Ronald McDonald House Charities Singapore

Registration Number: S98SS0006C
(Registered under the Societies Act, Chapter 311)

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

Annual Financial Statements

31 December 2020

Building a better working world

Index

	Page
Board Member’s Statement	1
Independent auditor's report	2
Statement of financial position	5
Statement of comprehensive income	6
Statement of changes in fund	7
Statement of cash flow	8
Notes to the financial statements	9

Board Members' statement

We, the undersigned Board Members, are pleased to present the Board Members' statement to the members together with the audited financial statements of Ronald McDonald House Charities Singapore for the financial year ended 31 December 2020.

The Board Members

The Board Members at the date of this report are as follows:

Ms Linda Ming	President
Ms Serene Koh	Vice President
Mr Ang I-Ming	Secretary
Ms Belinda Young	Treasurer
Ms Amita Dutt	Board member
Ms Andrea Noel Friedman	Board member
Ms Diana Ser Siew Yen	Board member
Dr Donovan Lim	Board member
Mr Keoy Soo Earn	Board member
Ms Kaw Jik Hoon	Board member
Mr Kenneth Chan	Board member
Mr Lim Tze Chern	Board member
A/P Stacey Tay	Board member

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.P

Statement by Board Members

The Board Members of Ronald McDonald House Charities Singapore, do hereby state that in our opinion, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Charity as at 31 December 2020, and of the results, changes in funds and cash flows of the Charity for the year ended on that date in accordance with the Societies Act, Charities Act and Singapore Financial Reporting Standards ("FRS").

Signed on behalf of the Board Members

Ms Linda Ming	Ms Belinda Young
President	*Treasurer*

7 June 2021

Independent auditor's report to the Board Members of Ronald McDonald House Charities Singapore

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 2020, the statement of comprehensive income, statement of changes in fund and statement of cash flows of the Charity 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 Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Charity as at 31 December 2020 and of the financial performance, 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 Auditor's 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 ("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 other information. The other information comprises the BoardMembers' Statement set out on page 1.

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.

Responsibility of management and Board Members for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Responsibility of management and Board Members for the financial statements (Cont’d)

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 **Board Members’** responsibility includes 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 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.

Independent auditor's report to the Board Members of Ronald McDonald House Charities Singapore

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 with 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 year 1 January 2020 to 31 December 2020 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, the fund-raising appeal held during the year 1 January 2020 to 31 December 2020 has not been carried out in accordance with Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012, and that the proper accounts and other records have not been kept of the fund-raising appeal.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

7 June 2021

Statement of financial position
As at 31 December 2020

	Note	2020 $	2019 $
Non-current asset			
Plant and equipment	4	53,089	97,242
Current assets			
Other receivables	5	265,615	166,622
Prepayments		564	–
Cash and cash equivalents	6	4,662,903	4,263,869
		4,929,082	4,430,491
Total assets		4,982,171	4,527,733
Current liabilities			
Deferred income	7	15,579	17,421
Other payables	8	40,592	15,635
Deferred Donations	9	2,908	2,908
		59,079	35,964
Total liabilities		59,079	35,964
Accumulated fund		4,923,092	4,491,769
Total fund and liabilities		4,982,171	4,527,733

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of comprehensive income
For the financial year ended 31 December 2020

	Note	2020 $	2019 $
Income			
Donations		1,008,389	1,462,578
Interest income		11,432	24,780
Other income	10	167,132	19,701
		1,186,953	1,507,059
Expenditure			
Grant expenses		6,034	4,741
Maintenance of Ronald McDonald's House:			
- At National University Hospital		65,642	99,907
Ronald McDonald's Family Room:			
- At National University Hospital		35,087	41,503
- At Institute of Mental Health		5,033	14,237
Staff costs	11	463,568	412,475
Depreciation of plant and equipment		49,953	51,453
Other operating expenses	12	130,313	264,055
		755,630	888,371
Net surplus for the year, representing total comprehensive income for the year		431,323	618,688

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of changes in fund
For the financial year ended 31 December 2020

	Accumulated fund $
Opening balance as at 1 January 2019	3,873,081
Net surplus for the year, representing total comprehensive income for the year	618,688
Closing balance as at 31 December 2019	4,491,769
Net surplus for the year, representing total comprehensive income for the year	431,323
Closing balance as at 31 December 2020	4,923,092

