

PROJECT DIGNITY PTE. LTD.
(Incorporated in Singapore)
(Company Registration Number: 2010-17313-E)

ACCOUNTS AND REPORTS

For the financial period ended

31 December 2012

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PROJECT DIGNITY PTE. LTD.
(Incorporated in Singapore)

REPORT OF THE DIRECTOR

The director presents his report together with the audited financial statements of the Company for the financial year ended 31 December 2012.

1. The director in office at the date of this report is:

Koh Seng Choon

2. Neither at the end of the financial year nor at any time during that financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.
3. The director holding office at the end of the financial year and their interests in the share capital of the Company as recorded in the register of director's shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50 were as follows:

<u>Number of ordinary shares in the Company</u>	Shareholdings registered in the name of director	
	<u>1/1/2012</u>	<u>31/12/2012</u>
Koh Seng Choon	1,000	1,000

4. Since the end of the last financial period, no director has received or become entitled to receive a benefit which is required to be disclosed by Section 201(8) of the Companies Act, Cap 50 by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.
5. No options were granted during the financial year covered to any person to take up unissued shares in the Company.

6. No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares in the Company.
7. No unissued shares of the Company were under option at the end of the financial year.
8. Messrs LEE S F & CO has expressed their willingness to accept re-appointment as auditors.



KOH SENG CHOON
Director

Dated: 05 JUN 2013

PROJECT DIGNITY PTE. LTD.
(Incorporated in Singapore)

STATEMENT BY DIRECTOR

In the opinion of the director, the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company together with the notes thereon are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2012 and of the results of the business, changes in equity and cash flows of the Company for the financial year then ended and 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.

The director has authorized these financial statements for issue on the date of this statement.



KOH SENG CHOON
Director

Dated: 05 JUN 2013

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

Report on the Financial Statements

We have audited the accompanying financial statements of PROJECT DIGNITY PTE. LTD., which comprise the statement of financial position as at 31 December 2012, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2012 and the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we would like to highlight that as of 31 December 2012, the Company has a net capital deficit of \$672,985 and its current liabilities exceeded its current assets by \$701,165. The ability of the Company to continue as a going concern is dependent on the ability of the directors to obtain financial support for the Company. In the event for the financial support is not available, adjustments may have to be made to provide for further liabilities that may arise and to reclass recorded assets and liabilities.

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.



LEE S F & CO
Public Accountants and Certified Public Accountants
Singapore,
KK/LSF

PROJECT DIGNITY PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	2012 \$	2011 \$
SHARE CAPITAL	3	1,000	1,000
(ACCUMULATED LOSSES)		(673,985)	(272,161)
		(672,985)	(271,161)
Represented By:			
FIXED ASSETS	4	28,180	38,477
CURRENT ASSETS			
Trade receivables	5	44,237	40,415
Other receivables and deposits	6	24,747	43,764
Cash and cash equivalents	15	52,736	11,384
		121,720	95,563
LESS CURRENT LIABILITIES			
Trade payables	7	50,677	37,757
Other payables, accruals and deposits received	8	635,411	170,689
Amount due to director/shareholder	9	136,797	196,755
		822,885	405,201
Net Current (Liabilities)		(701,165)	(309,638)
		(672,985)	(271,161)

The accompanying notes form an integral part of these financial statements

PROJECT DIGNITY PTE. LTD.
(Incorporated in Singapore)

**STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2012**

	Note	1/1/2012 to 31/12/2012 \$	17/8/2010 to 31/12/2011 \$
Revenue	10	668,092	215,457
Cost of sales		<u>(247,334)</u>	<u>(69,988)</u>
Gross profit		420,758	145,469
Other income	11	180,997	122,380
Administrative expenses		(6,065)	(7,378)
Other operating expenses	12	<u>(997,514)</u>	<u>(532,632)</u>
(Loss) for the financial year/period before taxation	13	(401,824)	(272,161)
Taxation	14	<u>-</u>	<u>-</u>
(Loss) for the financial year/period after taxation		(401,824)	(272,161)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss) for the financial year/ period		<u><u>(401,824)</u></u>	<u><u>(272,161)</u></u>

The accompanying notes form an integral part of these financial statements

PROJECT DIGNITY PTE. LTD.
(Incorporated in Singapore)

**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2012**

	Share Capital \$	(Accumulated Losses) \$	Total \$
At date of incorporation	1,000	-	1,000
Total comprehensive (loss) for the financial period	-	(272,161)	(272,161)
As at 31 December 2011	1,000	(272,161)	(271,161)
Total comprehensive (loss) for the financial year	-	(401,824)	(401,824)
As at 31 December 2012	1,000	(673,985)	(672,985)

