Directors	Mark Stephen Malhotra Samlal Lawrence Pushpam Simon Forrester
Registered office	10 Anson Road #31-06 International Plaza Singapore 079903
Company registration number	200614858K
Auditors	Yong Fan Kiong & Co Chartered Accountants of Singapore
Secretary	Yzelman Virginia Juliana Nee Rappa

Contents **Pages**

The directors of the Company present this report to the members together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2014.

Directors

The directors in office at the date of this report are:

Mark Stephen Malhotra Samlal (appointed on 21.01.2015)
Lawrence Pushpam
Simon Forrester (appointed on 21.01.2015)

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 object 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.

Directors' interests in shares or debentures

The directors holding office at the end of the financial year who had interests in the shares and debentures of the Company and its related corporations as recorded in the register of directors' shareholdings were as follows:

	Shares held by directors	
Name of directors	At 01.01.2014	At 31.12.2014
Michele Samantha Samlal (resigned on 21.01.2015)	16,044	16,044
Lawrence Pushpam	5,124	5,124
Sunil Girdhar (resigned on 22.07.2015)	1,008	1,260

	Shares in which the director is deemed to have an interest	
Name of directors	At 01.01.2014	At 31.12.2014
Mark Stephen Malhotra Samlal (appointed on 21.01.2015)	16,044	16,044
Simon Forrester (appointed on 21.01.2015)	1,764	1,764

Directors' contractual benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the financial statements.

Share options granted

(a) No option was granted to any person during the financial year to take up unissued shares of this Company.

(b) No shares were issued by the Company during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

(c) At the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, Messrs Yong Fan Kiong & Company, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Mark Stephen Malhotra Samlal
Director

Lawrence Pushpam
Director

Singapore: 30 July 2015

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 state of affairs of the Company and of the Group as at 31 December 2014, of the results, changes in equity and cash flows of the Group 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.

On behalf of the Board of Directors

Mark Stephen Malhotra Samlal
Director

Lawrence Pushpam
Director

Singapore: 30 July 2015

楊煥强會計公司
新加坡特許會計師
YONG FAN KIONG & COMPANY
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF
PAY ASIA PTE LTD AND ITS SUBSIDIARY COMPANIES

Report on the Financial Statements

We have audited the accompanying financial statements of **Pay Asia Pte Ltd and its subsidiary companies,** which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2014 and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

楊煥强會計公司

新加坡特許會計師

YONG FAN KIONG & COMPANY
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF
PAY ASIA PTE LTD AND ITS SUBSIDIARY COMPANIES

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and the results, changes in equity and cash flows of the Group for the year ended on that date.

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 and by those subsidiaries incorporated in Singapore have been properly kept in accordance with the provisions of the Act.

YongFanKiong&Co

YONG FAN KIONG & COMPANY
Public Accountants &
Chartered Accountants of Singapore

Singapore: 30 July 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014	2013
		$	$
Revenue	4	10,701,301	7,521,887
Other income	5	42,697	40,700
		10,743,998	7,562,587
Subcontractors		(1,037,506)	(982,002)
Employee benefits expense	6	(8,242,170)	(4,949,732)
Depreciation		(120,995)	(88,909)
Other operating expenses	7	(1,282,143)	(978,956)
Finance costs	8	-	(828)
Profit before taxation		61,184	562,160
Taxation	9	(155,821)	(72,786)
Profit after taxation		(94,637)	489,374
Other comprehensive income:			
Foreign currency translation		11,027	(15,691)
Other comprehensive income / (loss) net of tax		11,027	(15,691)
Total comprehensive income for the year		(83,610)	473,683
Profit attributable to:			
Equity holders of the Company		(99,439)	487,856
Non-controlling interests		4,802	1,518
		(94,637)	489,374
Total comprehensive income attributable to:			
Equity holders of the Company		(88,470)	472,699
Non-controlling interests		4,860	984
		(83,610)	473,683

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	Group 2014 $	Group 2013 $
ASSETS			
Non-current assets			
Plant & equipment	10	775,651	690,275
Deferred tax asset	11	-	50,000
		775,651	740,275
Current assets			
Trade & other receivables	13	1,423,783	1,231,260
Cash & cash equivalents	14	2,496,693	2,622,058
		3,920,476	3,853,318
Total assets		**4,696,127**	**4,593,593**
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	15	50,400	50,400
Treasury shares		(38,000)	(57,000)
Retained earnings		1,674,007	1,923,446
Other reserves		20,000	13,000
Foreign currency translation reserve		(70,874)	(81,843)
Equity attributable to shareholders of the Company		1,635,533	1,848,003
Non-controlling interests		9,029	4,169
Total equity		1,644,562	1,852,172
Non-current liabilities			
Deferred taxation	11	63,003	10,107
		63,003	10,107
Current liabilities			
Trade & other payables	16	2,957,726	2,726,850
Provision for taxation		30,836	4,464
		2,988,562	2,731,314
Total liabilities		3,051,565	2,741,421
Total equity & liabilities		**4,696,127**	**4,593,593**