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of cash flow
For the financial year ended 31 December 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Net surplus for the year		431,323	618,688
Adjustments for:			
Interest income		(11,432)	(24,780)
Amortisation of deferred income	7	(17,421)	(20,904)
Depreciation of plant and equipment	4	49,953	51,453
Operating cash flows before changes in working capital		452,423	624,457
(Increase)/ decrease in other receivables		(108,629)	72,349
(Increase)/ decrease in prepayments		(564)	17,239
Increase /(decrease) in other payables		24,957	(11,436)
Deferred donations		–	2,908
Net cash generated from operating activities		368,187	705,517
Cash flows from investing activities			
Interest received		36,647	15,554
Purchase of plant and equipment		(5,800)	–
Net cash generated from investing activities		30,847	15,554
Net increase in cash and cash equivalents		399,034	721,071
Cash and cash equivalents at beginning of the year		4,263,869	3,542,798
Cash and cash equivalents at end of the year	6	4,662,903	4,263,869

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

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

The purpose of the Charity are:

(i) to have a positive impact of the lives of the sick children and their families being treated in Singapore through such initiatives as the Ronald McDonald House, Ronald McDonald Family Rooms and/or RMHC Care Mobile programs in Singapore;
(ii) to support medical, physical, mental and emotional rehabilitation and assistance of children and youth in Singapore in need of same; and
(iii) to find and support other programs that directly improve the health and wellbeing of children and youth in Singapore.

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

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

The financial statements are presented in Singapore Dollars (“SGD” or “S$”) which is the Charity’s functional currency.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Charity has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 January 2020. The adoption of these standards did not have any effect on the financial performance or position of the Charity.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Charity has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 109, FRS 39: Recognition and Measurement, FRS 107: Disclosures, FRS 104, FRS 116: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 116 Covid-19-Related Rent Concessions 1 June 2020	1 June 2020
Amendment to FRS 116: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to FRS 103: Reference to the Conceptual Framework	1 January 2022
Amendments to FRS 16: Property, Plant and Equipment— Proceeds before Intended Use	1 January 2022
Amendments to FRS 37: Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The management committee expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 *Plant and equipment*

All plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Charity and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Renovations	-	5 to 10 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of significant accounting policies (cont'd)

2.4 *Plant and equipment (cont'd)*

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.5 *Impairment of non-financial asset*

The Charity assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Charity makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.6 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Charity becomes a party to the contractual provisions of the financial instrument. The Charity determines the classification of its financial assets at initial recognition.

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.

2. Summary of significant accounting policies (cont'd)

2.6 *Financial instruments (cont'd)*

(a) ***Financial assets (cont'd)***

Subsequent measurement

Subsequent measurement of debt instruments depends on the Charity's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). The Charity only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Charity becomes a party to the contractual provisions of the financial instrument. The Charity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 *Cash and cash equivalents*

Cash and cash equivalents comprise cash and fixed deposit placed at bank.

2.8 *Impairment of financial assets*

The Charity recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Charity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For donation receivables and contract assets, the Charity applies a simplified approach in calculating ECLs. Therefore, the Charity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Charity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the donors and the economic environment.

The Charity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Charity may also consider a financial asset to be in default when internal or external information indicates that the Charity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Charity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 *Revenue recognition*

Revenue is measured based on the consideration to which the Charity expects to be entitled in exchange for transferring promised considerations to a donor, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Charity satisfies a performance obligation by transferring a promised consideration to the donor, which is when the donor obtains control of the consideration. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Donations*

Donations are recognised in the statement of comprehensive income at a point in time, when the donation is received, or when the receipt of the amount is certain.

2. Summary of significant accounting policies (cont'd)

2.9 ***Revenue recognition (cont'd)***

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *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

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.

2.10 ***Employee benefits***

(a) *Defined contribution plans*

The Charity participates in the national pension scheme, the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the year in which the related service is performed.

(b) *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.

(c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.11 ***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.

2. Summary of significant accounting policies (cont'd)

2.12 *Government Grants*

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

3. Significant accounting estimates and judgements

The preparation of the Charity's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the asset or liability affected in the future periods.

There is no critical judgement 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.

4. Plant and equipment

	Renovations
	$
Cost	
At 1 January 2019	627,556
Additions	5,800
At 31 December 2019, 1 January 2020 and 31 December 2020	633,356
Accumulated depreciation	
At 1 January 2019	478,861
Charge for the year	51,453
At 31 December 2019 and 1 January 2020	530,314
Charge for the year	49,953
At 31 December 2020	580,267
Carrying amounts	
At 31 December 2020	53,089
At 31 December 2019	97,242

5. Other receivables

	2020 $	2019 $
Donation receivables	254,867	146,468
Interest receivables	939	20,154
Other receivables	9,809	–
	265,615	166,622

Information about the Charity's exposures to credit risks and impairment losses for other receivables are included in note 17.

6. Cash and cash equivalents

	2020 $	2019 $
Cash at bank and in hand	3,162,903	2,763,869
Short-term deposits	1,500,000	1,500,000
	4,662,903	4,263,869

The weighted average effective interest rates of fixed deposits with a bank at the end of the financial year is 0.30% (2019: 2%) per annum. Interest rates re-price at intervals of three months or one year.

