

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

ACCOUNTS AND REPORTS

For the financial year ended

31 December 2017

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PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)

DIRECTOR'S STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The director is pleased to present his statement to the members together with the audited financial statements of Project Dignity Pte. Ltd. for the financial year ended 31 December 2017.

1. Opinion of the director

In the opinion of the director,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Director

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

Koh Seng Choon

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4. Director's interests in shares or debentures

According to the register of director's shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the director of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

<u>Number of ordinary shares</u>	Shareholdings registered in the name of directors	
	<u>1/1/2017</u>	<u>31/12/2017</u>
Koh Seng Choon	50,000	50,000

PROJECT DIGNITY PTE. LTD.
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DIRECTOR'S STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5. Share options

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

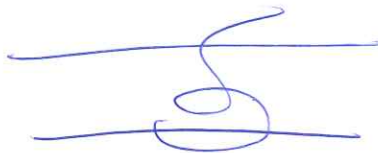
There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

6. Auditor

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

The Sole Director



KOH SENG CHOON
Director

Dated: 30 JUN 2018

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **PROJECT DIGNITY PTE. LTD.**, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 21 in the financial statements, which indicates that the Company's current liabilities exceeded its total assets by \$750,692. As stated in Note 21, these events or conditions, along with other matters as set forth in Note 21, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

Responsibilities of Management and Director for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

Straits Assurance PAC

STRAITS ASSURANCE PAC
Public Accountants and Chartered Accountants
Singapore,
MP/SAPAC 30 JUN 2018

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
SHARE CAPITAL	3	50,000	50,000
(ACCUMULATED LOSSES)		(706,393)	(767,441)
		(656,393)	(717,441)
Represented By:			
FIXED ASSETS	4	134,941	78,477
CURRENT ASSETS			
Trade receivables	5	327,587	269,363
Other receivables, deposits and prepayments	6	28,165	31,181
Cash and cash equivalents	18	27,442	30,031
		383,194	330,575
LESS CURRENT LIABILITIES			
Trade payables	7	141,739	167,787
Other payables, deposits and accruals	8	883,515	784,268
Bank overdraft - unsecured	9	86,224	131,985
Finance lease obligation	10	6,313	-
Term loan - unsecured	11	16,095	25,539
		1,133,886	1,109,579
Net Current (Liabilities)		(750,692)	(779,004)
NON-CURRENT LIABILITIES			
Finance lease obligation	10	(40,642)	-
Term loan - unsecured	11	-	(16,914)
		(40,642)	(16,914)
		(656,393)	(717,441)

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 2017

	Note	2017 \$	2016 \$
Revenue	12	1,570,932	1,428,780
Cost of sales		<u>(249,255)</u>	<u>(261,480)</u>
Gross profit		1,321,677	1,167,300
Other income	13	304,220	240,840
Administrative expenses		(8,532)	(8,374)
Other operating expenses	14	<u>(1,545,210)</u>	<u>(1,365,384)</u>
Profit from operations	15	72,155	34,382
Finance costs	16	<u>(11,107)</u>	<u>(13,004)</u>
Profit for the financial year before taxation		61,048	21,378
Taxation	17	<u>-</u>	<u>-</u>
Profit for the financial year after taxation		61,048	21,378
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the financial year		<u>61,048</u>	<u>21,378</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 2017

	Share Capital \$	(Accumulated Losses)/ Profit \$	Total \$
As at 1 January 2016	50,000	(788,819)	(738,819)
Total comprehensive income for the financial year	-	21,378	21,378
As at 31 December 2016	50,000	(767,441)	(717,441)
Total comprehensive income for the financial year	-	61,048	61,048
As at 31 December 2017	50,000	(706,393)	(656,393)

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 2017

	Note	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the financial year before taxation		61,048	21,378
Adjustment for:-			
Depreciation of fixed assets	4	42,152	55,392
Finance costs		11,107	13,004
Operating profit before working capital changes		114,307	89,774
(Increase) in trade receivables		(58,224)	(100,898)
Decrease in other receivables, deposits and prepayments		3,016	7,937
(Decrease)/increase in trade payables		(26,048)	55,469
Increase in other payables, deposits and accruals		99,247	53,330
		17,991	15,838
Net cash generated from operating activities		132,298	105,612
CASH FLOW FROM INVESTING ACTIVITIES			
(Purchase) of fixed assets		(98,616)	(83,833)
Net cash (used in) investing activities		(98,616)	(83,833)
CASH FLOW FROM FINANCING ACTIVITIES			
(Repayment) to a director/ shareholder		-	(5,502)
(Repayment) of term loan		(26,358)	(24,943)
Proceeds from finance lease obligations		51,000	-
(Repayment) of finance lease obligations		(4,045)	-
Finance costs (paid)		(11,107)	(13,004)
Net cash generated from/ (used in) financing activities		9,490	(43,449)
NET CHANGE IN CASH AND CASH EQUIVALENTS		43,172	(21,670)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(101,954)	(80,284)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	18	(58,782)	(101,954)

The accompanying notes form an integral part of these financial statements

**PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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

1. CORPORATE INFORMATION

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION

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

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

b) ADOPTION OF NEW AND REVISED STANDARDS

During the current financial year beginning 1 January 2017, 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. 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 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.

ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

Description	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
FRS 116: Leases	1 January 2019

- (i) FRS 115 is effective for financial periods beginning on or after 1 January 2018. FRS 115 established a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e when performance obligations are satisfied.

Key issue for the Company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

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

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Company has not early adopted any of the above new/revised standards, interpretations and amendments to the existing standards in financial year 2017. 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.

ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

- (iii) FRS 116 was issued in June 2016 and will supersede FRS 17 Leases and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification on of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction on between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

The Company anticipates that the initial application of the new FRS 116 will result in operating leases to be recognised as right-of-use assets with corresponding lease liabilities, unless they qualify for low value or short-term leases. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact to the amounts recognised in the Group's financial statements and management is currently assessing its potential impact. It is not practical to provide a reasonably estimate impact to the Company's financial statements until management completes its detailed assessment.

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group and the Company has not early adopted any of the above new/revised standards, interpretations and amendments to the existing standards in financial year 2017. 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 Group's and the Company's significant accounting policies and presentation of the financial information will be resulted.

c) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

(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.

Key sources of estimation uncertainty

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

(i) Useful lives of fixed assets

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

(ii) Allowance for doubtful receivables

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

d) FIXED ASSETS AND DEPRECIATION

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

**PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

FIXED ASSETS (CONT'D)

	Years
Computer and IT equipment	3
Kitchen Equipment	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.

e) FINANCIAL ASSETS

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

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or have been transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the statement of comprehensive income.

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

Classification

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

Loans and receivables

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

PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

FINANCIAL ASSETS (CONT'D)

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.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment is recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of comprehensive income.

f) TRADE AND OTHER RECEIVABLES

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

TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables are recognized initially at original invoiced amount less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is recognized in the statement of comprehensive income when identified.

g) FINANCIAL LIABILITIES

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

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

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

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

h) TRADE PAYABLES

Liabilities for trade payables are carried 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.

i) 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.

**PROJECT DIGNITY PTE. LTD.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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) 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 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.

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.

**PROJECT DIGNITY PTE. LTD.
(INCORPORATED IN SINGAPORE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

n) CURRENCIES TRANSLATION

Functional and presentation currency

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

Transactions and balances

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

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

o) 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.

p) 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.

q) 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. SHARE CAPITAL

	2017		2016	
	No. of shares	\$	No. of shares	\$
Ordinary shares issued and fully paid:				
At beginning and end of the financial year	50,000	50,000	50,000	50,000

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

4. FIXED ASSETS

	At beginning of the year	Additions / Charge	(Disposals)	At end of the year
	\$	\$	\$	\$
2017				
Cost				
Computer and IT equipment	66,125	6,473	-	72,598
Kitchen Equipment	10,728	13,997	-	24,725
Motor vehicle	-	56,646	-	56,646
Office equipment	25,134	3,800	-	28,934
Other equipment	16,174	-	-	16,174
Renovation	321,067	17,700	-	338,767
	439,228	98,616	-	537,844
Accumulated depreciation				
Computer and IT equipment	65,602	2,475	-	68,077
Kitchen Equipment	9,441	2,936	-	12,377
Motor vehicle	-	6,609	-	6,609
Office equipment	21,694	2,477	-	24,171
Other equipment	16,036	138	-	16,174
Renovation	247,978	27,517	-	275,495
	360,751	42,152	-	402,903

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

FIXED ASSETS (CONT'D)

	At beginning of the year \$	Additions / Charge \$	(Disposals) \$	At end of the year \$
2016				
Cost				
Computer and IT equipment	60,122	6,003	-	66,125
Kitchen Equipment	9,748	980	-	10,728
Office equipment	23,461	1,673	-	25,134
Other equipment	16,174	-	-	16,174
Renovation	245,890	75,177	-	321,067
	<u>355,395</u>	<u>83,833</u>	<u>-</u>	<u>439,228</u>
	\$	\$	\$	\$
Accumulated depreciation				
Computer and IT equipment	60,122	5,480	-	65,602
Kitchen Equipment	8,481	960	-	9,441
Office equipment	18,032	3,662	-	21,694
Other equipment	15,800	236	-	16,036
Renovation	202,924	45,054	-	247,978
	<u>305,359</u>	<u>55,392</u>	<u>-</u>	<u>360,751</u>
	\$	\$	\$	\$
	Net Book Value		Depreciation	
	2017	2016	2017	2016
	\$	\$	\$	\$
Computer and IT equipment	4,521	523	2,475	5,480
Kitchen Equipment	12,348	1,287	2,936	960
Motor vehicle	50,037	-	6,609	-
Office equipment	4,763	3,440	2,477	3,662
Other equipment	-	138	138	236
Renovation	63,272	73,089	27,517	45,054
	<u>134,941</u>	<u>78,477</u>	<u>42,152</u>	<u>55,392</u>

