COALITION DEVELOPMENT SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 201007565C)

Annual Report
For the financial year ended 31 December 2018

Contents

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
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DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 December 2018.

In the opinion of the directors,

(a) the accompanying financial statements 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 financial year ended on that date; 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.

1. DIRECTORS

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

SERGE DOMINIQUE MARIE DE COSTER
VENKATARAMAN SRINIVASAN
SIDDHARTH ARORA

2. 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 directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

None of the directors of the Company holding office at the end of the financial year had any interests in the share of the Company or any related corporations.

4. 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.

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
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DIRECTORS' STATEMENT

5. INDEPENDENT AUDITORS

The independent auditors, MGI Alliance Singapore PAC, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

....
(SERGE DOMINIQUE MARIE DE COSTER)
Director

V. Srinivasan
....
(VENKATARAMAN SRINIVASAN)
Director

25 January 2019

MGI Alliance Singapore PAC
Public Accountants, Chartered Accountants
Incorporated in the Republic of Singapore
(Company No.: 201502755N)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

COALITION DEVELOPMENT SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Registration No. 201007565C)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **COALITION DEVELOPMENT SINGAPORE PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2018 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' 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 have 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.

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Responsibilities of Management and Directors 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 directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

COALITION DEVELOPMENT SINGAPORE PTE. LTD. - continued
(Incorporated in the Republic of Singapore)
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Auditor's Responsibilities for the Audit of the Financial Statements – continued

- 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 directors 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.

MGI Alliance Singapore PAC

MGI ALLIANCE SINGAPORE PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore,

25 January 2019

MGI ALLIANCE SINGAPORE PAC 201502755N CHARTERED ACCOUNTANTS

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	NOTE	2018 S$	2017 S$
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	(4)	**868**	-
Deferred tax asset	(5)	**6,134**	-
Total non-current assets		**7,002**	-
CURRENT ASSETS			
Trade receivables	(6)	**1,812,571**	2,309,599
Other receivables and prepayments	(7)	**20,624**	5,090
Cash and cash equivalents	(8)	**1,348,704**	560,400
Total current assets		**3,181,899**	2,875,089
TOTAL ASSETS		**3,188,901**	2,875,089
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY			
Share capital	(9)	**1**	1
Retained earnings		**1,541,441**	1,001,564
Total equity		**1,541,442**	1,001,565
CURRENT LIABILITIES			
Trade payables	(10)	**706,933**	979,103
Other payables and accruals	(11)	**869,166**	833,348
Current income tax liabilities		**71,360**	61,073
Total current liabilities		**1,647,459**	1,873,524
Total liabilities		**1,647,459**	1,873,524
TOTAL EQUITY AND LIABILITIES		**3,188,901**	2,875,089

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

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	NOTE	**2018** **S$**	2017 S$
Continuing operations			
Revenue	(12)	**9,855,731**	9,148,828
Cost of services	(12)	**(7,576,718)**	(6,985,164)
Gross profit		**2,279,013**	2,163,664
Other income	(12)	**563**	1,423
Operating expenses	(12)	**(1,679,307)**	(1,598,058)
Profit before tax		**600,269**	567,029
Income tax expense	(13)	**(60,392)**	(61,630)
Profit for the financial year		**539,877**	505,399
Other comprehensive income		**-**	-
Total comprehensive income for the financial year		**539,877**	505,399

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

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
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STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Share capital S$	**Retained earnings S$**	**Total S$**
2018			
Beginning of financial year	1	1,001,564	1,001,565
Total comprehensive income for the financial year	-	539,877	539,877
End of financial year	**1**	**1,541,441**	**1,541,442**

	Share capital S$	Retained earnings S$	Total S$
2017			
Beginning of financial year	1	496,165	496,166
Total comprehensive income for the financial year	-	505,399	505,399
End of financial year	1	1,001,564	1,001,565