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

CONSOLIDATED STATEMENT OF CHANGES EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital	Retained earnings	Treasury shares	Currency translation reserves	Other reserves	Total	Minority interest	Total equity
	$	$	$	$	$	$	$	$
Balance as at 01.01.14	50,400	1,923,446	(57,000)	(81,843)	13,000	1,848,003	4,169	1,852,172
Comprehensive income:								
Net loss	-	(99,439)	-	-	-	(99,439)	4,802	(94,637)
Currency translation difference	-	-	-	10,969	-	10,969	58	11,027
Total comprehensive income	-	(99,439)	-	10,969	-	(88,470)	4,860	(83,610)
Contributions by and distributions to owners								
Dividends paid (Note 18)	-	(150,000)	-	-	-	(150,000)	-	(150,000)
Employee compensation (Note 15)	-	-	19,000	-	7,000	26,000	-	26,000
Total contributions by and distributions to owners	-	(150,000)	19,000	-	7,000	(124,000)	-	(124,000)
Balance as at 31.12.14	50,400	1,674,007	(38,000)	(70,874)	20,000	1,635,533	9,029	1,644,562
Balance as at 01.01.13	50,400	1,560,590	(76,000)	(66,686)	-	1,468,304	3,185	1,471,489
Comprehensive income:								
Net profit	-	487,856	-	-	-	487,856	1,518	489,374
Currency translation difference	-		-	(15,157)	-	(15,157)	(534)	(15,691)
Total comprehensive income	-	487,856	-	(15,157)	-	472,699	984	473,683
Contributions by and distributions to owners								
Dividends paid (Note 18)	-	(125,000)	-	-	-	(125,000)	-	(125,000)
Employee compensation (Note 15)	-	-	19,000	-	13,000	32,000	-	32,000
Total contributions by and distributions to owners	-	(125,000)	19,000	-	13,000	(93,000)	-	(93,000)
Balance as at 31.12.13	50,400	1,923,446	(57,000)	(81,843)	13,000	1,848,003	4,169	1,852,172

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 $	2013 $
Cash flows from operating activities		
Profit before taxation	61,184	562,160
Adjustments for:		
Depreciation of property, plant and equipment	120,995	88,909
Issue of treasury shares as employee benefits	26,000	32,000
Interest expenses	-	828
Operating profit before working capital changes	208,179	683,897
Total changes in working capital:		
(Increase) in trade & other receivables	(192,523)	(385,789)
Increase in trade & other payables	230,876	1,321,306
Cash generated from operating activities	246,532	1,619,414
Tax (paid)	(26,553)	(31,298)
Net cash generated from operating activities	219,979	1,588,116
Cash flow from investing activities		
Purchase of property, plant & equipment	(202,135)	(165,246)
Net cash used in investing activities	(202,135)	(165,246)
Cash flows from financing activities		
Dividends paid to shareholders	(150,000)	(125,000)
(Repayment) of bank borrowings	-	(78,652)
Interest paid	-	(828)
Net cash used in financing activities	(150,000)	(204,480)
Net (decrease)/ increase in cash & cash equivalents	(132,156)	1,218,390
Add: Cash & cash equivalents at beginning of the year	2,622,058	1,431,189
Effects of exchange rate changes on cash & cash equivalents	6,791	(27,521)
Cash & cash equivalents as at end of the year	2,496,693	2,622,058

Cash & cash equivalents included in the statement of cash flows comprise the following:

Cash & bank balances	2,496,693	2,622,058

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	2014	2013
		$	$
ASSETS			
Non-current assets			
Plant & equipment	10	515,748	454,551
Investments in subsidiaries	12	280,060	164,049
Deferred tax asset	11	-	50,000
		795,808	668,600
Current assets			
Trade & other receivables	13	1,464,353	1,266,323
Cash & cash equivalents	14	1,495,974	1,916,653
		2,960,327	3,182,976
Total assets		3,756,135	3,851,576
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital	15	50,400	50,400
Treasury shares		(38,000)	(57,000)
Retained earnings		1,687,770	1,832,451
Other reserves		20,000	13,000
Total equity		1,720,170	1,838,851
Non-current liabilities			
Deferred taxation	11	49,500	-
Current liabilities			
Trade & other payables	16	1,986,465	2,012,725
Total liabilities		2,035,965	2,012,725
Total equity & liabilities		3,756,135	3,851,576

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

1. General

The Company is domiciled and incorporated as a limited liability company in Singapore. The address of its registered office is located at 10 Anson Road, International Plaza, #31-06, Singapore 079903.