As at statement of financial position date, the Company had motor vehicle acquired under finance lease contracts with net book value of \$50,037 (2016: Nil).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5. TRADE RECEIVABLES

Receivables that are past due but not impaired

The Company has trade receivables amounting to \$327,587 (2016: \$269,363) 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:

	2017	2016
	\$	\$
Lesser than 31 days	286,008	235,898
31 to 60 days	4,820	15,190
61 to 90 days	6,711	2,202
More than 90 days	30,048	16,073
	<u>327,587</u>	<u>269,363</u>

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

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

6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2017	2016
	\$	\$
Other receivables	266	257
Deposits	21,391	25,481
Prepayments	6,508	5,443
	<u>28,165</u>	<u>31,181</u>

7. TRADE PAYABLES

	2017	2016
	\$	\$
Trade payables	126,615	157,819
GST payables	15,124	9,968
	<u>141,739</u>	<u>167,787</u>

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

PROJECT DIGNITY PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

8. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	2017	2016
	\$	\$
Advance from sponsors	12,229	11,098
Deferred income	46,652	21,988
Loan creditors – unsecured and interest-free	777,026	675,526
Deposits	200	1,090
Accruals	47,408	74,566
	<u>883,515</u>	<u>784,268</u>

9. BANK OVERDRAFT - UNSECURED

	2017	2016
	\$	\$
Bank overdraft	<u>86,224</u>	<u>131,985</u>

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.

10. 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 2017 \$	Present value of payments 2017 \$	Minimum Payments 2016 \$	Present value of payments 2016 \$
Within 1 year	8,628	6,313	-	-
After 1 year but within 5 year	46,009	40,642	-	-
	<u>54,637</u>	<u>46,954</u>	-	-
Finance charge	(7,682)	-	-	-
	<u>46,955</u>	<u>46,954</u>	-	-

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

11. TERM LOAN - UNSECURED

	2017	2016
	\$	\$
Payable within 1 year	16,095	25,539
Payables after 1 year	-	16,914
	<u>16,095</u>	<u>42,453</u>

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

12. REVENUE

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

13. OTHER INCOME

	2017	2016
	\$	\$
Absentee Payroll	3,080	695
Amortisation of deferred income	5,958	-
Miscellaneous income	84,100	158,792
PIC Cash Payout	4,481	7,591
Rental income	1,122	-
RAISE venture for good grant	150,000	-
SG Enable	4,122	7,284
Special Employment Credit	25,693	33,628
Wage Credit Scheme	15,404	32,850
Workforce SG grant	10,260	-
	<u>304,220</u>	<u>240,840</u>

14. OTHER OPERATING EXPENSES

	2017	2016
	\$	\$
Other operating expenses include the following significant items:		
- Allowance to trainee	108,517	59,792
- CET expenses	24,644	34,559
- Rental of premises	136,567	128,588
- Staff costs (Note 19)	965,550	913,529
- Transport	6,123	4,013
- Utilities	56,540	57,205
	<u>56,540</u>	<u>57,205</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

15. PROFIT FROM OPERATIONS

	2017	2016
	\$	\$
Profit from operations is arrived at after charging:		
- Depreciation of fixed assets (Note 4)	42,152	55,392
- Bad debts written off	59,695	-

16. FINANCE COSTS

	2017	2016
	\$	\$
Hire purchase interest	1,706	-
Interest on term loan	1,550	2,965
Overdraft facility interest	7,851	10,039
	<u>11,107</u>	<u>13,004</u>

17. TAXATION

Tax expense

	2017	2016
	\$	\$
Current year tax expense	<u>-</u>	<u>-</u>

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:

	2017	2016
	\$	\$
Profit for the financial year before taxation	<u>61,048</u>	<u>21,378</u>
Tax calculated at a tax rate of 17% (2016: 17%)	10,378	3,634
Expenses not deductible for tax purpose	10,442	11,019
S14Q	(4,934)	(4,934)
Unabsorbed loss brought forward	(116,166)	(125,885)
Unabsorbed loss under provide in prior years	(1,290)	-
Deferred tax assets not recognised	<u>101,570</u>	<u>116,166</u>
	<u>-</u>	<u>-</u>
Deferred tax assets not recognised		
Unabsorbed tax losses	<u>101,570</u>	<u>116,166</u>

PROJECT DIGNITY PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

TAXATION (CONT'D)

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 \$597,000 (2016: \$680,000) available for set-off against future taxable profit subject to the provisions of Section 37 of the Income Tax Act.