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

COALITION DEVELOPMENT SINGAPORE PTE. LTD.
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STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	NOTE	2018 S$	2017 S$
Cash flows from operating activities			
Profit before tax		**600,269**	567,029
Adjustments for:			
Depreciation		**25**	1,363
Interest on fixed deposit		**(203)**	(43)
Operating cash flows before working capital changes		**600,091**	568,349
Changes in working capital			
Trade receivables		**541,681**	(1,563,755)
Other receivables and prepayments		**(60,187)**	8,654
Trade payables		**(272,170)**	388,828
Other payables and accruals		**35,818**	234,466
Net cash generated from/(used in) operations		**845,233**	(363,458)
Income tax paid		**(56,239)**	(6,272)
Net cash generated from/(used in) operating activities		**788,994**	(369,730)
Cash flows from investing activities			
Payment to acquire plant and equipment		**(893)**	-
Interest received		**203**	43
Net cash (used in)/generated from investing activities		**(690)**	43
Cash flows from financing activities		**-**	-
Net increase/(decrease) in cash and cash equivalents		**788,304**	(369,687)
Cash and cash equivalents at beginning of financial year		**560,400**	930,087
Cash and cash equivalents at end of financial year	(8)	**1,348,704**	560,400

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

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

1. GENERAL INFORMATION

COALITION DEVELOPMENT SINGAPORE PTE. LTD. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is:

60 Robinson Road
11-01 BEA Building
Singapore 068892

The principal activities of the Company are those of consulting and management services.

The Company's immediate holding company is Coalition Development Ltd., incorporated in the United Kingdom. The ultimate holding company is S&P Global Inc., incorporated in the United States of America.

The financial statements of COALITION DEVELOPMENT SINGAPORE PTE. LTD. for the financial year ended 31 December 2018 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (FRS).

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies notes that follow.

c) Functional and presentation currency

These financial statements are presented in Singapore Dollars (S$), which is the Company's functional currency.

2. BASIS OF PREPARATION - continued

d) Use of estimates and judgement

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 year in which the estimates are revised and in any future years affected.

Judgements made in applying accounting policies

In the process of applying the entity's accounting policies, management is of the opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

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

Allowance for trade receivables

The impairment allowance for doubtful debts of the Company is based on the ongoing evaluation of collectability and ageing analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

The carrying amount of the Company's trade receivables as at 31 December 2018 was S$1,812,571 (2017: S$2,309,599).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. BASIS OF PREPARATION - continued

e) Changes in accounting policies

Overview

In the current financial year, the Company has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS has not resulted in changes to the Company's accounting policies and has also no material effect on the amounts reported for the current or prior year's financial information.

The Company has not early adopted any of the FRS, INT FRS, and amendments to FRS that were issued but not effective at the beginning of the financial year. The directors expect that the adoption of these other standards and interpretations will have no material impact on the financial statements in the year of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the following paragraphs have been applied consistently to both periods presented in these financial statements, and have been applied consistently by the Company, except as explained in Note 2(e), which addresses changes in accounting policies.

a) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the retranslation of:

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **SIGNIFICANT ACCOUNTING POLICIES - continued**

a) **Foreign currency transactions and balances - continued**

i) available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);

ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

iii) qualifying cash flow hedges to the extent the hedge is effective.

b) **Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation on plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives as follows:

Computers and peripherals	3 years

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

The residual values and useful lives of plant and equipment are reviewed and adjusted as appropriate at each reporting date.

Assets acquired during the year are charged with depreciation from the acquisition date. Depreciation is charged till the date of disposal for the year in which an asset is sold.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

b) Plant and equipment - continued

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

c) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

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

Financial assets

The accounting for financial assets before 1 January 2018 under Financial Reporting Standard 39 was as follows:

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.

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

The Company only has loans and receivables.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **SIGNIFICANT ACCOUNTING POLICIES - continued**

c) **Financial instruments - continued**

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 recognised initially 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 trade receivables, other receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and fixed deposit.

The accounting for financial assets from 1 January 2018 under Financial Reporting Standard 109 is as follows:

Initial recognition

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

Subsequent measurement

Debt instruments of the Company comprise cash and cash equivalents, trade receivables and other receivables.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

c) Financial instruments - continued

Financial assets - continued

Subsequent measurement - continued

For trade receivables, the Company applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss ("FVTPL"). A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Other financial liabilities comprise trade payables and other payables and accruals.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

d) Share capital

Ordinary shares

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

e) Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property (fair value model), inventories and deferred tax 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. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or 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 group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

e) Impairment - continued

Non-financial assets - continued

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (groups of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (groups of CGUs) on a *pro rata* basis.

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.

<u>non-derivative financial assets from 1 January 2018</u>

The Company recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost; and
- debt instruments measured at fair value through other comprehensive income ("FVOCI").