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 2012**

	1/1/2012 to 31/12/2012 \$	17/8/2010 to 31/12/2011 \$
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) for the financial year/period before taxation	(401,824)	(272,161)
Adjustment for:-		
Depreciation of fixed assets (Note 4)	23,709	19,239
Operating (loss) before working capital changes	(378,115)	(252,922)
(Increase) in trade receivables	(3,822)	(40,415)
Decrease/(increase) in other receivables, deposits and prepayment	19,017	(43,764)
Increase in trade payables	12,920	37,757
Increase in other payables, accruals and deposits received	464,722	170,689
Net cash generated from/(used in) operating activities	114,722	(128,655)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(13,412)	(57,716)
Net cash (used in) investing activities	(13,412)	(57,716)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from shares issued	-	1,000
(Repayment to)/Advance from director/shareholder	(59,958)	196,755
Net cash generated from financing activities	(59,958)	197,755
Net change in cash and cash equivalents	41,352	11,384
Cash and cash equivalents at beginning of the financial year/period	11,384	-
Cash and cash equivalents at end of the financial year/period (Note 15)	52,736	11,384

The accompanying notes form an integral part of these financial statements

PROJECT DIGNITY PTE. LTD.
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) as required by the Companies Act.

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

During the current financial year beginning 1 January 2012, the Company has adopted all applicable new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS and INT FRS does not result in any changes to the Company’s accounting policies and has no material effect on the amounts reported for the current or prior financial years.

FRS 24 Related Party Disclosures (Revised)

FRS 24 changes certain requirements for related party disclosures for entities under control, joint control or significant influence of a government (“government-related entities”). FRS 24 also made related party relations symmetrical between each of the related parties and new relationships were included and clarified in the definition of a related party. The Company applied the amendments to FRS 24 for current financial year beginning 1 January 2012. As this is a disclosure standard, it has no impact on the financial position or financial performance of the Company. The adoption of the amendments to FRS 24 does not result in the identification of new related parties.

FRS and INT FRS issued but not yet effective

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

CHANGES IN ACCOUNTING POLICIES (Cont'd)

		Effective date (annual periods beginning or after)
FRS 1	Amendments to FRS 1 – Presentation of item of other comprehensive income	1 July 2012
FRS 19	Employee benefits	1 January 2013
FRS 32	Amendments to FRS 32 Financial instruments: Presentation offsetting of financial assets and financial liabilities	1 January 2014
FRS 107	Amendments to FRS 107 Financial instruments: Disclosure offsetting of financial assets and financial liabilities	1 January 2013
FRS 113	Fair value measurements	1 January 2013

The Company has not early adopted any of the above new/revised standards, interpretations and amendments to the existing standards in financial year 2012. Management is in the process of making an assessment of their exact impact and is not yet in a position to state whether any substantial changes to the Company's significant accounting policies and presentation of the financial information will be resulted.

c) SIGNIFICANT ACCOUNTING ESTIMATES 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) Impairment of loans and receivables

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial assets is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

d) FIXED ASSETS AND DEPRECIATION

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

	Years
Renovation	3
Equipment	3

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

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.

FINANCIAL ASSETS (Cont'd)

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.

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.

FINANCIAL ASSETS (Cont'd)

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 1(e).

Trade receivables are recognised initially at original amount less allowance for impairment. An allowance for impairment of 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 recognised in the statement of comprehensive income when identified.

g) FINANCIAL LIABILITIES

Financial liabilities include trade payables, which are normally settled on 30 days terms, other amounts payable and payables to director. Financial liabilities are recognized on the balance sheet when, and only when the Company becomes a party on the contractual provisions of the financial instrument. Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gain and losses are recognized in the profit and loss account when the liabilities are derecognized as well as through the amortization process. The liabilities are derecognized when the obligation under the liability is discharged or cancelled or expired.

h) RELATED PARTIES

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence.

i) 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 computation of taxable profit, except that a debit to the deferred tax balance is not carried forward unless there is a reasonable expectation of realization and the potential tax saving relating to a tax loss carry forward and unutilized capital allowances is not recorded as an asset.

TAXATION (Cont'd)

Deferred taxation is calculated at the tax rates that are expected to apply to the period when the assets are realised 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 taxes levied by the same tax authority.

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 recognized when the Company has a present obligation as a result of a past event which is probable will results in an outflow of economic benefits that can be reasonably estimated.

l) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash in hand and cash at bank placed with creditworthy financial institutions.

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.

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) 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.

