

Ronald McDonald House Charities Singapore

Registration Number: S98SS0006C
(Registered under the Societies Act 1966)

Registration Number: 01395
(Registered under the Charities Act 1994)

Annual Financial Statements
31 December 2023



Ronald McDonald House Charities Singapore

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Ronald McDonald House Charities Singapore

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 (the "Charity") for the financial year ended 31 December 2023.

The board members

The board members at the date of this report are as follows:

Ms Linda Ming	President	
Ms Andrea Noel Friedman	Vice President	
Mr Johannes Jeremias Boshoff	Secretary	
Ms Belinda Young Hsien Lin	Treasurer	
Ms Amita Dutt	Board member	
Mr Benjamin Boh	Board member	
Ms Diana Ser Siew Yen	Board member	
Mr Karam Malhotra	Board member	
Mr Keoy Soo Earn	Board member	
Mr Lim Tze Chern	Board member	
A/P Stacey Tay	Board member	
Mr Brian Poh	Board member	(Appointed on 6 September 2023)

Auditor

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

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 financial position of the Charity as at 31 December 2023, and of the financial performance, changes in funds and cash flows of the Charity for the year ended on that date in accordance with the Societies Act 1966, Charities Act 1994 and Financial Reporting Standards in Singapore ("FRS").

Signed on behalf of the Board Members



Ms Linda Ming
President



Ms Belinda Young Hsien Lin
Treasurer

10 June 2024

Ronald McDonald House Charities Singapore

Independent auditor's report For the financial year ended 31 December 2023

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 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 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 2023 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 board members' 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.

Ronald McDonald House Charities Singapore

Independent auditor's report For the financial year ended 31 December 2023

Independent auditor's report to the board members of Ronald McDonald House Charities Singapore

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 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 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.

Ronald McDonald House Charities Singapore

**Independent auditor's report
For the financial year ended 31 December 2023**

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 2023 to 31 December 2023 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 2023 to 31 December 2023 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
10 June 2024

Ronald McDonald House Charities Singapore**Statement of financial position
As at 31 December 2023**

	Note	2023 \$	2022 \$
Non-current asset			
Plant and equipment	4	31,706	37,444
Current assets			
Other receivables	5	488,194	155,601
Prepayments		1,674	6,951
Cash and bank balances	6	5,813,230	5,441,181
		6,303,098	5,603,733
Total assets		6,334,804	5,641,177
Current liabilities			
Deferred income	7	121,378	188,747
Other payables	8	70,106	48,676
		191,484	237,423
Total liabilities		191,484	237,423
Accumulated fund		6,143,320	5,403,754
Total fund and liabilities		6,334,804	5,641,177

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

Ronald McDonald House Charities Singapore

Statement of comprehensive income For the financial year ended 31 December 2023

	Note	2023 \$	2022 \$
Income			
Donations		1,371,736	1,293,474
Interest income		108,695	33,243
Other income	9	316,225	54,034
		1,796,656	1,380,751
Expenditure			
Grant expense		5,000	–
Maintenance of Ronald McDonald's House:			
- At National University Hospital		95,006	80,467
- At Singapore Office		1,080	–
Ronald McDonald's Family Room:			
- At National University Hospital		40,985	40,195
- At Institute of Mental Health		16,996	15,494
- At Neonatal Intensive Care Unit		4,481	8,733
Staff costs	10	537,378	493,413
Depreciation of plant and equipment	4	9,166	24,623
Other operating expenses	11	346,998	245,359
		1,057,090	908,284
Net surplus for the year, representing total comprehensive income for the year		739,566	472,467

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

Ronald McDonald House Charities Singapore**Statement of changes in fund
For the financial year ended 31 December 2023**

	Accumulated fund \$
At 1 January 2022	4,931,287
Net surplus for the year, representing total comprehensive income for the year	472,467
At 31 December 2022 and 1 January 2023	5,403,754
Net surplus for the year, representing total comprehensive income for the year	739,566
At 31 December 2023	6,143,320

