DIRECTORS' STATEMENT

The directors present this statement together with the unaudited financial statements of the company for the financial year ended 31 December 2018.

1. DIRECTORS

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

Axxxxxxxx
Bxxxxxxxx

2. DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company are as follows:

	Ordinary shares of S$1/- each	
	At beginning of the year	At end of the year
Axxxxxxxx	1	1
Bxxxxxxxx	1	1

Except as disclosed in this statement, no directors who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Neither during nor at the end of the financial year was the company a party to any arrangement whose object is to enable the directors to acquire benefits by means of acquisition of shares or debentures in the company or any other body corporate.

3. SHARE OPTIONS

There were no share 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.

4. OPINION OF THE DIRECTORS

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 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.

DIRECTORS' STATEMENT (Continued)

On behalf of the Board

____
Axxxxxxxxxx
Director

____
Bxxxxxxxxx
Director

15 April 2019

XYZ PTE LTD.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 S$	2017 S$
Equity attributable to owners of the Company			
Share capital	10	3	3
Retained earnings		271,693	210,413
		271,696	210,416
Represented by:			
NON-CURRENT ASSETS			
Property, plant and equipment	12	332	1,816
CURRENT ASSETS			
Trade and other receivables	13	118,296	137,726
Cash and cash equivalents	5	168,248	83,499
		286,544	221,225
CURRENT LIABILITIES			
Trade payables	14	12,281	12,585
Amount due to the director(s)	4	80	40
Provision for taxation		2,819	-
		15,180	12,625
NET CURRENT ASSETS		271,364	208,600
NET ASSETS		271,696	210,416

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

XYZ PTE LTD.

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		S$	S$
Revenue	15	706,209	619,296
Other income	9	2,011	20
Direct costs		(118,923)	(168,980)
Depreciation expense	12	(3,284)	(2,746)
Employee benefits expense	8	(78,000)	(62,400)
Other operating expenses		(443,914)	(400,451)
Profit/(loss) before tax		64,099	(15,261)
Income tax expense	7	(2,819)	-
PROFIT/(LOSS) FOR THE YEAR		61,280	(15,261)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**61,280**	**(15,261)**

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

XYZ PTE LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Share capital S$	Retained earnings S$	Total S$
Balance at 01 January 2017	3	225,674	225,677
Total comprehensive income for the year	-	(15,261)	(15,261)
Balance at 31 December 2017	3	210,413	210,416
Total comprehensive income for the year	-	61,280	61,280
Balance at 31 December 2018	3	271,693	271,696

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

XYZ PTE LTD.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	S$	S$
Cash flows from operating activities		
Cash receipts from customers	727,650	665,711
Cash paid to suppliers and employees	(641,141)	(660,150)
Cash generated from operations	86,509	5,561
Interest paid	-	-
Income taxes paid	-	(1,278)
Net cash generated from operating activities	86,509	4,283
Cash flows from investing activities		
Purchase of plant & equipment	(1,800)	(2,590)
Net cash used in investing activities	(1,800)	(2,590)
Cash flows from financing activities		
Receipts from/(Payment to) directors	40	(183)
Net cash used in financing activities	40	(183)
Net increase in cash and cash equivalents	84,749	1,510
Cash and cash equivalents at beginning of period	83,499	81,989
Cash and cash equivalents at end of period	168,248	83,499

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

1. General

The Company was incorporated and is domiciled in Singapore. The address of the registered office and principal place of business is XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

The principal activities of the Company are advertising and graphic design.

The financial statements of the company for the financial year ended 31 December 2018 were authorized for issue by the Board of Directors on **15 April 2019.**

2. Basis of preparation

2.1. Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRSs").

2.2. Basis of measurement

The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below.

2.3. Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency; all financial information therein is presented in Singapore dollars.

2.4. Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period(s) affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

Note 12 – Property, plant & equipment

Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

2. Basis of preparation (continued)

2.4. Use of estimates and judgements (continued)

Measurement of fair values (continued)

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently.

3.1. Financial instruments

(i) <u>Non-derivative financial assets</u>

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

3. Significant accounting policies (continued)

3.1. Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, and trade and other receivables (excluding construction contract in progress).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

(ii) Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities.

A financial liability is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. These financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

3. Significant accounting policies (continued)

3.1. Financial instruments (continued)

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.2. Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Significant accounting policies (continued)

3.2. Tax (continued)

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.3. Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.4. Property, plant and equipment

(I) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

3. Significant accounting policies (continued)

3.4. Property, plant and equipment (continued)

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Computers	1 year
Office equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5. Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

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

3.6. Revenue

Rendering of services

Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Operation or service revenue is recognised in the period in which the services are provided by the Company.

3. Significant accounting policies (continued)

3.7. Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Company considers a decline of 20% to be significant and a period of 9 months to be prolonged.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3. Significant accounting policies (continued)

3.7. Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8. Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Company's statement of financial position.

3.9. Foreign currency transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement.

Foreign currency monetary assets and liabilities are translated into the measurement currency at the rates of exchange prevailing at the balance sheet date. Exchange differences arising are taken to the income statement.