EMPLOYEE BENEFITS (Cont'd)

Employee Leave Entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the date of statement of financial position.

p) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of the Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the assets or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is at a revalued amount, in which case the impairment loss is treated as a decrease in revaluation.

q) REVERSAL OF NON-FINANCIAL ASSETS

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in revaluation.

2. PRINCIPAL ACTIVITIES

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

3. SHARE CAPITAL

	2012		2011	
	No. of Shares	\$	No. of Shares	\$
Ordinary shares issued and fully paid: At beginning and end of the financial year/ period	1,000	1,000	1,000	1,000

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 restrictions. The ordinary shares have no par value.

4. FIXED ASSETS

	At beginning of the year \$	Additions/ Charge \$	(Disposal) \$	At end of the year \$
2012				
Cost				
Renovation	49,992	-	-	49,992
Equipment	7,724	13,412	-	21,136
	<u>57,716</u>	<u>13,412</u>	<u>-</u>	<u>71,128</u>
Accumulated depreciation and impairment losses				
Renovation	16,664	16,664	-	33,328
Equipment	2,575	7,045	-	9,620
	<u>19,239</u>	<u>23,709</u>	<u>-</u>	<u>42,948</u>
2011				
Cost				
Renovation	-	49,992	-	49,992
Equipment	-	7,724	-	7,724
	<u>-</u>	<u>57,716</u>	<u>-</u>	<u>57,716</u>
Accumulated depreciation and impairment losses				
Renovation	-	16,664	-	16,664
Equipment	-	2,575	-	2,575
	<u>-</u>	<u>19,239</u>	<u>-</u>	<u>19,239</u>
	Net book value		Depreciation	
			1/1/2012	17/8/2010
			to	to
	2012	2011	31/12/2012	31/12/2011
	\$	\$	\$	\$
Renovation	16,664	33,328	16,664	16,664
Equipment	11,516	5,149	7,045	2,575
	<u>28,180</u>	<u>38,477</u>	<u>23,709</u>	<u>19,239</u>

5. TRADE RECEIVABLES

The trade receivables are denominated in Singapore Dollar and they approximate their fair values.

6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2011 \$	2011 \$
Prepayment	60	-
Advance to staff	350	2,606
Deposits	24,337	41,158
	<u>24,747</u>	<u>43,764</u>

7. TRADE PAYABLES

The trade payables are denominated in Singapore Dollar and they approximate their fair values.

8. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	2012 \$	2011 \$
Other payables	64,437	-
Loan creditors	350,000	100,000
Advance from sponsors	205,581	48,865
Accruals	10,593	13,324
Deposits received	4,800	8,500
	<u>635,411</u>	<u>170,689</u>

9. AMOUNTS DUE TO DIRECTOR/SHAREHOLDER

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

10. REVENUE

Revenue represents sponsorship income received and sales of food and beverages in the ordinary course of business.

11. OTHER INCOME

	1/1/2012 to 31/12/2012 \$	17/8/2010 to 31/12/2011 \$
Rental income	56,720	13,100
ODF grant	5,330	-
MYCS grant	24,000	75,000
CDC course grant	67,650	31,980
SME cash grant	5,000	-
Special Employment Credit	5,331	-
Miscellaneous	16,061	2,300
Accruals written back	905	-
	<u>180,997</u>	<u>122,380</u>

12. OTHER OPERATING EXPENSES

	1/1/2012 to 31/12/2012 \$	17/8/2010 to 31/12/2011 \$
Other operating expenses include the following significant items:		
- Allowance to trainee	134,282	108,987
- Rental of premises	169,025	101,592
- Staff costs (Note 16)	423,739	204,322
- Transport	46,409	47,199

13. (LOSS) FOR THE FINANCIAL YEAR/PERIOD BEFORE TAXATION

	1/1/2012 to 31/12/2012 \$	17/8/2010 to 31/12/2011 \$
(Loss) for the financial year/period before taxation is arrived at after charging:		
- Bad debts written off - trade	13,600	-
- Depreciation of fixed assets (Note 4)	23,709	19,239

14. TAXATION

	1/1/2012 to 31/12/2012 \$	17/8/2010 to 31/12/2011 \$
Current year/period tax expense	-	-

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

	1/1/2012 to 31/12/2012 \$	17/8/2010 to 31/12/2011 \$
(Loss) before taxation	(401,824)	(272,161)
Tax calculated at a tax rate of 17% (2011: 17%)	(68,310)	(46,267)
Expenses not deductible for tax purposes	3,867	3,420
Section 14Q	(2,833)	-
Unabsorbed losses brought forward	(44,132)	-
Deferred tax assets not recognized	111,408	42,847
	-	-

TAXATION (Cont'd)

As at the date of statement of financial position, the Company had unabsorbed tax losses of approximately \$655,000 (2011: \$252,000) available for set-off against future taxable profit subject to the provisions of Section 37 of the Income Tax Act.