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **SIGNIFICANT ACCOUNTING POLICIES - continued**

e) **Impairment - continued**

Impairment of non-derivative financial assets from 1 January 2018 - continued

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

e) Impairment - continued

Impairment of non-derivative financial assets from 1 January 2018 - continued

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt instruments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt instruments at FVOCI, loss allowances are charged to profit or loss and recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

e) Impairment - continued

Impairment of non-derivative financial assets from 1 January 2018 - continued

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-derivative financial assets before 1 January 2018

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect 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 in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

e) Impairment - continued

Impairment of non-derivative financial assets before 1 January 2018 - continued

Loans and receivables - continued

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. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

f) Related parties

A related party is defined as follows:

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

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;

3. SIGNIFICANT ACCOUNTING POLICIES - continued

f) Related parties - continued

A related party is defined as follows: - continued

(b) - continued

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

g) Revenue

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

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

Services rendered

Revenue from services rendered is recognised in profit or loss when the services rendered have been completed.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

h) Other income

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Government grants

Cash grants received from the government are recognised as other income upon receipt.

i) Employee benefits

Defined contribution plan

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 obligations to pay further amount. As required by law, the Company makes contributions to the state pension scheme, Central Provident Fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

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 employee benefits 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.

Employee leave entitlement

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

j) 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. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration 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.

k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

l) Income tax

Income tax expense comprises current and deferred taxes. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive 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 or receivable 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.

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.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. 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 income 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **SIGNIFICANT ACCOUNTING POLICIES - continued**

l) **Income tax - continued**

In determining the amount of current and deferred taxes, 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.

4. **PLANT AND EQUIPMENT**

	Computers and peripherals	
	2018	2017
	S$	S$
Cost		
Beginning of financial year	**7,816**	11,923
Additions	**893**	-
Written off	**-**	(4,107)
End of financial year	**8,709**	7,816
Accumulated depreciation		
Beginning of financial year	**7,816**	10,560
Charge for the financial year	**25**	1,363
Written off	**-**	(4,107)
End of financial year	**7,841**	7,816
Carrying value		
End of financial year	**868**	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. DEFERRED TAX ASSET

Deferred tax asset is attributable to deductible temporary differences.

Movement in deferred tax asset during the year is as follows:

	2018 S$	2017 S$
Beginning of financial year	-	-
Recognised in profit or loss (Note 13)	**6,134**	-
End of financial year	**6,134**	-

6. TRADE RECEIVABLES

	2018 S$	2017 S$
Immediate holding company	**1,767,918**	2,309,599
Intermediate holding company	**44,653**	-
	1,812,571	2,309,599

Trade receivables are non-interest bearing and are generally on 30 (2017: 30) days terms.

The ageing analysis of trade receivables that are not impaired at the reporting date is as follows:

	2018 S$	2017 S$
Not past due	**941,110**	319,978
Past due:		
1 to 30 days	**817,825**	785,981
31 to 60 days	-	828,033
61 to 90 days	**53,636**	375,607
	1,812,571	2,309,599

There are no trade receivables that are impaired.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. OTHER RECEIVABLES AND PREPAYMENTS

	2018 S$	2017 S$
Due from employee	**6,878**	-
Interest receivable	**4**	27
Loans and receivables (Note 15)	**6,882**	27
Prepayments	**13,742**	5,063
	20,624	5,090

8. CASH AND CASH EQUIVALENTS

	2018 S$	2017 S$
Cash in hand	**1**	1
Cash at bank	**548,703**	60,399
Fixed deposit	**800,000**	500,000
	1,348,704	560,400

Fixed deposit earns interest at 0.05% (2017: 0.5%) per annum and is placed for a tenure of one month (2017: one month).

9. SHARE CAPITAL

	2018		2017	
	No. of ordinary shares	**S$**	No. of ordinary shares	S$
Issued and fully paid up				
Beginning and end of financial year	**1**	**1**	1	1

9. SHARE CAPITAL - continued

The ordinary share has no par value. The holder of the ordinary share is entitled to receive dividends as declared from time to time and entitled to one vote per share at meetings of the Company. The share has the right to the Company's residual assets.

10. TRADE PAYABLES

Trade payables are due to an intermediate holding company, non-interest bearing and are generally on 30 (2017: 30) days terms.

11. OTHER PAYABLES AND ACCRUALS

	2018	2017
	S$	S$
Accrued bonuses	**837,142**	805,570
Other accruals	**25,651**	22,069
Due to intermediate holding company	**5,480**	5,260
Due to related party	**893**	-
Sundry payables	**-**	449
	869,166	833,348

Included within accrued bonuses is an amount of S$665,437 (2017: S$645,084) due to a director.