3. Significant accounting policies (continued)

3.10. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and

- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Company separates payments and other considerations required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

3.11. Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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 of the receivable can be measured reliably.

4. Amount due to the director(s)

Amount due to the director(s) is unsecured, interest-free and do not carry any term of repayment.

5. Cash and cash equivalents

	2018	2017
	S$	S$
Cash at bank	168,248	83,499

6. Operating lease commitments

	2018	2017
	S$	S$
Payment recognised as an expense during the year		
Rental expenses	6,355	-

At the end of the reporting period, the company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

Due within 1 year	6,355	-

7. Income tax expense

A reconciliation of the tax expense and the product of accounting profit/(loss) multiplied by the applicable rate is as follows:

	2018	2017
	S$	S$
Profit/(loss) before tax	64,099	(15,261)
Income tax using the statutory tax rate of 17% (2017: 17%)	10,897	(2,594)
Adjustments:		
Non-deductible expenses	(1,085)	680
Unutilised loss b/f	(1,914)	-
Deffered tax assets not recognised	-	1,914
Partial tax exemptions	(4,374)	-
Income tax rebates	(705)	-
Income tax expenses recognised in profit or loss	2,819	-

The company has unutilised tax losses amounting to approximately S$Nil (2017: S$11,260) available for offset against future taxable income.

Deferred tax assets have not been recognized in the financial statements at the balance sheet date as the recoveries of the deferred tax assets are not reasonably assured.

The realization of the future income tax benefits from the unutilised tax losses and capital allowances is available for an unlimited future period subject to there being no substantial change in the shareholders as required by the provisions of the Income Tax Act.

8. Profit/(loss) before tax

Profit/(loss) before tax has been arrived at after charging (crediting):

	2018	2017
Depreciation and amortization	S$	S$
Depreciation expenses	3,284	2,746
Directors' fee	408,000	378,000
Employee benefits expense (including directors' remuneration)		
Directors' remuneration		
Directors' bonus	30,000	-
	30,000	-
Employee benefits expense		
Staff salaries	48,000	62,400
	48,000	62,400
Total employee benefits	78,000	62,400
Foreign exchange loss	2	8
Fixed assets written off	120	-
Other income	(2,011)	(20)

9. Other income

	2018	2017
	S$	S$
Miscellaneous income	1,661	20
Gain on sale of equipment	350	-
	2,011	20

10. Share capital

	2018		2017	
	No. of shares	S$	No. of shares	S$
Fully paid ordinary shares, with no par value				
At beginning and end of financial year	3	3	3	3

11. Significant transactions with related parties

Compensation of key management personnel

	2018	2017
	S$	S$
Directors' bonus	30,000	-
Directors' fee	408,000	378,000
	438,000	378,000

12. Property, plant & equipment

Cost	**Computers**	**Office equipment**	**Total**
	S$	**S$**	**S$**
At 01.01.2017	3,002	-	3,002
Additions	1,800	790	2,590
Disposal	-	-	-
At 31.12.2017	4,802	790	5,592
At 01.01.2018	4,802	790	5,592
Additions	1,800	-	1,800
Disposal	(1,800)	-	(1,800)
At 31.12.2018	4,802	790	5,592

Accumulated Depreciation	**Computers**	**Office equipment**	**Total**
	S$	**S$**	**S$**
At 01.01.2017	1,030	-	1,030
Charge for the year	2,552	194	2,746
Disposal	-	-	-
At 31.12.2017	3,582	194	3,776
At 01.01.2018	3,582	194	3,776
Charge for the year	3,020	264	3,284
Disposal	(1,800)	-	(1,800)
At 31.12.2018	4,802	458	5,260

Net book value			
At 31.12.2018	-	332	332
At 31.12.2017	1,220	596	1,816

13. Trade and other receivables

	2018	2017
Trade receivables	S$	S$
Third parties	113,446	136,900
Other receivables		
Deposits	1,350	500
Loans	3,500	-
Prepayments	-	326
	118,296	137,726

The table below is an analysis of trade receivables as at 31 December:

	2018	2017
Trade receivables past due:	S$	S$
- Less than 30 days	31,062	-
- 30 – 60 days	535	-
- 61 – 90 days	-	-
- More than 90 days	-	-
	31,597	-

Based on historical default rates, the Company believes that no impairment allowance is necessary in respect of trade receivables not past due up to 3 months.

Trade receivables are non-interest bearing and are generally on 30 to 90 days credit terms.

14. Trade payables

	2018	2017
Trade payables	S$	S$
Third parties	11,131	11,025
Accrued expenses	1,150	1,560
	12,281	12,585

	2018	2017
	S$	S$
Denominated in		
Singapore dollar	12,281	12,561
United States dollar	-	24
	12,281	12,585

Trade payables are non-interest bearing and are normally settled on 30 to 120 days' term.