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

Ronald McDonald House Charities Singapore

Statement of cash flows
For the financial year ended 31 December 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Net surplus for the year		739,566	472,467
Adjustments for:			
Interest income		(108,695)	(33,243)
Amortisation of deferred income	7	(67,369)	(40,991)
Depreciation of plant and equipment	4	9,166	24,623
Operating cash flows before changes in working capital		572,668	422,856
Increase in other receivables		(299,750)	(84,246)
Decrease/(increase) in prepayments		5,277	(4,307)
Increase in other payables		21,430	1,132
Increase in deferred income		–	229,738
Net cash generated from operating activities		299,625	565,173
Cash flows from investing activities			
Interest received		75,852	10,034
Purchase of plant and equipment		(3,428)	(34,918)
Decrease/(increase) in placement of fixed deposits		944,500	(2,400,000)
Net cash used in investing activities		1,016,924	(2,424,884)
Net increase in cash and cash equivalents		1,316,549	(1,859,711)
Cash and cash equivalents at beginning of the year		541,181	2,400,892
Cash and cash equivalents at end of the year	6	1,857,730	541,181

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

Ronald McDonald House Charities Singapore

Notes to financial statements For the financial year ended 31 December 2023

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 is:

- (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 1994 since 3 November 1999.

2. Material accounting policy information

2.1 *Basis of preparation*

The financial statements of the Charity have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs").

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 "\$") 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 2023. The adoption of these standards did not have any effect on the financial performance or position of the Charity.

Ronald McDonald House Charities Singapore

Notes to financial statements For the financial year ended 31 December 2023

2. Material accounting policy information (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 1 Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 107: Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21: Lack of Exchangeability	1 January 2025
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
Office equipment	-	5 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.

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.

Ronald McDonald House Charities Singapore**Notes to financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**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.

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.

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.

Ronald McDonald House Charities Singapore**Notes to financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**2.6 Financial instruments (cont'd)****(a) Financial assets (cont'd)****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.

2.7 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.

Ronald McDonald House Charities Singapore**Notes to financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**2.8 Impairment of financial assets (cont'd)**

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.

(b) Interest income

Interest income is recognised using the effective interest method.

Ronald McDonald House Charities Singapore**Notes to financial statements
For the financial year ended 31 December 2023**

2. Material accounting policy information (cont'd)**2.9 Revenue recognition (cont'd)****(c) Grant income**

Grant income is 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. 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.

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 incomes, expenditures, 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. Management is in the opinion that there is no significant judgement in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Ronald McDonald House Charities Singapore

Notes to financial statements For the financial year ended 31 December 2023

4. Plant and equipment

	Renovations \$	Office equipment \$	Total \$
Cost			
At 1 January 2022	633,356	3,397	636,753
Additions	34,918	–	34,918
At 31 December 2022 and 1 January 2023	668,274	3,397	671,671
Additions	–	3,428	3,428
At 31 December 2023	668,274	6,825	675,099
Accumulated depreciation			
At 1 January 2022	609,491	113	609,604
Charge for the year	23,943	680	24,623
At 31 December 2022 and 1 January 2023	633,434	793	634,227
Charge for the year	8,144	1,022	9,166
At 31 December 2023	641,578	1,815	643,393
Carrying amount			
At 31 December 2023	26,696	5,010	31,706
At 31 December 2022	34,784	2,660	37,444

5. Other receivables

	2023 \$	2022 \$
Grant receivable	236,635	–
Donation receivables	187,031	123,416
Interest receivables	60,528	27,685
Other receivables	4,000	4,500
	488,194	155,601

Information about the Charity's exposures to credit risks and impairment losses for other receivables are included in Note 15.

Ronald McDonald House Charities Singapore

Notes to financial statements For the financial year ended 31 December 2023

6. Cash and bank balances

	2023	2022
	\$	\$
Cash at bank and in hand	1,857,730	541,181
Fixed deposits	3,955,500	4,900,000
	<hr/>	<hr/>
Total cash and bank balances	5,813,230	5,441,181
Less:		
Fixed deposits with maturity of more than three months	(3,955,500)	(4,900,000)
	<hr/>	<hr/>
Cash and cash equivalent per cash flow statements	1,857,730	541,181
	<hr/> <hr/>	<hr/> <hr/>

The fixed deposits with banks at the end of the financial year bears interest rate between 0.55% to 3.90% (2022: 0.45% to 3.15%) per annum. These fixed deposits have maturity of between three to twelve (2022: three to twelve) months. Interest rates re-price at intervals of three months or one year.