12. REVENUE, COST OF SERVICES, OTHER INCOME AND EXPENSES

	2018	2017
	S$	S$
Revenue:		
Services rendered (Note 14)	**9,855,731**	9,148,828
Cost of services:		
Consultancy fees (Note 14)	**7,576,718**	6,985,164

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. REVENUE, COST OF SERVICES, OTHER INCOME AND EXPENSES - continued

	2018 S$	2017 S$
Other income:		
Interest on fixed deposit	**203**	43
Temporary employment credit	**360**	1,380
	563	1,423
Operating expenses include:		
Director's - remuneration	**396,500**	335,825
- bonus	**612,353**	622,547
- incentive payment	**-**	114,302
- CPF contribution and SDL	**17,472**	17,472
Office rent	**12,000**	12,000
Insurance	**13,263**	12,373
Staff - salaries and bonuses	**404,294**	333,145
- CPF contribution	**17,340**	17,340
- Skills development levy	**154**	132
Staff incentive	**30,821**	5,260
Staff welfare	**1,403**	-
Employee benefits expense:		
Salaries, bonuses and benefits	**1,414,550**	1,405,819
CPF contribution	**34,680**	34,680
Insurance	**13,263**	12,373
Staff incentive	**30,821**	5,260
	1,493,314	1,458,132

13. INCOME TAX EXPENSE

	2018 S$	2017 S$
Current tax expense	**71,360**	61,073
(Over)/Under provision in prior years	**(4,834)**	557
Movement in deferred tax asset (Note 5)	**(6,134)**	-
	60,392	61,630

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

13. **INCOME TAX EXPENSE - continued**

Reconciliation between income tax expense and profit before tax multiplied by the applicable tax rate is as follows:

	2018 **S$**	2017 S$
Profit before tax	**600,269**	567,029
Tax thereon at 17%	**102,046**	96,395
Effects of:		
Disallowable expenses	**5,437**	1,300
Capital allowances and enhanced deduction	**(198)**	(697)
Exempt income	**(25,925)**	(25,925)
Tax rebate	**(10,000)**	(10,000)
(Over)/Under provision in prior years	**(4,834)**	557
Recognition of temporary differences	**(6,134)**	-
	60,392	61,630

14. **RELATED PARTY TRANSACTIONS**

Apart from balances with related parties disclosed elsewhere in the financial statements, the following transactions with related parties were carried out at terms agreed between the parties during the financial year:

Related party transactions shown in the accounts as	**Type of relationship between the Company and the related party**	**2018** **S$**	2017 S$
Revenue	Immediate holding company	**9,761,888**	9,148,828
Revenue	Intermediate holding company	**93,843**	-
Cost of services	Intermediate holding company	**7,576,718**	6,985,164
Staff incentive (reimbursement)	Intermediate holding company	**30,821**	5,260
Purchase of equipment	Fellow subsidiary	**893**	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

14. RELATED PARTY TRANSACTIONS - continued

Key management personnel compensation

The directors are the key management personnel of the Company. The remuneration of the key management personnel during the year is as follows:

	2018 S$	2017 S$
Director's - remuneration	**396,500**	335,825
- bonus and incentive	**592,000**	558,291
- CPF contribution	**17,340**	17,340
	1,005,840	911,456

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Accounting classifications and fair values

Fair values versus carrying amounts

	Note	Amortised cost S$	Other financial liabilities S$	Total carrying amount S$	Fair value* S$
2018					
Trade receivables	**(6)**	**1,812,571**	**-**	**1,812,571**	**1,812,571**
Other receivables	**(7)**	**6,882**	**-**	**6,882**	**6,882**
Cash and cash equivalents	**(8)**	**1,348,704**	**-**	**1,348,704**	**1,348,704**
		3,168,157	**-**	**3,168,157**	**3,168,157**
Trade payables		**-**	**706,933**	**706,933**	**706,933**
Other payables and accruals	**(11)**	**-**	**869,166**	**869,166**	**869,166**
		-	**1,576,099**	**1,576,099**	**1,576,099**

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Accounting classifications and fair values - continued

Fair values versus carrying amounts - continued

	Note	Loans and receivables S$	Other financial liabilities S$	Total carrying amount S$	Fair value* S$
2017					
Trade receivables	(6)	2,309,599	-	2,309,599	2,309,599
Other receivables	(7)	27	-	27	27
Cash and cash equivalents	(8)	560,400	-	560,400	560,400
		2,870,026	-	2,870,026	2,870,026
Trade payables		-	979,103	979,103	979,103
Other payables and accruals	(11)	-	833,348	833,348	833,348
		-	1,812,451	1,812,451	1,812,451

* Refer to Note 16 as to how fair values have been determined.

