

THE BREADLINE GROUP
(UEN : S75SS0039G)

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2017

THE BREADLINE GROUP
(UEN : S75SS0039G)

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STATEMENT BY EXECUTIVE COMMITTEE

In the opinion of the Executive Committee, the financial statements are drawn up so as to give a true and fair view of the financial position and performance of THE BREADLINE GROUP for the year covered by the financial statements.

On behalf of the Executive Committee,



Lim Kok Eng
Chairman



Richard Lim Teong Seng
Honorary Treasurer

15 March 2018

Robert Tan Partners PAC

Chartered Accountants, Singapore

陳萬勝會計有限公司

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BREADLINE GROUP (UEN : S75SS0039G)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **THE BREADLINE GROUP** (the Society), which comprise the statement of financial position as at 31 December 2017, and the statement of financial activities and statement of cash flows 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 Societies Act, Chapter 311 (the Act) and Singapore Charities Accounting Standard (CAS) so as to give a true and fair view of the financial position and financial performance of the Society for the year covered by the financial statements.

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 Society 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 Statement by Executive Committee set out on page 2 and the Executive Committee Report 2017/2018.

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.

.....Cont'd

Robert Tan Partners PAC

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BREADLINE GROUP (UEN : S75SS0039G) (Continued)

Responsibilities of Management and Management Board 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 CAS, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

The management board's responsibilities include overseeing the Society'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 of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

.....Cont'd

Robert Tan Partners PAC

Chartered Accountants, Singapore

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BREADLINE GROUP

(UEN : S75SS0039G)

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (*Cont'd*)

- 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 Society'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 Society 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 management board 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 :

- (a) the accounting and other records required by the regulations enacted under the Act to be kept by the Society have been properly kept in accordance with those regulations; and
- (b) nothing came to our notice that caused us to believe that the Society did not use donation money received in accordance with the Society's objectives.

The Society did not hold any public fund-raising activity during the financial year.



Robert Tan Partners PAC
Public Accountants and
Chartered Accountants,
Singapore

15 March 2018

THE BREADLINE GROUP
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u>			<u>2016</u>		
	Unrestricted general fund	Restricted care & share fund	Total	Unrestricted general fund	Restricted care & share fund	Total
	\$	\$	\$	\$	\$	\$
INCOME						
<i>Income from generated funds</i>						
Member's subscriptions	72	-	72	74	-	74
Donations						
- Non-tax exempt donations	30,930	-	30,930	16,820	-	16,820
- Tax exempt donations	301,848	-	301,848	248,555	-	248,555
Interest income	6,913	96	7,009	9,626	578	10,204
Care & share grant	-	339,622	339,622	-	91,793	91,793
Write back of accruals	780	-	780	10,407	-	10,407
	<u>340,543</u>	<u>339,718</u>	<u>680,261</u>	<u>285,482</u>	<u>92,371</u>	<u>377,853</u>
Deduct : EXPENDITURE						
<i>Charitable activities</i>						
Cash for families	322,239	-	322,239	310,052	-	310,052
Care & share project						
- Education funding	-	75,942	75,942	-	47,700	47,700
- Festive bonus	-	88,150	88,150	-	71,821	71,821
- Home improvement & emergency funding	-	68,302	68,302	-	24,520	24,520
- Volunteer gathering	-	2,731	2,731	-	1,413	1,413
Sponsorships for cheap meals	9,280	-	9,280	12,000	-	12,000
	<u>331,519</u>	<u>235,125</u>	<u>566,644</u>	<u>322,052</u>	<u>145,454</u>	<u>467,506</u>
<i>Governance costs</i>						
Audit fee	600	-	600	500	-	500
Bank charges	496	166	662	234	123	357
General expenses	73	-	73	86	-	86
Membership fees	117	-	117	78	-	78
Rental of storage space	1,212	-	1,212	1,081	-	1,081
Web maintenance	-	-	-	250	-	250
	<u>2,498</u>	<u>166</u>	<u>2,664</u>	<u>2,229</u>	<u>123</u>	<u>2,352</u>
NET INCOME/(EXPENDITURE)						
FOR THE YEAR	6,526	104,427	110,953	(38,799)	(53,206)	(92,005)
TOTAL FUNDS BROUGHT FORWARD	<u>704,671</u>	<u>119,197</u>	<u>823,868</u>	<u>743,470</u>	<u>172,403</u>	<u>915,873</u>
TOTAL FUNDS CARRIED FORWARD	<u>711,197</u>	<u>223,624</u>	<u>934,821</u>	<u>704,671</u>	<u>119,197</u>	<u>823,868</u>

The attached notes to financial statements form an integral part of these financial statements.

