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Ronald McDonald House Charities Singapore
Registration Number: 0237/1997/WEL
(Registered under the Societies Act, Chapter 311)

Registration Number: 01395
(Registered under the Charities Act, Chapter 37)

Annual Report

Year ended 31 December 2016

KPMG

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Independent auditors' report

Management Committee of Ronald McDonald House Charities Singapore
(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ronald McDonald House Charities Singapore (the Charity), which comprise the statement of financial position as at 31 December 2016, statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS17.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) to present fairly, in all material respects, the state of affairs of the Charity as at 31 December 2016 and the results, changes in fund and cash flows of the Charity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Charity in accordance with the Accounting and Corporate Regulatory Authority *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

Responsibility of management and Management Committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

The Management Committee is responsible for overseeing the Charity's financial reporting process.

Auditors' 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 auditors' 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 controls.

- Obtain an understanding of internal controls 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 Charity's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Charity's 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 Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion:

(a) the accounting and other records required to be kept by the Charity have been properly kept in accordance the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and

(b) the fund-raising appeal held during the period 1 January 2016 to 31 December 2016 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

(a) the Charity has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Charity has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
22 May 2017

Statement of financial position
As at 31 December 2016

	Note	2016	2015
		$	$
Non-current asset			
Plant and equipment	4	176,324	263,790
Current assets			
Other receivables	5	198,403	159,873
Prepayments		–	7,457
Cash and cash equivalents	6	3,177,888	3,056,179
		3,376,291	3,223,509
Total assets		3,552,615	3,487,299
Accumulated fund		3,400,798	3,223,785
Non-current liability			
Deferred income	7	59,229	80,133
Current liabilities			
Deferred income	7	20,904	20,904
Other payables	8	71,684	162,477
		92,588	183,381
Total liabilities		151,817	263,514
Total fund and liabilities		3,552,615	3,487,299

The financial statements were approved by:

Pamela Tor Das
President

Lim Tze Chern
Treasurer

22 May 2017

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

Statement of comprehensive income
Year ended 31 December 2016

	Note	2016	2015
		$	$
Income			
Donations		968,486	1,034,171
Interest income		17,198	12,621
Grant income		52,978	30,324
Other income		2,390	–
		1,041,052	1,077,116
Expenditure			
Grants made		90,912	141,072
Refurbishment and maintenance of Ronald McDonald's House:			
- At National University Hospital		103,230	125,295
Ronald McDonald's Family Room:			
- At National University Hospital		48,831	–
Staff costs	9	268,223	230,857
Depreciation of plant and equipment		99,841	78,047
Other operating expenses		253,002	312,429
		864,039	887,700
Net surplus for the year, representing total comprehensive income for the year		177,013	189,416

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

Statement of changes in fund
Year ended 31 December 2016

	Accumulated fund $
At 1 January 2015	3,034,369
Total comprehensive income for the year	
Net surplus for the year, representing total comprehensive income for the year	189,416
At 31 December 2015	3,223,785
At 1 January 2016	3,223,785
Total comprehensive income for the year	
Net surplus for the year, representing total comprehensive income for the year	177,013
At 31 December 2016	3,400,798

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

Statement of cash flows
Year ended 31 December 2016

	Note	2016	2015
		$	$
Cash flows from operating activities			
Net surplus for the year		177,013	189,416
Adjustments for:			
Interest income		(17,198)	(12,621)
Amortisation of deferred income		(20,904)	(3,484)
Depreciation of plant and equipment		99,841	78,047
		238,752	251,358
Change in other receivables		(34,113)	36,217
Change in prepayments		7,457	51,454
Change in other payables		(90,793)	(6,091)
Net cash from operating activities		121,303	332,938
Cash flows from investing activities			
Interest received		12,781	14,703
Purchase of plant and equipment		(12,375)	(11,930)
Net cash from investing activities		406	2,773
Net increase in cash and cash equivalents		121,709	335,711
Cash and cash equivalents at beginning of the year		3,056,179	2,720,468
Cash and cash equivalents at end of the year	6	3,177,888	3,056,179

During the financial year, the Charity acquired plant and equipment with an aggregate cost of $12,375 (2015: $116,451), of which $Nil (2015: $104,521) was acquired using donated funds.

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

Notes to the statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Charity's Management Committee on 22 May 2017.

1 Domicile and activities

Ronald McDonald House Charities Singapore (the Charity) was established on 12 February 1998. The address of the Charity's registered office is 5 Lower Kent Ridge Road, National University Hospital Main Building Level 4, Singapore 119074.

The purpose of the Charity is to receive donations towards providing financial aid in assisting the medical, physical, mental and emotional rehabilitation and reformation of children and youth in need.

The Charity was registered under the Charities Act, Chapter 37 since 3 November 1999.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Charity's functional currency.

2.4 Use of estimates and judgements

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

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

There are no critical judgements in applying accounting policies that have significant effect on the amount recognised in the financial statements and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Measurement of fair values

A few of the Charity's accounting policies and disclosures requires the measurement of fair values, for both financial and non-financial assets and liabilities.