The principal activities of the Company in the course of the financial year are to provide payroll, human resource and consulting services. The principal activities of the subsidiary companies are disclosed in Note 12 to the financial statements.

2. Critical accounting judgements and key sources of estimation uncertainty

(i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3, the Group is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The Group believes that there are no key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, except as disclosed below:

(a) Depreciation

Property, plant & equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. Any changes in the economic useful lives or residual values could impact the depreciation charges and consequently affect the Group's results.

The carrying amount of the Group's property, plant & equipment as at 31 December 2014 and the annual depreciation charge for the financial year ended 31 December 2014 are disclosed in Note 10.

(b) Impairment of trade receivables

The Group evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment losses as a result of the inability of the customers to make required payments. The Group determines the estimates based on the aging of the trade receivables balance, credit-worthiness, and historical write-off experience. If the financial condition of the customers were to deteriorate, actual write-offs would be higher than estimated.

3. Significant accounting policies

(a) Basis of preparation & functional currency

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

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The Group has not applied any new/revised FRS or interpretations that have been issued but not yet effective. The initial application of these standards and interpretations are not expected to have any material impact on the Group's financial statements.

The financial statements are prepared in Singapore dollars which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(b) Adoption of new & revised FRS

In the current year, the Group has adopted all the new & revised FRS issued by the Accounting Standards Council (ASC) that are relevant to its operations and effective for accounting periods beginning on 1 January 2014. The adoption of these new & revised FRS has no significant changes to the Group's accounting policies.

(c) Revenue recognition

Revenue from services rendered is recognised when services are billed which generally coincides with delivery and acceptance by customers.

Revenue from HR & Staffing and HR & Consulting are the amounts received or receivable for the services of candidates, including the salary and salary-related employment costs of those employees.

(d) Plant & equipment

Plant & equipment are stated at cost, except for piling machinery which are carried at revalued amounts, less accumulated depreciation and provision for impairments. Depreciation is calculated on a straight line basis so as to write off the cost over their expected useful lives. The estimated useful lives are as follows:

	The Group & The Company
Software	10 years
Renovation	3 years
Furniture & fittings	3 years
Office equipment	3 - 20 years
Computers	3 - 6 years

Fully depreciated plant & equipment are retained in the financial statements until they are no longer in use. The residual values and useful lives of plant & equipment are reviewed at the end of each financial year end and adjusted prospectively, if appropriate.

3. **Significant accounting policies - cont'd**

(e) Foreign currency translation

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of comprehensive income.

Foreign currency translations

The results and financial position of all the Group entities are translated into Singapore dollars as follows:

- Assets and liabilities are translated at the closing rates at the date of the statement of financial position.
- Income and expenses are translated at average rates for the year, which approximates the exchange rates at the dates of the transactions.
- All resulting exchange differences are recognised in a separate component of equity as foreign currency translation reserve.

On consolidation, currency translation differences arising from the net investment in foreign operations are taken to the currency translation reserve

(f) Investment in subsidiaries

Investment in subsidiaries is stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of these investments, the differences between net disposal proceeds and the carrying amount of the investments are taken to the statement of comprehensive income.

(g) Group accounting

Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it directly or indirectly holds more than 50% of the issued share capital.

3. Significant accounting policies - cont'd

(g) Group accounting - cont'd

Subsidiaries – cont'd

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given equity instruments issued or liabilities incurred or assumed at the date of exchange, plus cots directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of the acquisition, irrespective of the extent of any minority interest. Please refer to Note 3(i) for the Group's accounting policy on goodwill.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests are that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. They are presented in the consolidated statement of financial position within equity separately from the parent shareholder's equity and are separately disclosed in the consolidated statement of comprehensive income.

(h) Financial assets

(i) Classification

Financial assets within the scope of FRS 39 are classified as financial assets at fair value through profit or loss, loans & receivables, held-to-maturity or available-for-sale financial assets, as appropriate. Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company does not have any financial assets at fair value through profit and loss.

All financial assets are recognised on their trade date - the date on which the Company is committed to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Loans & receivables

Loans & receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. Such assets are carried at amortised cost using the effective interest rate method less any impairment losses.

3. **Significant accounting policies - cont'd**

(h) Financial assets - cont'd

(ii) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

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 original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Impairment losses are recognised in the statement of comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the statement of comprehensive income.

(iii) Impairment of non-financial assets

Goodwill

Goodwill is tested annually for impairment as well as when there is any indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units (CGU) expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value in use.

An impairment loss on goodwill is recognised in the statement of comprehensive income and is not reversed in the subsequent year.