	2012 \$	2011 \$
Deferred tax assets not recognized:		
Unabsorbed tax losses	111,408	42,847
	<u>111,408</u>	<u>42,847</u>

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

15. CASH AND CASH EQUIVALENTS

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

	2012 \$	2011 \$
Bank balances	51,129	6,370
Cash in hand	1,607	5,014
	<u>52,736</u>	<u>11,384</u>

The cash and cash equivalents are denominated in Singapore Dollar and approximate its fair values:

16. STAFF COSTS

	1/1/2012 to 31/12/2012 \$	17/8/2010 to 31/12/2011 \$
Directors' remuneration	77,500	82,983
Salaries and bonuses	299,577	97,132
Contributions to defined contribution plans	37,299	14,790
Medical fees	1,133	154
Skill Development Levy	949	137
Staff training	3,277	8,578
Staff welfare	4,004	548
	<u>423,739</u>	<u>204,322</u>

17. 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 operation and mitigate the effects of fluctuations in cash flows.

b) Interest Rate Risk

The Company is not exposed to interest rate risk as it has no interest-bearing borrowings.

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 date of statement of financial position.

d) Fair Values

The fair values of financial assets and financial liabilities approximate the carrying amounts of those assets and liabilities reported in the statement of financial position.

e) Capital management

The Company manages its 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 2012, the Company is not subject to any externally imposed capital requirement.

18. COMPARATIVE FIGURES

The comparative figures are the Company's first set of accounts being made up to 31 December 2011 since its incorporation on 17 August 2010.

19. ADDITIONAL INFORMATION

PROJECT DIGNITY PTE. LTD. is a company incorporated in Singapore with its registered office at 1 Kaki Bukit View, #01-01 Techview, Singapore 415941.

20. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2012 were authorised for issue in accordance with a resolution of the directors on

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

**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 2012**

	1/1/2012 to 31/12/2012 \$	17/8/2010 to 31/12/2011 \$
Sales	668,092	215,457
Less: Cost of sales		
Purchases	247,334	69,988
Gross profit	420,758	145,469
Add: Other income		
Rental income	56,720	13,100
ODF grant	5,330	-
MYCS grant	24,000	75,000
CDC course grant	67,650	31,980
SME cash grant	5,000	-
Special Employment Credit	5,331	-
Miscellaneous	16,061	2,300
Accruals written back	905	-
	180,997	122,380
	601,755	267,849
Less: Total expenses (Refer to Page 24)	1,003,579	540,010
(Loss) for the financial year/period	(401,824)	(272,161)

PROJECT DIGNITY PTE. LTD.
(Incorporated in Singapore)

**TOTAL OPERATING EXPENSES FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2012**

	1/1/2012 to 31/12/2012 \$	17/8/2010 to 31/12/2011 \$
Administrative expenses		
Accounting fee	-	1,000
Audit fee – current year	1,250	1,250
Audit fee – prior year	535	-
Postage and courier	103	12
Printing and stationery	3,827	4,166
Secretarial fees	-	600
Tax fee	350	350
	6,065	7,378
Other operating expenses		
Advertisement and promotion	827	5,852
Allowance to trainee	134,282	108,987
Bad debts written off - trade	13,600	-
Bank service charges	346	260
Casual helpers	100	283
Central Provident Fund	37,299	14,790
Cleaning supplies	6,962	2,510
Computer expenses	131	80
Depreciation of fixed assets	23,709	19,239
Directors' remuneration	77,500	82,983
Donation	486	-
Entertainment and refreshment	737	321
Foreign Worker Levy	2,096	-
General expenses	3,431	771
Incorporation fee	-	880
Insurance	5,010	3,692
Late payment interest	277	245
License and permit	890	309
Low value assets written off	-	2,029
Medical fees	1,133	154
Membership and subscription	838	-
Pest control services	2,100	128
Professional and legal fee	32	5,930
Rental of dishwasher	7,062	1,500
Rental of premises	169,025	101,592
Repair and maintenance	3,045	1,664
Salaries and bonus	299,577	97,132
Skill Development Levy	949	137
Staff training	3,277	8,578
Staff welfare	4,004	548
Telecommunication	3,010	5,335
Trade license and permit	-	370
Transport	46,409	47,199
Uniform	2,000	325
Upkeep of stalls	3,803	5,749
Utilities	143,567	13,060
	997,514	532,632
Total expenses	1,003,579	540,010