

THE BREADLINE GROUP
Unique Entity No. S75SS0039G

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

The Breadline Group

General Information

Executive Committee

Chairman – Lim Kok Eng
Vice Chairman – Alice Tan Bee Eng
Honorary Treasurer – Viven Quek Miew Ching
Honorary Secretary – Richard Lim Teong Seng
Assistant Honorary Secretary – Ng Su-Ran
Membership Secretary – Phyllis Teo

Registered Office

Block 303 Shunfu Road
#03-57
Singapore 570303

Auditors

CA.sg PAC

Bankers

Citibank Singapore Ltd
Hong Leong Finance Limited
CTMB Bank

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The Breadline Group

Statement by Executive Committee

We, the undersigned, hereby state that in the opinion of the Executive Committee, the financial statements of The Breadline Group ("Society") set out on pages 4 to 15 are properly drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2014 and of the results, changes in funds and cash flows of the Society for the year then ended.

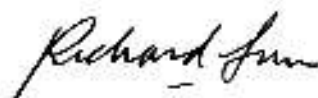
For and on behalf of the Executive Committee



Lim Kok Eng
Chairman



Viven Quak Miew Ching
Honorary Treasurer



Richard Lim Teong Seng
Honorary Secretary

Singapore, 23 March 2015

INDEPENDENT AUDITOR'S REPORT
to the members of
THE BREADLINE GROUP

Report on the Financial Statements

We have audited the accompanying financial statements of The Breadline Group ("Society") which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Executive Committee's Responsibility for the Financial Statements

The Society's Executive Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, Chapter 311 (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 account and balance sheet and to maintain accountability of assets.

Auditor's 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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.

INDEPENDENT AUDITOR'S REPORT

to the members of

THE BREADLINE GROUP (continued)

Report on the Financial Statements (continued)

Opinion

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

Report on Other Legal and Regulatory Requirements

There were no fund-raising appeals carried out by the Society during the year.

In our opinion:

- (a) the accounting and other records required by the regulations enacted under the Charities Act (Cap. 37) to be kept by the Society have been properly kept in accordance with these regulations.
- (b) nothing has come to our attention to cause us to believe that the funds were not used in accordance with the objects of the Society.


CA.sg PAC
Public Accountants and
Chartered Accountants
Singapore

23 March 2015

The Breadline Group

**Statement of Financial Position
as at 31 December 2014**

	Note	2014 S\$	2013 S\$
ASSETS AND LIABILITIES			
Current Assets			
Other receivables	3	3,529	2,589
Cash and cash equivalents	4	<u>787,221</u>	<u>630,722</u>
Total Assets		<u>790,750</u>	<u>633,311</u>
Current Liabilities			
Other payables	5	<u>45,160</u>	<u>51,483</u>
Total Liabilities		<u>45,160</u>	<u>51,483</u>
Net Current Assets		<u>745,590</u>	<u>581,828</u>
FUNDS			
Accumulated funds		<u>745,590</u>	<u>581,828</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

The Breadline Group**Statement of Comprehensive Income
for the year ended 31 December 2014**

	Note	2014 S\$	2013 S\$
Income			
Membership subscriptions		76	78
Donations	6	477,497	287,249
Interest income		5,183	4,478
Writeback of accruals		15,200	21,600
Others		15	-
		<u>497,971</u>	<u>313,405</u>
Expenditure			
Audit fee		300	300
Bank charges		250	120
Cash for families		322,283	318,539
General expenses		143	108
Membership fees		78	117
Rental of storage space		1,105	1,022
Sponsorships for cheap meals		10,000	12,000
Web maintenance		50	85
Repair and maintenance		-	60
		<u>334,209</u>	<u>332,351</u>
Net surplus/(deficit) for the year		163,762	(18,946)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>163,762</u>	<u>(18,946)</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

The Breadline Group

**Statement of Changes in Funds
for the year ended 31 December 2014**

	Accumulated funds S\$
At 1 January 2013	600,774
Total comprehensive income for the year	<u>(18,946)</u>
At 31 December 2013	581,828
Total comprehensive income for the year	<u>163,762</u>
At 31 December 2014	<u><u>745,590</u></u>