15. Revenue

	2018	2017
	S$	S$
Advertising and graphic design	706,209	619,296

Revenue of the Company represents the invoiced value of service provided less discounts allowed.

16. Financial instruments

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The company does not have written risk management policies and guidelines. The company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amounts of financial assets in the statements of financial position represent the Company's maximum exposures to credit risk, before taking into account any collateral held. The Company does not hold any collateral in respect of its financial assets.

Trade and other receivables

The maximum exposure to credit risk and impairment (if any) for trade and other receivables at the reporting date are disclosed in Note 13.

Cash and cash equivalents

The figures in Note 4 represent the maximum credit exposure on these assets.

16. Financial instruments (continued)
Financial risk management (continued)
Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

Non-derivative financial liabilities	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2years	2-5years	>5years
2018							
Trade payables	12,281	(12,281)	12,281	-	-	-	-
Amount due to the director(s)	80	(80)	80	-	-	-	-
	12,361	(12,361)	12,361	-	-	-	-
2017							
Trade payables	12,585	(12,585)	12,585	-	-	-	-
Amount due to the director(s)	40	(40)	40	-	-	-	-
	12,625	(12,625)	12,625	-	-	-	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

Currency risk

The Company is exposed to currency risk on sales, purchases and its cash and cash equivalent holdings (See Note 4). The Company does not conduct any sensitivity analysis as movements in foreign exchange rates will not significantly affect the Company's income or the value of its holdings of financial instruments.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity, less amounts accumulated in equity related to cash flow hedges. The Board of Directors monitors the return on capital, as well as the level of dividends to ordinary shareholders. There were no changes in the Company's approach to capital management during the year.

16. Financial instruments (continued)
Financial risk management (continued)
Market risk (continued)

Accounting classifications and fair values

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

The carrying amounts of financial assets and financial liabilities at amortised costs are as follows:

	2018	2017
Financial assets	S$	S$
Trade and other receivables	118,296	137,726
Cash and cash equivalents	168,248	83,499
	286,544	221,225

	2018	2017
Financial liabilities	S$	S$
Trade payables	12,281	12,585
Amount due to the director(s)	80	40
	12,361	12,625

17. Comparative figure

Certain prior year comparative figures have been reclassified to conform to the current year's financial statement presentation. These figures are as follows:

	As reclassified 2017	As previous report 2017
Statement of profit or loss and comprehensive income	S$	S$
Depreciation expenses	(2,746)	-
Employment benefits expenses	(62,400)	-
Other expenses	(400,451)	(465,597)
Profit before tax		
Depreciation expenses	2,746	-
Employee benefits expense (including directors' remuneration)	62,400	-

The above reclassifications do not have impact on the statement of changes in equity and statement of cash flows.

18. Standards issued but not yet effective

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

Description	**Effective for annual periods beginning on or after**
FRS 116 *Leases*	1 January 2019
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to FRS 109 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to FRS 28 *Long-term Interest in Associates and Joint Ventures*	1 January 2019
Annual Improvements to FRSs (March 2018)	1 January 2019
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

XYZ PTE LTD.
(Incorporated in Singapore)

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	S$	S$
Revenue	706,209	619,296
Less: Direct costs		
Creative expenses	2,930	-
Payment on behalf for clients	-	1,386
Photography and video shooting	52,717	47,521
Production expenses	40,726	67,001
Printing costs	-	33,890
Publication expenses	22,550	19,182
	118,923	168,980
Gross profit	**587,286**	**450,316**
Add: Other income		
Miscellaneous income	1,661	20
Gain on sale of equipment	350	-
	2,011	20
Less: Operating expenses	**525,198**	**465,597**
(Schedule of expenses)		
Net profit/(loss) for the year	**64,099**	**(15,261)**

(This page does not form part of the statutory accounts)

XYZ PTE LTD.
(Incorporated in Singapore)

SCHEDULE OF EXPENSES

	2018	2017
	S$	S$
Less: Operating expenses		
Accounting fee	3,880	5,257
Advertising costs	-	589
Annual return	60	60
Bank charges	75	115
Depreciation	3,284	2,746
Directors' bonus	30,000	-
Directors' fee	408,000	378,000
Employment pass processing fee	-	1,220
Entertainment, refreshment and gifts	3,588	3,129
EP application	1,500	-
Expendable assets	-	750
Fixed assets written off	120	-
Foreign exchange loss	2	8
General expenses	172	500
Late payment charges	6	-
Licence fee	135	-
Office supplies	163	1,173
Postage and stamps	9	83
Printing and stationery	1,435	833
Professional fee	80	-
Rental	6,355	-
Repair and maintenance	295	1,786
Reporting fee	600	850
Salary and wages	48,000	62,400
Skill development levy	101	259
Secretarial fee	1,605	1,185
Sponsorship	300	-
Staff welfare	165	-
Subscription fee	513	-
Transport	3,676	2,283
Transport allowance	3,000	1,800
Traveling	319	-
Upkeep of motor vehicles (pte)	2	-
Website expenses	7,758	571
	525,198	**465,597**