7. Deferred income

	2020 $	2019 $
At cost	120,100	104,521
Less:		
Accumulated amortisation		
At 1 January	87,100	66,196
Amortisation for the year	17,421	20,904
At 31 December	104,521	87,100
Carrying amount:	15,579	17,421
Current	15,579	17,421

7. Deferred income (cont'd)

The Charity's deferred income comprised:

(i) Grants received for the purchase of plant and equipment;
(ii) Plant and equipment which are donated to the Charity; and
(iii) Job Support Scheme received/receivables from Singapore Government.

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

	2020 $	2019 $
Accrued operating expenses	35,694	15,635
Provision of unutilised leave	4,898	–
	40,592	15,635

9. Deferred Donations

Deferred Donations related to unutilised cash sponsorship received from donor for the monthly meal program.

10. Other income

	2020 $	2019 $
Training grant under Professional Conversion Programme	21,248	–
Job support scheme	83,142	–
RHMC grant	62,742	16,196
Others	–	3,505
	167,132	19,701

Jobs Support Scheme (JSS) relates to cash grants received from the Singapore Government to help business deal with the impact from COVID-19.

11. Staff costs

	2020	2019
	$	$
Salaries, bonuses and other costs	408,200	364,120
Contributions to defined contribution plans	55,368	48,355
	463,568	412,475

Key management personnel

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 Executive Director is considered a key management personnel of the Charity.

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

	2020	2019
	$	$
Short-term employee benefits	145,188	139,583
Post-employment benefits	12,356	11,324
	157,544	150,907

The Board members are not remunerated for their services to the Board.

12. Other operating expenses

Other operating expenses include:

	2020	2019
	$	$
Fundraising expenses	–	113,605
Coin box collection expenses	54,007	58,368
Accounting and payroll expenses	26,318	30,019

13. 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.

14. Commitments

	2020	2019
	$	$
Grant authorised but not disbursed	–	19,992

No new grant was awarded during the year.

15. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Charity and related parties took place at terms agreed between the parties during the financial year:

	2020	2019
	$	$
Ronald McDonald House Charities, Inc.		
Operating grant income	62,742	16,196

Related parties are entities with common direct or indirect Board members or plays a significant role as the charity's single largest corporate donor, and sponsor.

16. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Charity categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Charity can access at the measurement date,

Level 2 - Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

The carrying amounts of other receivables, cash and cash equivalents and other payables are reasonable approximation of fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rate on or near the balance sheet date.

17. Financial risk management objectives and policies

The Charity is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk.

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.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Charity's exposure to credit risk arises primarily from its receivables. Cash at bank are placed with reputable financial institutions.

The Charity's most significant donor, Hanbaobao Pte Ltd, accounts for 25% (2019: 38%) of the donation receivables carrying amount at 31 December 2020. 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:

	2020	**2019**
	$	$
Past due 1 - 30 days	182,224	59,733
Past due 31 - 60 days	72,643	86,735
	254,867	146,468

Based on historical default rates, the Charity believes that no impairment allowance is necessary in respect of donation receivables as at 31 December 2020.

(b) ***Liquidity risk***

Liquidity risk is the risk that the Charity will encounter difficulties in meeting financial obligations due to shortage of funds. The Charity's exposure to liquidity risk arises from mismatches of the maturities of financial assets and liabilities. The Charity's operating cash flows is actively managed to ensure adequate working capital requirements.

The Charity monitors and maintains a level of cash and bank balances deemed adequate by the management to mitigate the effects of fluctuations in cash flows.

17. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

The table below summarises the maturity profile of the Charity's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2020		2019	
	1 year or less	**Total**	**1 year or less**	**Total**
	$	$	$	$
Financial assets:				
Other receivables	255,806	255,806	166,622	166,622
Cash and cash equivalents	4,662,903	4,662,903	4,263,869	4,263,869
Total undiscounted financial assets	4,918,709	4,918,709	4,430,491	4,430,491
Financial liability:				
Other payables	35,694	35,694	15,635	15,635
Total undiscounted financial liability	35,694	35,694	15,635	15,635
Total net undiscounted financial assets	4,883,015	4,883,015	4,414,856	4,414,856

18. Financial instruments

Category of financial instruments

The carrying amount by category of financial assets and liabilities are as follows:

	2020	2019
	$	$
Financial assets at amortised cost		
Other receivables	255,806	166,622
Cash and cash equivalents	4,662,903	4,263,869
	4,918,709	4,430,491
Financial liabilities at amortised cost		
Other payables	35,694	15,635

19. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2020 were authorised for issue by the Charity's Board Members on 7 June 2021.