**The annexed notes form an integral part of and should be
read in conjunction with these financial statements.**

The Breadline Group

**Statement of Cash Flows
for the year ended 31 December 2014**

	2014 S\$	2013 S\$
Cash flows from operating activities		
Net surplus/(deficit) for the year	163,762	(18,946)
Adjustments for :-		
Interest income	(5,183)	(4,478)
Writeback of accruals	<u>(15,200)</u>	<u>(21,600)</u>
Operating surplus/(deficit) before working capital changes	143,379	(45,024)
(Increase)/Decrease in other receivables	(940)	3,069
Increase in other payables	<u>8,877</u>	<u>3,023</u>
Cash generated from/(used in) operations	151,316	(38,932)
Interest received	<u>5,183</u>	<u>4,478</u>
Net increase/(decrease) in cash and cash equivalents	156,499	(34,454)
Cash and cash equivalents at beginning of the year	<u>630,722</u>	<u>665,176</u>
Cash and cash equivalents at end of the year	<u><u>787,221</u></u>	<u><u>630,722</u></u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

The Breadline Group

Notes to the financial statements – 31 December 2014

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

1. General information

The Society (Unique Entity No. S75SS0039G) is registered and domiciled in the Republic of Singapore with the registered office at Block 303, Shunfu Road, #03-57, Singapore 570303.

The objectives of the Society are:

- (i) to assist and render aid or to provide any form of assistance to the aged and needy in Singapore;
- (ii) to raise funds for and to develop and maintain welfare and educational facilities and services for the families of the aged and needy in general; and
- (iii) to acquire by purchase, lease, exchange of property of any description whatsoever in Singapore or elsewhere and to make use of any such property for any purpose connected with the foregoing objects of the Society including leasing out or selling on any term part or parts of any such property for any purpose which shall be beneficial to the Society.

2. Summary of significant accounting policies

2.1 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies, and Singapore Financial Reporting Standards ("FRS").

The Society has not applied any new or revised FRS or interpretations that have been issued as of the date of statement of financial position but are not yet effective. The initial application of these standards and interpretations are not expected to have any material impact on the Society's financial statements. The Society has not considered the impact of the accounting standards issued after the date of the statement of financial position.

The financial statements are presented in Singapore dollars ("S\$") and all values are presented to the nearest dollar except where indicated otherwise.

2. **Summary of significant accounting policies (continued)**

2.2 **Significant accounting estimates and judgements**

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision only affects that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

(i) **Key sources of estimation uncertainty**

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

Impairment of loans and receivables

The Society assesses at each date of the statement of financial position whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Society considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Society's loans and receivables at the date of the statement of financial position amounted to S\$789,749.

2.3 **Financial assets**

Financial assets within the scope of FRS 39 ("FRS 39") are classified as either financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets, as appropriate. Financial assets are recognised on the statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

2. Summary of significant accounting policies (continued)

2.3 Financial assets (continued)

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Society determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Society's loans and receivables include other receivables and cash and cash equivalents.

2.4 Other receivables

Other receivables are accounted for as loans and receivables under FRS 39. They are recognised and carried at their fair value on initial recognition, less allowance for any uncollectible amounts. Allowance for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

2.5 Impairment

Impairment of financial assets

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income.

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

2. Summary of significant accounting policies (continued)

2.6 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Society becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised initially at their fair values, plus in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

2.7 Other payables

Other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Society and subsequently measured at amortised cost using the effective interest method.

2.8 Derecognition of financial assets and liabilities

(i) Financial assets

A loan or receivable is derecognised where the contractual rights to receive cash flows from the asset have expired which usually coincides with receipt of payments for the asset. On derecognition, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of comprehensive income.

