
	2019	2019	2018
	$	$	$
Other operating expenses include the following significant items:			
- Allowance to trainee	75,951	75,951	68,691
- Professional and legal fees	13,236	1,300	4,274
- Rental of premises	19,882	19,298	141,764
- Staff costs (Note 22)	464,793	394,307	407,005
- Repair and maintenance	46,024	15,042	23,272
- Transport	9,790	4,435	5,849
- Travelling	41,244	-	713
- Utilities	54,154	53,068	52,036

19. (LOSS) / PROFIT FROM OPERATIONS

	The Group	The Company	
	2019	2019	2018
	$	$	$
Profit from operations include the following significant items:			
- Depreciation of property, plant and equipment (Note 4)	200,008	182,713	58,909
- Bad debts written off - Trade	38,241	38,241	10,970

20. FINANCE COSTS

	The Group	The Company	
	2019	2019	2018
	$	$	$
Hire purchase interest	-	-	2,315
Interest on term loan	19,660	19,660	17,790
Interest on lease liabilities	5,384	5,384	-
Loan interest	5,000	5,000	-
Overdraft facility interest	10,022	10,022	2,985
	40,066	40,066	23,090

21. TAXATION

Tax expense

	The Group	The Company	
	2019	2019	2018
	$	$	$
Current year	-	-	-

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:

21. TAXATION (CONT'D)

	The Group 2019 $	The Company 2019 $	The Company 2018 $
Profit before taxation	(422,306)	(146,977)	44,871
Tax calculated at a tax rate of 17% (2018: 17%)	(71,648)	(24,986)	7,628
Expenses not deductible for tax purpose	10,772	10,772	11,300
Income not taxable for tax purpose	-	-	(1,727)
Approved donation	(64)	(64)	-
S14Q	-	-	(3,586)
Unutilised losses brought forward	(88,741)	(88,741)	(101,570)
Unutilised capital allowances brought forward	-	-	(786)
Others	(35,808)	-	-
Deferred tax assets not recognised	185,489	103,019	88,741
	-	-	-
Deferred tax assets not recognised			
Unabsorbed losses	185,489	103,019	88,741

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 $605,000 (2018: $522,000) available for set-off against future taxable profit subject to the provisions of Section 37 of the Income Tax Act.

22. STAFF COSTS

	The Group 2019 $	The Company 2019 $	The Company 2018 $
Directors' remuneration	97,525	97,525	93,010
Salaries and bonus	294,683	232,173	234,164
Central Provident Fund	32,672	32,672	35,972
Foreign worker levy	18,016	18,016	8,904
Medical fee	2,830	2,830	4,217
Skill development levy	2,759	2,759	2,260
Staff training	4,043	2,875	11,801
Staff welfare	12,265	5,457	16,677
	464,793	394,307	407,005

23. OPERATING LEASE COMMITMENT

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:

	2018
	$
Within 1 year	99,634
Within 2 to 5 years	11,240
	110,874

24. RELATED PARTY TRANSACTIONS

During the financial year, the related party transactions between both the Group and the Company and its related parties, on terms agreed between the parties, are as follows:

	The Group	The Company	
	2019	2019	2018
	$	$	$
Amount billed by/ (to) related party			
Other income – Management fee income	-	(60,000)	-

25. GOING CONCERN

The Group has a net capital deficit of $1,037,554 and its current liabilities exceeded its current assets by $1,067,544. And the Company has a net capital deficit of $763,657 and its current liabilities exceeded its current asset by $710,798. The ability of the Group and 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.

26. 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.

FINANCIAL RISKS AND FAIR VALUES (CONT'D)

a) Liquidity risk

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

b) Interest rate risk

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

The Group's and the Company policy is to obtain the most favorable interest rates available in the market. Information relating to the Group's interest-rate exposure is disclosed in Notes 12 to the financial statements.

c) Credit risk

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

The Group and 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 Group and the Company's financial assets and financial liabilities were approximate to their net fair values.

e) Capital management

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

Management reviews the Group and 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 2019, the Group and the Company is not subject to any externally imposed capital requirement.

27. RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statement to enhance comparability with the current year's financial statements. As a result of this, certain items have been amended on the face of the statement of comprehensive income and the related notes have been adjusted to the financial statements. Comparative figures have been adjusted to confirm to the current year's representation. The reclassifications were not significant.

The financial effects from prior year's reclassifications on the comparative financial statement for the financial year ended 31 December 2018 are as follows:

	Previously Reported $	Reclassified $	As stated $
The Company			
2018			
Statement of comprehensive income			
Cost of sales	282,619	910,466	1,193,085
Other operating expenses	1,738,190	(910,466)	827,724

28. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 13 JAN 2021

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 2019

	2019	(Reclass) 2018
	$	$
Revenue	1,941,694	1,800,886
Less: Cost of sales		
Training cost	211,345	235,789
Purchases	264,566	287,292
Labour cost	926,127	670,004
	1,402,038	1,193,085
Gross profit	539,656	607,801
Add: Other income		
Absentee Payroll	3,533	3,439
Amortisation of deferred income	11,900	11,900
Miscellaneous income	3,388	20,501
Management fee income	60,000	-
PIC Cash Payout	-	10,157
Rental income	93	140
RAISE Venture for Good Grant	-	150,000
SG Enable	-	25,785
SNEF Grant	14,208	20,000
Special Employment Credit	58,688	26,797
Wage Credit Scheme	39,183	24,323
Workforce SG Grant	10,648	5,172
	201,641	298,214
	741,297	906,015
Less: Total expenses (page 46-47)	(888,274)	(861,144)
(Loss)/profit for the financial year	(146,977)	44,871

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)

SCHEDULE OF TOTAL EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	2019 $	(Reclass) 2018 $
Administrative expenses		
Audit fee – current year	3,100	2,600
Postage and courier	178	93
Printing and stationery	5,378	7,087
Tax fee	550	550
	9,206	10,330
Other operating expenses		
Advertisement and promotion	860	3,478
Allowance to trainee	75,951	68,691
Bank service charges	2,538	6,254
Bad debts written off - Trade	38,241	10,970
Central Provident Fund	32,672	35,972
Cleaning supplies	2,100	2,929
Computer expenses	11,094	3,634
Depreciation of fixed assets	182,713	58,909
Director's remuneration	97,525	93,010
Donation	150	-
Entertainment and refreshment	817	395
Foreign Worker Levy	18,016	8,904
Fixed assets written off	1,935	-
Foreign exchange loss	1,439	-
General expenses	1,194	1,703
Insurance	6,582	7,469
Late payment interest	2,670	3,578
License and permit	3,059	3,797
Medical fees	2,830	4,217
Membership and subscription	500	749
Office supplies	1,536	1,759
Pest control services	1,860	1,860
Professional and legal fee	1,300	4,274
Rental of equipment	4,096	3,900
Rental of premises	19,298	141,764
Repair and maintenance	15,042	23,272
Salaries and bonus	232,173	234,164
Skill Development Levy	2,759	2,260
Staff training	2,875	11,801
Staff welfare	5,457	16,677
Telecommunication	4,209	4,587
Transport	4,435	5,849
Travelling	-	713
Upkeep of motor vehicles	8,008	8,149
Utilities	53,068	52,036
	839,002	827,724

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)

SCHEDULE OF TOTAL EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	2019 $	(Reclass) 2018 $
Less: Finance costs		
Hire purchase interest	1,934	2,315
Interest on term loan	19,660	17,790
Interest on lease liabilities	3,450	-
Loan interest	5,000	-
Overdraft facility interest	10,022	2,985
	40,066	23,090
Total expenses	888,274	861,144