Risk management policies

Exposure to credit, liquidity and market risks arises in the normal course of the Company's business. The Company's overall business strategies, its tolerance of risk and its general risk management philosophy are determined by management in accordance with prevailing economic and operating conditions.

The Company does not hold or issue derivative financial instruments for speculative purposes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from the Company's receivables and bank balances.

Trade receivables are due from the immediate and intermediate holding companies. The ageing analysis of trade receivables is disclosed in Note 6. The Company has assessed that the amount of expected credit losses ("ECLs") for trade receivables is insignificant.

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Risk management policies - continued

Credit risk - continued

Cash at bank and fixed deposit are maintained with a fully licensed bank in Singapore. Impairment on cash at bank and fixed deposit has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that the cash at bank and fixed deposit have low credit risk based on the credit rating of the bank. The amount of allowance on cash at and bank and fixed deposit is negligible.

At reporting date the maximum exposure to credit risk was as follows:

	2018 **S$**	2017 S$
Trade receivables	**1,812,571**	2,309,599
Other receivables	**6,882**	27
Cash at bank and fixed deposit	**1,348,703**	560,399
	3,168,156	2,870,025

Liquidity risk

Liquidity risk is the risk of the Company being unable to secure adequate funding to meet current obligations. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents considered adequate by management to finance the Company's operation and to mitigate the effects of fluctuations in cash flows.

The maturity profile of the financial liabilities of the Company is shown below. The amounts disclosed below are the contractual undiscounted cash flows:

	Carrying amount **S$**	**Contractual cash flows** **S$**	**Due within one year** **S$**	**Total** **S$**
2018				
Trade payables	**706,933**	**706,933**	**706,933**	**706,933**
Other payables and accruals	**869,166**	**869,166**	**869,166**	**869,166**
	1,576,099	**1,576,099**	**1,576,099**	**1,576,099**

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Risk management policies - continued

Liquidity risk - continued

	Carrying amount S$	Contractual cash flows S$	Due within one year S$	Total S$
2017				
Trade payables	979,103	979,103	979,103	979,103
Other payables and accruals	833,348	833,348	833,348	833,348
	1,812,451	1,812,451	1,812,451	1,812,451

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Market risk

As at reporting date, the Company does not have significant exposure to market risks such as interest rate and foreign exchange rate fluctuation risks.

16. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate fair value:

Other receivables, Cash and cash equivalents and Other payables and accruals

The carrying amounts of these financial instruments approximate their respective fair values due to their short term nature.

16. DETERMINATION OF FAIR VALUES - continued

Trade receivables and Trade payables

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

17. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2018 and 31 December 2017. The Company's overall strategy remains unchanged from 2017.

The Company is not subject to externally imposed capital requirements.

COALITION DEVELOPMENT SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Registration No. 201007565C)

DETAILED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 S$	2017 S$
Revenue		
Services rendered	**9,855,731**	9,148,828
Cost of services		
Consultancy fees	**7,576,718**	6,985,164
Other income		
Interest on fixed deposit	**203**	43
Temporary employment credit	**360**	1,380
	563	1,423
Operating expenses		
Audit fee	**8,200**	7,500
Bank charges	**2,934**	2,133
Depreciation	**25**	1,363
Director's emoluments	**1,026,325**	1,090,014
Entertainment	**2,529**	2,700
General expenses	**5,330**	8,223
Insurance	**13,263**	12,373
Membership fee	**-**	461
Office expenses	**301**	1,599
Office rent	**12,000**	12,000
Postage	**-**	27
Printing and stationery	**6,720**	5,529
Professional services charges	**43,071**	34,079
Repairs and maintenance	**2,100**	1,350
Skills development levy	**154**	264
Staff CPF	**17,340**	17,340
Staff incentive	**30,821**	5,260
Staff salaries and bonuses	**404,294**	333,145
Staff welfare	**1,403**	-
Telephone and fax charges	**3,782**	3,455
Travelling expenses	**98,715**	59,243
	1,679,307	1,598,058

This statement does not form part of the audited financial statements.