THE BREADLINE GROUP
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
ASSETS			
Current assets			
Other receivables	4	3,871	6,159
Time deposits	5	675,533	670,251
Bank balances		292,537	181,372
		-----	-----
Total assets		971,941	857,782
		=====	=====
 FUNDS AND LIABILITIES			
Unrestricted general fund	6	711,197	704,671
Restricted care & share fund	7	223,624	119,197
		-----	-----
		934,821	823,868
 Current liabilities			
Expenses payable		37,120	33,914
		-----	-----
Total funds and liabilities		971,941	857,782
		=====	=====

The attached notes to financial statements form
an integral part of these financial statements.

THE BREADLINE GROUP
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u> \$	<u>2016</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(expenditure) for the year	110,953	(92,005)
Adjustments for :		
Interest income	(7,009)	(10,204)
Write back of accruals	(780)	(10,407)
	-----	-----
Operating surplus/(deficit) before working capital changes	103,164	(112,616)
<i>Changes in working capital :</i>		
Other receivables	2,288	(1,218)
Expenses payable	3,986	17,887
	-----	-----
<i>Net cash from/(used in) operating activities</i>	109,438	(95,947)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	7,009	10,204
	-----	-----
<i>Net cash from investing activities</i>	7,009	10,204
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
	-----	-----
NET INCREASE/(DECREASE) IN TIME DEPOSITS & BANK BALANCES	116,447	(85,743)
TIME DEPOSITS & BANK BALANCES AT BEGINNING OF YEAR	851,623	937,366
	-----	-----
TIME DEPOSITS & BANK BALANCES AT END OF YEAR	968,070	851,623
	=====	=====

The attached notes to financial statements form
an integral part of these financial statements.

THE BREADLINE GROUP
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NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2017

1. GENERAL

The Breadline Group is registered under the Societies Act, Cap. 311 and as a charity under the Charities Act, Cap. 37 and has been accorded an Institution of Public Character (IPC). The Society is a member of the National Council of Social Service.

The registered office is situated at Blk 303 Shunfu Road #03-57, Singapore 570303. The financial statements are authorised for issue by the Executive Committee on the date stated on the Statement by Executive Committee on page 2.

The principal activities of the Society is to care for the aged and poor in Singapore.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of accounting*

The financial statements of Society have been prepared under the historical cost convention and comply with Singapore Charities Accounting Standard (CAS).

(b) *Accounting estimates and judgements*

The preparation of financial statements in conformity with CAS 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 reviewed on an on-going basis and 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. These estimates and assumptions are not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) *Income recognition*

Income other than interest income is recognised on a cash receipt basis. Interest income is recognised on an accrual basis.

(d) *Grants & subsidies*

Grants and subsidies from the Government are recognised at their fair value where there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs which it is intended to compensate. Based on the funding principles, accruals are made for any over/underfunding payable/recoverable. When the grant or subsidy relates to a depreciable asset, the asset shall be recognised at its full acquisition cost with the grant set up as a designated fund which will be reduced by the depreciation charge of the asset.

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NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2017

(e) **Receivables**

Receivables excluding prepayments are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, receivables excluding prepayments are measured at cost less any accumulated impairment losses. Prepayments are measured at the amount paid less the economic resources received or consumed during the financial year.

An allowance is made for uncollectable amounts when there is objective evidence that the Society will not be able to collect the debt. Bad debts are written off when identified.

(f) **Payables**

Payables excluding accruals are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

3. INCOME TAX

As the Society is a registered charity, its surplus for the year is exempt from income tax.

4. OTHER RECEIVABLES

	<u>2017</u>	<u>2016</u>
	\$	\$
Interest receivable	2,728	4,899
Prepayments	1,143	1,260
	-----	-----
	3,871	6,159
	=====	=====

5. TIME DEPOSITS

Time deposits are placed for varying periods of between three months to one year depending on the immediate cash requirement of the Society and earn interest at 1.1 to 1.2% (2016 : 0.85 to 1.8%) p.a.

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NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2017

6. UNRESTRICTED GENERAL FUND

The unrestricted general fund represents cumulative reserves for fulfilling the principal activities of the Society.

7. RESTRICTED CARE & SHARE FUND

This is a matching grant from Ministry of Social and Family Development (MSF) to assist the Society to fund its approved programmes. The Society is granted up to 31 March 2019 to utilise the grant received failing which the grant have to be refunded to MSF at their discretion.

8. TAX EXEMPT RECEIPTS

During the financial year, the Society issued tax exempt receipts for donations received amounting to \$301,848 (2016 : \$248,555).