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

- *Level 1 :* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2 :* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3 :* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in measuring fair values is included in note 11.

3 Significant accounting policies

The Charity adopted new or revised financial reporting standards and interpretations which became effective during the year. The initial adoption of these standards and interpretations did not have a material impact on the financial statements.

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

3.1 Financial instruments

Non-derivative financial assets

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

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

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

The Charity has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash and bank balances with financial institutions.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Charity becomes a party to the contractual provisions of the instrument.

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

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

The Charity classifies non-derivative financial liabilities into the other liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables.

3.2 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

Subsequent costs

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

Depreciation

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

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

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

Renovations	5-10 years, or over the remaining lease term

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

3.3 Impairment

(i) Non-derivative financial assets

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

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Charity on terms that the Charity would not consider otherwise, or indications that a debtor or issuer will enter bankruptcy.

Loans and receivables

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

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

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

(ii) *Non-financial assets*

The carrying amounts of the Charity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

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

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

3.4 Income recognition

Donations

Donations are recognised in the statement of comprehensive income in the period of receipt, or when the receipt of the amount is certain.

Interest income

Interest income comprises interest income on bank deposits. Interest income is recognised as it accrues, using effective interest method.

Grant income

Grant income is recognised in the statement of comprehensive income when the right to receive payment is established.

Grant income related to plant and equipment are taken to deferred income or to the statement of comprehensive income for assets which are written off in the year of purchase. Such grants recognised in deferred income is recognised in the statement of comprehensive income over the periods necessary to match the depreciation and write off of the plant and equipment purchased with the related grants. Upon the disposal of the plant and equipment, the balance of the related deferred income is recognised in the statement of comprehensive income to reflect the net book value of the assets disposed.

3.5 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

3.6 Grant expense

Grant expenses are recognised in the statement of comprehensive income when approval is obtained from the Management Committee and upon receipt of invoices from the applicants.

3.7 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and earlier application is permitted; however the Charity has not early applied the following new or amended statements in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Charity in future financial periods, the Charity is assessing the transition options and the potential impact on its financial statements, and to implement these standards. The Charity does not plan to adopt these standards early.

Applicable to 2018 financial statements

FRS 109 Financial Instruments

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

The Charity has performed preliminary assessment of the impact of FRS 109 on its financial statements. Overall, the Charity does not expect a significant change to the classification and measurement basis arising from adopting FRS 109.

Based on its initial assessment, the Charity does not expect a significant impact on its opening equity except for the effect of applying the impairment requirements of FRS 109. The Charity is currently gathering data to quantify the potential impact of FRS 109 and plans to adopt the new standard on the required effective date in 2018 without restating comparative information.

Applicable to 2019 financial statements

FRS 116 Leases

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. It also substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Charity has performed preliminary assessment of the impact of FRS 116 on its financial statements. Overall, the Charity does not expect a significant impact on the Charity's financial statements.

4 Plant and equipment

	Renovations
	$
Cost	
At 1 January 2015	373,503
Additions	116,451
At 31 December 2015	489,954
Additions	12,375
At 31 December 2016	502,329
Accumulated depreciation	
At 1 January 2015	148,117
Depreciation charge for the year	78,047
At 31 December 2015	226,164
Depreciation charge for the year	99,841
At 31 December 2016	326,005
Carrying amounts	
At 1 January 2015	225,386
At 31 December 2015	263,790
At 31 December 2016	176,324

5 Other receivables

	2016	2015
	$	$
Grant disbursed in advance to grantees	110,126	110,845
Donation receivables	76,454	41,622
Interest receivables	11,808	7,391
Other receivables	15	15
	198,403	159,873

Grantees have the obligation to repay the unutilised grant to the Charity at the end of the grant period for respective programmes.

Information about the Charity's exposures to credit risks and impairment losses for other receivables are included in note 11.

6 Cash and cash equivalents

	2016	2015
	$	$
Cash at bank and in hand	1,674,060	1,531,264
Short-term deposits	1,503,828	1,524,915
	3,177,888	3,056,179

The weighted average effective interest rates of fixed deposits with a bank at the end of the financial year is 1.22% (2015: 0.86%) per annum. Interest rates re-price at intervals of three months or one year.

7 Deferred income

	2016 $	2015 $
At cost	104,521	104,521
Less:		
Accumulated amortisation		
At 1 January	3,484	–
Amortisation for the year	20,904	3,484
At 31 December	24,388	3,484
Non-current	59,229	80,133
Current	20,904	20,904
	80,133	101,037

The Charity's deferred income comprised:

(i) Grants received for the purchase of plant and equipment; and
(ii) Plant and equipment which are donated to the Charity.

Deferred income is amortised over the periods necessary to match the depreciation of plant and equipment purchased with the related grants and/or donated by a third party.