18. CASH AND CASH EQUIVALENTS

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

	2017	2016
	\$	\$
Cash in hand	21,938	12,241
Cash at bank	5,504	17,790
	<u>27,442</u>	<u>30,031</u>
Bank overdraft (Note 9)	(86,224)	(131,985)
	<u>58,782</u>	<u>(101,954)</u>

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

19. STAFF COSTS

	2017	2016
	\$	\$
Director's remuneration	72,329	74,333
Central Provident Fund	106,181	101,482
Salaries and bonus	757,063	717,425
Foreign Worker's Levy	7,820	8,370
Medical fee	1,847	2,652
Skill Development Levy	2,062	1,971
Staff training	6,348	1,689
Staff welfare	11,900	5,607
	<u>965,550</u>	<u>913,529</u>

20. 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:

**PROJECT DIGNITY PTE. LTD.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

OPERATING LEASE COMMITMENT (CONT'D)

	2017	2016
	\$	\$
Within 1 year	133,345	133,287
Within 2 to 5 years	92,486	213,391
	<u>225,832</u>	<u>346,678</u>

21. GOING CONCERN

The Company has a net capital deficit of \$656,393 and its current liabilities exceeded its current assets by \$750,692. The ability of the Company to continue as a going concern is dependent on the ability of the directors and shareholders to obtain financial support for the Company.

22. FINANCIAL RISKS AND FAIR VALUES

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

a) Liquidity risk

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

b) Interest rate risk

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

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

c) Credit risk

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

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

d) Fair values

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

**PROJECT DIGNITY PTE. LTD.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

FINANCIAL RISKS AND FAIR VALUES (CONT'D)

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 2017, the Company is not subject to any externally imposed capital requirement.

23. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on **30 JUN 2018**

**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 2017

	2017	2016
	\$	\$
Revenue	1,570,932	1,428,780
Less: Cost of sales		
Purchases	(249,255)	(261,480)
Gross profit	1,321,677	1,167,300
Add: Other income		
Absentee Payroll	3,080	695
Amortisation of deferred income	5,958	-
Miscellaneous income	84,100	158,792
PIC Cash Payout	4,481	7,591
Rental income	1,122	-
RAISE Venture for Good Grant	150,000	-
SG Enable	4,122	7,284
Special Employment Credit	25,693	33,628
Wage Credit Scheme	15,404	32,850
Workforce SG Grant	10,260	-
	304,220	240,840
	1,625,897	1,408,140
Less: Total expenses (page 28)	(1,564,849)	(1,386,762)
Profit / (loss) for the financial year	61,048	21,378

PROJECT DIGNITY PTE. LTD.
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SCHEDULE OF TOTAL EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
Administrative expenses		
Audit fee – current year	2,300	1,900
Postage and courier	117	130
Printing and stationery	5,665	5,894
Tax fee	450	450
	8,532	8,374
Other operating expenses		
Advertisement and promotion	2,130	51
Allowance to trainee	108,517	59,792
Bank service charges	1,009	2,734
Bad debts written off	59,695	-
Central Provident Fund	106,181	101,482
CET expenses	24,644	34,559
Cleaning supplies	3,460	3,365
Computer expenses	1,800	865
Depreciation of fixed assets	42,152	55,392
Director's remuneration	72,329	74,333
Donation	-	300
Entertainment and refreshment	37	958
Foreign Worker Levy	7,820	8,370
General expenses	908	3,319
Insurance	5,095	5,460
Late payment interest	9,856	6,382
License and permit	2,382	4,072
Medical fees	1,847	2,652
Membership and subscription	393	405
Non CET training expenses	63,224	32,973
Office supplies	2,357	1,928
Pest control services	1,860	1,395
Professional and legal fee	8,300	8,090
Rental of equipment	3,900	4,005
Rental of premises	136,567	128,588
Repair and maintenance	17,236	19,294
Salaries and bonus	757,063	717,425
Skill Development Levy	2,062	1,971
Staff training	6,348	1,689
Staff welfare	11,900	5,607
Telecommunication	5,198	4,768
Transport	6,123	4,013
Travelling	43	2,494
Upkeep of stalls	7,358	4,548
Upkeep of motor vehicles	8,876	4,900
Utilities	56,540	57,205
	1,545,210	1,365,384
Less: Finance costs		
Hire purchase interest	1,706	-
Interest on term loan	1,550	2,965
Overdraft facility interest	7,851	10,039
	11,107	13,004
Total expenses	1,564,849	1,386,762