(iv) Plant & equipment
Interest in subsidiaries

Plant & equipment and interest in subsidiaries and associates are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less costs to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

3. **Significant accounting policies - cont'd**

(h) Financial assets - cont'd

(iv) Plant & equipment - cont'd
Interest in subsidiaries

The impairment loss is recognised in the statement of comprehensive income.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the statement of comprehensive income.

(i) *Goodwill*

Goodwill arose from the acquisition of a previous business. The goodwill will only be capitalized when it fulfil the criteria of identifiability, control over resource and existence of future economic benefits. Where any of the above conditions are not fulfilled, the goodwill is amortised fully over the year.

(j) Trade & other receivables

Trade & other receivables, including amounts owing by related party are classified and accounted for as loans and receivables under FRS 39. An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified.

(k) Investment in subsidiaries

Investment in subsidiaries that is intended to be held for long term purposes, is stated at cost less provision. This provision is made in recognition of a diminution in value of the investments which is other than temporary, determined on an individual basis. There has not been any consolidation of the subsidiary's accounts

(l) Financial liabilities

Financial liabilities include trade payables and other amounts payable. Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method where appropriate. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

(m) Taxation

Current taxation is provided based on the tax payable on the income for the year that is chargeable to tax.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates

3. **Significant accounting policies - cont'd**

(m) Taxation - cont'd

that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(n) Employee benefits expense

As required by law, the Group contributes to defined contribution plans, primarily the Central Provident Fund (CPF). The Group's contribution to CPF is recognised in the financial year to which it relates.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave due to employees up to the end of the reporting period.

Share award

The fair value of equity related compensation is measured using the comparative transaction method to estimate what the price of those equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties.

The compensation cost is charged to profit or loss with a corresponding change in equity.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method. Any difference between the proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate.

(p) Equity

Ordinary shares, treasury shares, retained earnings and other reserves are classified as equity.

Where the company's ordinary shares are repurchased (treasury shares), the consideration paid, excluding any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders and presented as Treasury shares reserves, until they are sold or reissued. When treasury shares are subsequently sold or reissued pursuant to a share award, the cost of the treasury shares is reversed from the Treasury shares reserves and the realized gain or loss on sale or reissue, net of any directly attributable incremental transaction costs is recognised as a change in equity of the Company in "Other reserves". No gain or loss is recognised in the statement of comprehensive income.

4. Revenue

	The Group	
	2014	2013
	$	$
Payroll services	4,448,108	4,209,917
HR & staffing	5,164,405	2,250,840
HR & consulting	1,088,788	1,061,130
	10,701,301	7,521,887

5. Other income

	The Group	
	2014	2013
	$	$
Gain on foreign exchange	1,048	4,215
Government grant	41,649	34,621
Others	-	1,864
	42,697	40,700

6. Employee benefits expenses

	The Group	
	2014	2013
	$	$
CPF contribution & other defined contribution plans	550,074	120,464
Directors' CPF	13,462	12,460
Directors' remuneration	477,594	450,730
Foreign workers levy	13,372	13,634
Salaries & wages	7,140,110	4,283,336
Staff training & welfare	37,558	19,108
Staff incentives	10,000	50,000
	8,242,170	4,949,732

The key management personnel of the Company are the directors of the Company, and the benefits received are disclosed as above.

7. Other operating expenses

	The Group	
	2014	2013
	$	$
Hosting service	138,673	112,740
Repair & maintenance	15,098	7,788
Reimbursement expenses	225,204	96,371
Office rental	192,207	115,254
Printing & stationary	14,561	10,100
Professional fee	240,374	218,703
Travelling	122,456	97,452
Doubful debts - trade	32,949	5,654
Doubtful debts - non-trade	-	54,762
Others	300,621	260,132
	1,282,143	978,956

8. Finance costs

	The Group	
	2014	2013
	$	$
Loan interest	-	828

9. Taxation

	The Group	
	2014	2013
	$	$
Current year tax	46,590	31,131
Deferred taxation	103,519	50,348
Withholding tax	5,712	3,533
Overprovision in prior years	-	(12,226)
	155,821	72,786

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

9. Taxation – cont'd

	The Group	
	2014	2013
	$	$
Profit before taxation	61,184	562,160
Tax calculated at the rates applicable to profits in the countries concerned	5,836	104,399
Adjustment for:		
Expenses not deductible for tax purposes	39,876	51
Withholding tax	5,712	3,533
Income not subject to tax	(24,606)	(5,886)
DTD for internationalisation	(10,710)	-
Deferred tax assets not recognised	89,567	-
Enhanced tax deduction	(3,576)	(71,030)
Overprovision in prior years	-	(12,226)
Others	53,722	53,945
	155,821	72,786

As at 31 December 2014, the Group has unabsorbed tax losses amounting to $104,000 (2013: $7,000) for which deferred tax assets have not been recognised as it may not be certain that future taxable profit will be available against which the subsidiary company may utilise the benefits. The utilisation of such tax losses is subject to the provisions of the income tax regulations in the country which the subsidiary operates.