(ii) Financial liabilities

Financial liabilities are derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

2.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2. Summary of significant accounting policies (continued)

2.9 Leases (continued)

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.10 Income recognition

Members' subscriptions, donations and other income are recognised to the extent that it is probable that the economic benefits will flow to the Society and the income can be reliably measured. These income are measured at fair value of consideration received or receivable.

Interest income from bank deposits are accrued on a time proportion basis on the principal outstanding and at the applicable interest rate.

2.11 Functional currency

Items included in the financial statements of the Society are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Society ("functional currency"). The financial statements are presented in Singapore dollars, which is also the functional currency of the Society.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise bank balances and fixed deposits placed with financial institutions.

2.13 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial or operational decisions. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

Related parties include the Society's management personnel, associates and enterprises in which a substantial interest in the voting power is held, directly or indirectly, by the Society's key management personnel.

The Breadline Group**Notes to the financial statements – 31 December 2014****3. Other receivables**

	2014	2013
	S\$	S\$
Interest receivable	2,528	1,431
Prepayments	1,001	1,158
	<u>3,529</u>	<u>2,589</u>

Other receivables are denominated in Singapore dollars.

4. Cash and cash equivalents

	2014	2013
	S\$	S\$
Bank balances	331,539	278,929
Time deposits	455,682	351,793
	<u>787,221</u>	<u>630,722</u>

Cash and cash equivalents are denominated in Singapore dollars.

The time deposits bear interest at 1.11% to 1.30% (2013 – 1.10% to 1.11%) per annum and mature within 1 month to 12 months from the end of the financial year.

5. Other payables

	2014	2013
	S\$	S\$
Accrued expenses	<u>45,160</u>	<u>51,483</u>

Other payables are denominated in Singapore dollars.

6. Donations

	2014	2013
	S\$	S\$
Non-tax exempt donations	74,942	21,481
Tax exempt donations	402,555	265,768
	<u>477,497</u>	<u>287,249</u>

The Breadline Group

Notes to the financial statements – 31 December 2014

7. Related party transactions

There were no related party transactions during the financial year.

8. Fund management

The Society is not subject to either internally or externally imposed fund requirements.

9. Financial instruments

9.1 Categories of financial instruments

The following sets out the financial instruments of the Society as at the date of the statement of financial position:-

	2014 SS	2013 SS
Financial assets		
Other receivables	2,528	1,431
Cash and cash equivalents	<u>787,221</u>	<u>630,722</u>
	<u>789,749</u>	<u>632,153</u>
Financial liabilities		
Other payables	<u>45,160</u>	<u>51,483</u>

9.2 Risk management

The main risks arising from the Society's financial instruments are credit risk, liquidity risk and price risk, primarily changes in interest rates. The management monitors and controls its main risks in the following manner :-

(i) Credit risk

Financial instruments contain an element of risk in that the counterparties may be unable to meet their obligations. The Society places its cash and cash equivalents with established institutions.

At the date of the statement of financial position, the Society has no significant credit risk. The maximum exposure to credit risk is represented by the carrying amounts of each financial asset in the statement of financial position.

The Breadline Group

Notes to the financial statements – 31 December 2014

9. Financial instruments (continued)

9.2 Risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

In the management of liquidity risk, the Society monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Society's operations and mitigate the effects of fluctuation in cash flows. The Executive Committee aims at maintaining a high level of liquidity and cash flows at all times.

(iii) Interest rate risk

Interest rate risk relates primarily to the risk that the value of financial instruments will fluctuate as a result of changes to market interest rates. Surplus cash and cash equivalents are placed with established financial institutions at favourable interest rates and terms and conditions available to the Society.

Sensitivity analysis

The Society's exposure to changes in interest rates relates primarily to time deposits placed with financial institutions. Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on profit and loss or funds of the Society is insignificant.

9.3 Fair values

The Executive Committee is of the view that the fair values of the financial assets and liabilities as at the date of the statement of financial position approximate their carrying amounts as disclosed in the statement of financial position and in the notes to the financial statements.

10. Authorisation of financial statements

The Executive Committee of the Society authorised the issuance of the financial statements on 23 March 2015.