8 Other payables

	2016 $	2015 $
Accrued operating expenses	24,529	109,826
Grant payables	42,155	32,015
Donation received in advance	5,000	20,636
	71,684	162,477

9 Staff costs

	2016 $	2015 $
Salaries, bonuses and other costs	226,606	199,159
Contributions to defined contribution plans	41,617	31,698
	268,223	230,857

10 Income taxes

The Charity is an approved charity organisation under the Charities Act, Chapter 37. No provision for taxation has been made in the financial statements as the Charity is a registered charity with income tax exemption.

11 Financial risk management

Overview

The Charity has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

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

Risk management framework

Risk management is integral to the whole operation of the Charity. The Charity has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Management Committee continually monitors the Charity's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

The Charity's most significant donor, McDonald's Restaurants, accounts for 19% (2015: 30%) of the donation receivables carrying amount at 31 December 2016. Cash and cash equivalents are placed with financial institutions which are regulated and have good credit standing. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The ageing of donations receivables that were not impaired at the reporting date was:

	2016	**2015**
	$	**$**
Past due 1 – 30 days	52,162	41,622
Past due 31 – 60 days	24,292	–
	76,454	41,622

Based on historical default rates, the Charity believes that no impairment allowance is necessary in respect of donation receivables as at 31 December 2016.

Liquidity risk

The Management Committee monitors the liquidity risk and maintains a level of cash and cash equivalents deemed adequate to fund the Charity's operations and to mitigate the effects of fluctuation in cash flows.

Typically, the Charity ensures that it has sufficient cash on demand to meet expected operational demands, excluding the potential impact of extreme circumstances that cannot be reasonably predicted.

The following are the contractual maturities of other financial liabilities:

	Carrying amount $	Contractual cash flows $	Within one year $
2016			
Accrued operating expenses	24,529	(24,529)	(24,529)
Grant payables	42,155	(42,155)	(42,155)
	66,684	(66,684)	(66,684)
2015			
Accrued operating expenses	109,826	(109,826)	(109,826)
Grant payables	32,015	(32,015)	(32,015)
	141,841	(141,841)	(141,841)

Market risk

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

Foreign currency risk

The Charity is not exposed to foreign currency risk as all transactions are entered in the functional currency of the Charity.

Equity price risk

The Charity is not exposed to equity price risk.

Interest rate risk

As at the reporting date, the Charity has interest-bearing financial assets which are mainly in short-term deposits with the financial institutions at fixed interest rates. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Accounting classifications and fair values

The carrying amounts of financial assets and financial liabilities are as follows. The fair value hierarchy is not included in the table below as the carrying amounts of financial assets and financial liabilities are a reasonable approximation of fair value.

	Note	Loans and receivables $	Other financial liabilities $	Total $
31 December 2016				
Financial assets not measured at fair value				
Other receivables	5	198,403	–	198,403
Cash and cash equivalents	6	3,177,888	–	3,177,888
		3,376,291	–	3,376,291
Financial liability not measured at fair value				
Other payables	8	–	(71,684)	(71,684)
31 December 2015				
Financial assets not measured at fair value				
Other receivables	5	159,873	–	159,873
Cash and cash equivalents	6	3,056,179	–	3,056,179
		3,216,052	–	3,216,052
Financial liability not measured at fair value				
Other payables	8	–	(162,477)	(162,477)

Capital management

The Charity's objective when managing capital is to safeguard the Charity's ability to continue as a going concern. The capital structure of the Charity consists of accumulated fund.

There was no change in the Charity's approach to capital management during the year. The Charity is not subject to externally imposed capital requirements.

12 Commitments

	2016 $	2015 $
Grant authorised but not disbursed	29,118	104,959

In 2016, the Charity approved the award of grants of $140,400 to the following grantees with the respective programmes:

(1)	National University Hospital	NUH Kids' Space Station
(2)	National University Hospital	Back to Sleep
(3)	National University Hospital	Equipment Resource Library
(4)	Cerebral Palsy Alliance Singapore	Feeding and Swallowing

No new grant was awarded during the year.

During the year, the Charity has utilised $90,912 (2015: $141,072) as grant expenses in the statement of comprehensive income. Grants disbursed in advance to grantees of $110,126 (2015: $110,845) for their programs is recognised as other receivables (see note 5).

13 Related parties

Key management personnel compensation

Key management personnel of the Charity are those persons having the authority and responsibility for planning, directing and controlling the activities of the Charity. The Management Committee and Executive Director are considered as key management personnel of the Charity.

The compensation payable to key management personnel by the Charity comprises:

	2016 $	2015 $
Short-term employee benefits	78,155	100,246
Post-employment benefits	12,909	11,518
	91,064	111,764

The Charity does not reimburse the Management Committee for the services rendered by the Management Committee.

Other related party transactions

Other than disclosed elsewhere in the financial statements, the transactions with related party are as follows:

	2016 $	2015 $
Ronald McDonald House Charities, Inc.		
Operating grant	36,781	26,840