10. **Property, plant and equipment**

The Group

Cost	Software	Software under development	Office equipment	Computers	Furniture and fittings	Renovation	Total
	$	$	$	$	$	$	$
Balance as at 01.01.13	440,630	-	81,792	43,207	13,272	263,137	842,038
Additions	80,000	54,884	4,993	25,369	-	-	165,246
Translation	-	-	(2,109)	(4,751)	-	(20,106)	(26,966)
Balance as at 31.12.13	520,630	54,884	84,676	63,825	13,272	243,031	980,318
Additions	22,074	5,216	13,140	36,067	3,976	121,662	202,135
Written off	-	-	(17,705)	-	(13,272)	(27,812)	(58,789)
Translation	-	-	595	1,477	-	4,235	6,307
Balance as at 31.12.14	542,704	60,100	80,706	101,369	3,976	341,116	1,129,971
Accumulated Depreciation							
Balance as at 01.01.13	76,201	-	57,165	13,431	13,272	46,217	206,286
Charge for the year	49,380	-	8,225	9,534	-	21,770	88,909
Disposals	-	-	-	-	-	-	-
Translation	-	-	(739)	(1,547)	-	(2,866)	(5,152)
Balance as at 31.12.13	125,581	-	64,651	21,418	13,272	65,121	290,043
Charge for the year	49,381	-	7,485	10,855	1,326	51,948	120,995
Written off	-	-	(17,705)	-	(13,272)	(27,157)	(58,134)
Translation	-	-	189	478	-	749	1,416
Balance as at 31.12.14	174,962	-	54,620	32,751	1,326	90,661	354,320
Net Book Value							
Balance as at 31.12.14	367,742	60,100	26,086	68,618	2,650	250,455	775,651
Balance as at 31.12.13	395,049	54,884	20,025	42,407	-	177,910	690,275

10. **Property, plant and equipment - cont'd**

The Company

Cost	Software	Software under development	Office equipment	Furniture & fittings	Renovations	Total
	$	$	$	$	$	$
Balance as at 01.01.2013	440,630	-	58,388	13,272	27,157	539,447
Additions	80,000	54,884	2,193	-	-	137,077
Balance as at 31.12.2013	520,630	54,884	60,581	13,272	27,157	676,524
Additions	22,075	5,216	6,548	3,976	119,995	157,810
Written off			(17,705)	(13,272)	(27,157)	(58,134)
Balance as at 31.12.2014	542,705	60,100	49,424	3,976	119,995	776,200
Accumulated depreciation						
Balance as at 01.01.2013	76,201	-	49,215	13,272	19,657	158,345
Charge for the year	49,380	-	6,748	-	7,500	63,628
Balance as at 31.12.2013	125,581	-	55,963	13,272	27,157	221,973
Charge for the year	49,381	-	5,566	1,326	40,340	96,613
Written off			(17,705)	(13,272)	(27,157)	(58,134)
Balance as at 31.12.2014	174,962	-	43,824	1,326	40,340	260,452
Net book value						
Balance as at 31.12.2014	367,743	60,100	5,600	2,650	79,655	515,748
Balance as at 31.12.2013	395,049	54,884	4,618	-	-	454,551

11. Deferred tax asset / (liability)

	The Group	
	2014	2013
	$	$
Balance as at beginning of the year	39,893	89,316
Transferred to statement of comprehensive income	(103,519)	(50,348)
Translation difference	623	925
Balance as at end of the year	(63,003)	39,893
Represented by:		
Excess of net book value over tax written down value of property, plant & equipment	(69,405)	(10,107)
Unutilised capital allowances	6,402	50,000
	(63,003)	39,893

	The Company	
	2014	2013
	$	$
Balance as at beginning of the year	50,000	100,000
Transferred to statement of comprehensive income	(99,500)	(50,000)
Balance as at end of the year	(49,500)	50,000
Represented by:		
Excess of net book value over tax written down value of property, plant & equipment	(55,902)	-
Unutilised capital allowances	6,402	50,000
	(49,500)	50,000

12. Investment in subsidiary companies

	The Company	
	2014	2013
	$	$
Unquoted equity shares, at cost	164,060	164,049
Amount owing by subsidiary - non-trade	116,000	-
	280,060	164,049

The amounts owing are unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future.