7. Deferred income

	2023	2022
	\$	\$
Family Centric Conference grant	–	26,968
Grant for Neonatal Intensive Care Unit	121,378	161,779
	<hr/>	<hr/>
	121,378	188,747
	<hr/>	<hr/>

The Charity's deferred income comprised:

- (i) Grants received for Family Centric Conference to be held in 2023; and
- (ii) Grants received for expenditures Ronald McDonald Family Room located within the Neonatal Intensive Care Unit and the purchase of plant and equipment.

Ronald McDonald House Charities Singapore

Notes to financial statements For the financial year ended 31 December 2023

7. Deferred income (cont'd)

Movement in the respective deferred income is as follows:

	Family Centric Conference grant \$	Grant for Neonatal Intensive Care Unit \$
<i>Movement in deferred income:</i>		
At 1 January 2022	–	–
Addition	26,968	202,770
Amortisation for the year	–	(40,991)
At 31 December 2022 and 1 January 2023	26,968	161,779
Amortisation for the year	(26,968)	(40,401)
At 31 December 2023	–	121,378

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

	2023 \$	2022 \$
Accrued operating expenses	63,584	42,423
Provision of unutilised leave	6,522	6,239
Other payables	–	14
	70,106	48,676

Other payables are normally settled on 30 days terms.

9. Other income

	2023 \$	2022 \$
RHMC grant for Family Room	67,369	43,003
RHMC grant for House	3,957	–
Enhanced Fund-Raising Programme grant	236,635	–
Other government grants	8,264	11,031
	316,225	54,034

Other government grants comprise wage credit scheme and grants from National Council of Social Service.

Ronald McDonald House Charities Singapore

Notes to financial statements For the financial year ended 31 December 2023

10. Staff costs

	2023 \$	2022 \$
Salaries, bonuses and other costs	477,268	440,152
Central Provident Fund contributions	60,110	53,261
	537,378	493,413

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:

	2023 \$	2022 \$
Short-term employee benefits	136,316	158,049
Central Provident Fund contributions	11,347	9,151
	147,663	167,200

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

11. Other operating expenses

Other operating expenses include:

	2023 \$	2022 \$
Fundraising expenses	91,772	81,994
Fundraising expenses (in-kind)	54,802	41,707
Coin box collection expenses	–	83
Accounting and payroll expenses	33,349	29,415
	179,923	153,209

12. Income taxes

The Charity is an approved charity organisation under the Charities Act 1994. No provision for taxation has been made in the financial statements as the Charity is a registered charity with income tax exemption.

Ronald McDonald House Charities Singapore

Notes to financial statements For the financial year ended 31 December 2023

13. 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:

	2023 \$	2022 \$
Ronald McDonald House Charities, Inc.		
Receipt of operating grant	3,957	231,749

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.

14. 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 than 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.

Ronald McDonald House Charities Singapore

Notes to financial statements For the financial year ended 31 December 2023

15. 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 100% (2022: 100%) of the donation receivables carrying amount at 31 December 2023. 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.

Summarised below is the information about the credit risk exposure on the Charity's gross carrying amount of donations receivables. There is no allowance for expected credit losses as at 31 December 2023 (2022: Nil).

	2023	2022
	\$	\$
1 - 30 days	187,031	123,416

The Charity assessed the latest performance and financial position of the counterparties, adjusted for any significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Charity measured the loss allowance using 12-month ECL and determined that the ECL is insignificant.

(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.

At the end of the reporting period, all of the Charity's financial assets and financial liabilities will mature in less than one year based on the carrying amount reflected in the financial statements.

Ronald McDonald House Charities Singapore**Notes to financial statements
For the financial year ended 31 December 2023****16. Financial instruments*****Category of financial instruments***

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

	2023	2022
	\$	\$
Financial assets at amortised cost		
Other receivables	251,559	155,601
Cash and cash equivalents	5,813,230	5,441,181
	<u>6,064,789</u>	<u>5,596,782</u>
Financial liabilities at amortised cost		
Other payables	63,584	42,437

17. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2023 were authorised for issue by the Charity's Board Members on 10 June 2024.