12. Investment in subsidiary companies - cont'd

Name of subsidiary companies	Country of incorporation and business	Principal activities	Investment cost		Percentage of equity held	
			2014	2013	2014	2013
			$	$	%	%
Pay Asia Management Private Limited	India	Payroll, hiring & staffing services	159,299	159,299	98%	98%
Pay Asia Ltd	Hong Kong	Payroll services	1,664	1,664	100%	100%
Pay Asia Services Limited,Inc	Philippines	Payroll services	3,086	3,086	100%	100%
Pay Asia Australia Pty Ltd	Australia	Payroll services	11	-	100%	N/A

13. Trade & other receivables

	2014	2013
	$	$
The Group		
Trade receivables	1,000,999	985,776
Prepayments	222,514	89,592
Deposit	87,055	29,459
Amount owing by related party - non-trade	59,227	130,124
Other receivables	127,641	56,725
Due from subsidiary	-	-
Less: Provision for doubtful debts - trade	(18,891)	(5,654)
Provision for doubtful debts - non-trade	(54,762)	(54,762)
	1,423,783	1,231,260

	2014	2013
The currency profile of trade & other receivables are as follow:		
Indian rupees	470,126	401,339
Singapore dollars	898,337	769,888
Others	55,320	60,033
	1,423,783	1,231,260

13. Trade & other receivables - cont'd

	2014	2013
	$	$
The Company		
Trade receivables	767,106	753,213
Prepayments	22,888	17,937
Deposit	46,202	13,793
Amount owing by subsidiary - non-trade	523,125	450,980
Amount owing by related party - non-trade	59,227	57,329
Other receivables	119,458	33,487
Less : Provision for doubtful debts - trade	(18,891)	(5,654)
Provision for doubtful debts - non-trade	(54,762)	(54,762)
	1,464,353	1,266,323

The currency profile of trade & other receivables are as follows:

	2014	2013
Singapore dollars	1,421,462	1,094,154
Others	42,891	172,169
	1,464,353	1,266,323

Provision for doubtful debts:

	2014	2013
The Group		
Balance as at beginning of the year	60,416	-
Addition during the year	46,186	60,416
Written off	(32,949)	-
Balance as at end of the year	73,653	60,416
The Company		
Balance as at beginning of the year	60,416	-
Addition during the year	18,891	60,416
Written off	(5,634)	-
Balance as at end of the year	73,653	60,416

Related parties are companies with common shareholders and the directors have significant influence. The amounts are unsecured, interest free and repayable on demand.

14. Cash & cash equivalents

	2014	2013
	$	$
The Group		
Bank & cash balances	581,059	736,532
Clients' monies	1,915,634	1,885,526
	2,496,693	2,622,058

14. Cash & cash equivalents – cont'd

	2014	2013
	$	$
The currency profile of cash & bank balances are as follows:		
Australian dollars	24,723	-
Hong Kong dollars	34,226	119,760
Philippines peso	60,868	25,131
Indian rupees	880,902	560,514
Singapore dollars	1,495,974	1,916,653
	2,496,693	2,622,058

	2014	2013
The Company		
Cash and bank balances	242,103	595,848
Clients' monies	1,253,871	1,320,805
	1,495,974	1,916,653
The currency profile of cash & bank balances are as follows:		
Singapore dollars	1,493,014	1,915,945
Others	2,960	708
	1,495,974	1,916,653

15. Share capital and treasury shares

	No of ordinary shares				
2014	Share capital	Treasury shares	Share capital	Treasury shares	Other reserves
			$	$	$
Beginning of year	25,200	(756)	50,400	(57,000)	13,000
Issued to employee as benefit	-	252	-	19,000	7,000
Bonus shares issued					
End of year	25,200	(504)	50,400	(38,000)	20,000
2013					
Beginning of year	25,200	(1,008)	50,400	(76,000)	-
Issued to employee as benefit	-	252	-	19,000	13,000
Bonus shares issued	-	-	-	-	
End of year	25,200	(756)	50,400	(57,000)	13,000

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

15. **Share capital and treasury shares - cont'd**

Treasury shares

A director is entitled to bonuses paid in shares, subject to meeting certain annual financial targets as approved by the board of directors. The director was issued 252 (2013: 252) treasury shares as bonus.

16. **Trade & other payables**

	2014	2013
The Group	$	$
Trade payables	640,963	520,168
Advances of clients' monies	1,918,456	1,851,130
Advance payments from customers	19,690	19,690
Accruals	331,661	307,448
Other payables	46,956	28,414
	2,957,726	2,726,850

The amount owing to directors is unsecured, interest-free and repayable on demand.

The currency profile of trade & other payables are as follows:

	2014	2013
The Group	$	$
Australian dollars	13,460	11,874
Hong Kong dollars	21,713	18,413
Indian ruprees	1,019,238	690,234
Japanese yen	8,788	13,349
Philippines peso	50,760	23,891
Singapore dollars	1,689,122	1,885,313
US dollars	82,511	57,885
Others	72,134	25,891
	2,957,726	2,726,850

The Company		
Trade payables:		
- third parties	405,112	430,533
- Advances of clients' monies	1,396,187	1,414,290
	1,801,299	1,844,823
Other payables:		
- Advance payments from customers	19,690	19,690
- Accruals	161,996	144,732
- Other payables	3,480	3,480
	1,986,465	2,012,725

16. Trade & other payables - cont'd

The currency profile of trade & other payables is as follows:

	2014 $	2013 $
Australian dollars	23,053	11,874
Hong Kong dollars	4,126	121,892
Japanese yen	8,788	13,349
Singapore dollars	1,795,855	1,781,834
South African rand	31,221	23,961
US dollars	82,511	57,885
Others	40,911	1,930
	1,986,465	2,012,725

17. Related party transactions

An entity or individual is considered a related party of the Company for the purpose of the financial statement if:

(i) it possess the ability (directly or indirectly) to control or exercise significant influence over the financial and operating decisions of the Company or vice versa;

(ii) it is subjected to common control or common significant influences.

During the financial year under review, there were the following significant related party transactions:

	The Group	
	2014 $	2013 $
With companies in which the directors have an interest:		
Payment on behalf	-	3,273

18. Dividends

During the financial year,

(a) A final dividend of $3.04 (2013: $1.98) per share amounting to $75,000 (2013: $50,000), in respect of the year ended 31 December 2013 was paid; and

(b) An interim dividend of $3.04 (2013: $2.98) per share amounting to $75,000 (2013: $75,000), in respect of the year ended 31 December 2013 was paid.

19. Capital risk commitment

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;

(b) To support the Group's stability and growth.

The capital structure of the Group comprises only of issued capital, treasury shares, other reserves and retained earnings. The Group overall strategy remains unchanged from 2013. The Group is not subject to any externally imposed capital requirements.

20. Operating lease commitments

Operating lease commitments in respect of leasehold land are as follows:

	The Group & the Company	
	2014	2013
	$	$
Payable within 1 year	178,213	39,396
Payable within 2-5 years	282,171	-
	460,384	39,396

21. Financial risk management

Finance risk factors:

The Company is exposed to market risk (including interest rate and foreign currency risks), credit risk and liquidity risk. The Company's overall risk management seeks to minimise potential adverse effects of these risks on the financial performances of the Company.

(a) <u>Credit risk</u>

Management has adopted the policy of only dealing with credit worthy parties.

At the end of the reporting period, there were no significant concentrations of credit risk.

The Maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Financial assets that are neither past due nor impaired

Trade & other receivables that are neither past due nor impaired are creditworthy debtors with good records with the Group. Cash & cash equivalents, investment securities are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

21. Financial risk management - cont'd

(a) Credit risk - cont'd

Financial assets that are past due but not impaired

The Group has trade receivables amounting to $449,636 (2013: $449,525) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2014	2013
	$	$
Current	532,472	530,597
Past due:-		
Less than 30 days	197,082	213,749
31 - 60 days	91,277	79,092
More than 60 days	161,277	156,684
	982,108	980,122

(b) Liquidity risk

The Group maintains adequate reserves of cash to meet its liquidity requirements.

(c) Interest rate risk

The Group has no significant exposure to interest rate risks.

(d) Foreign currency risk

The Group incurs foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily the Singapore dollars. There is no formal hedging policy with respect to the foreign exchange exposure. Exposure to exchange risk is monitored on an ongoing basis and the Group endeavors to keep the net exposure at an acceptable level.

Sensitivity analysis for foreign currency risk

The following demonstrates the sensitivity to a reasonably possible change in the exchange rate between the functional currency of the subsidiary (Indian Rupees) and the Singapore dollars on the Group's profit before tax. The impact of changes in exchange rate to other currencies have not been disclosed as it is not material.

A 5% (2013: 5%) strengthening of the Singapore dollar against the Indian Rupees at the end of the reporting period would have increased/(decreased) profit before tax by the amounts shown below. The analysis assumes that all other variables remain constant and is performed on the same basis for financial year ended 2013.

	2014	2013
	$	$
The Group	(12,469)	(13,786)

A 5% (2013: 5%) weakening of the Singapore dollar against the Indian Rupees at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above on the basis that all other variables remain constant.

21. Fair value of financial instruments

Financial assets and liabilities are measured on an ongoing basis either at fair value or at amortised cost.

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities in the statement of financial position by the class of the financial instrument to which they are assigned and therefore by the basis of measurement.

The Group - 2014	Loan & receivables	Liabilities at amortised cost	Non financial assets & liabilities	Total
	$	$	$	$
Assets				
Plant & equipment	-	-	775,651	775,651
Trade & other receivables	1,201,269	-	222,514	1,423,783
Cash & cash equivalents	2,496,693	-	-	2,496,693
	3,697,962	-	998,165	4,696,127
Liabilities				
Trade & other payables	-	2,957,726	-	2,957,726
Deferred taxation	-	-	63,003	63,003
	-	2,957,726	93,839	3,051,565
The Group - 2013				
Assets				
Plant & equipment	-	-	690,275	690,275
Trade & other receivables	1,141,668	-	89,592	1,231,260
Cash & cash equivalents	2,622,058	-	-	2,622,058
	3,763,726	-	779,867	4,543,593
Liabilities				
Trade & other payables	-	2,726,850	-	2,726,850
Provision for taxation	-	-	4,464	4,464
Deferred taxation	-	-	10,107	10,107
	-	2,726,850	14,571	2,741,421

22. Fair value of financial instruments - cont'd

The Company - 2014	Loan & receivables	Liabilities at amortised cost	Non financial assets & liabilities	Total
	$	$	$	$
Assets				
Plant & equipment	-	-	515,748	515,748
Investment in subsidiaries	-	-	280,060	280,060
Trade & other receivables	1,441,465	-	22,888	1,464,353
Cash & cash equivalents	1,495,974	-	-	1,495,974
	2,937,439	-	818,696	3,756,135
The Company - 2014				
Liabilities				
Trade & other payables	-	1,986,465	-	1,986,465
Deferred taxation	-	-	49,500	49,500
	-	1,986,465	49,500	2,035,965
The Company - 2013				
Assets				
Plant & equipment	-	-	454,551	454,551
Deferred tax asset	-	-	50,000	50,000
Investment in subsidiaries	-	-	164,049	164,049
Trade & other receivables	1,248,386	-	17,937	1,266,323
Cash & cash equivalents	1,916,653	-	-	1,916,653
	3,165,039	-	686,537	3,851,576
Liabilities				
Trade & other payables	-	2,012,725	-	2,012,725

(b) Fair value

The carrying value of the financial instruments reported on the statement of financial position approximate their respective fair value due to the relatively short term maturity of these financial instruments.

22. Authorisation of financial statements

The board of directors authorise these financial statements for issue on 30 July 2015.

THE FOLLOWING STATEMENT DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY

	2014	2013
	S$	S$
Revenue	5,326,909	5,091,902
Other income		
Exchange gain	-	4,215
Others	41,660	34,622
	41,660	38,837
Subcontractors		
Partner fees	1,830,669	1,372,052
Professional services	189,321	212,589
	(2,019,990)	(1,584,641)
Employee benefits expense		
CPF contribution & SDL	124,318	119,990
Directors' remuneration	403,295	373,738
Directors' CPF	12,412	12,261
Foreign workers levy	13,372	13,634
Salaries & wages	1,758,438	1,765,761
Staff incentives	10,000	50,000
Staff training & welfare	9,561	5,381
	(2,331,396)	(2,340,765)
Depreciation of plant & equipment	(96,613)	(63,628)
Other operating expenses (Appendix A)	(810,038)	(661,797)
Finance costs		
Loan interest	-	(828)
Profit before taxation	110,532	479,080

Appendix A

	2014 S$	2013 S$
<u>Other operating expenses</u>		
Accounting fee	3,578	3,848
Amount owing by subsidiary written off	78,941	-
Auditors' remuneration - current year	10,000	6,000
Auditors' remuneration - under - provision in prior year	-	500
Bank charges	24,062	37,369
Courier	4,473	3,317
Doubtful debts - trade	18,891	5,654
Doubtful debts - non - trade	-	54,762
Entertainment	5,596	8,165
Exchange loss	3,944	-
General expenses	2,293	3,338
Hosting services	122,839	105,198
Income tax fee	-	1,000
Insurance	27,922	26,825
Office rental	131,685	67,536
Oversea office expenses	-	4,826
Penalty	595	189
Postage & stamps	137	246
Printing & stationery	8,311	5,811
Professional fee	215,365	206,284
Recruitment expenses	810	1,099
Renovation general work	7,899	-
Rental of office equipment	6,477	6,593
Repair & maintenance	3,399	2,830
Secretarial fee	1,090	2,000
Subscription	1,063	1,114
Telecommunications	27,866	26,533
Training	535	-
Transport	12,275	7,431
Travelling	83,461	65,969
Water & electricity	6,531	7,360
	(810,038)	(661,797)