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Ronald McDonald House Charities (Fiji)

Financial Statements

For the Year Ended 31 December 2022

RONALD MCDONALD HOUSE CHARITIES (FIJI)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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**RONALD MCDONALD HOUSE CHARITIES (FIJI)
STATEMENT BY TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

We, being the Trustees for Ronald McDonald House Charities (Fiji) ("the Trust"), state that in our opinion the accompanying financial statements as set out on pages 5 to 10 for the year ended 31 December 2022 are drawn up so as to give a true and fair view of the state of affairs of the Trust as at 31 December 2022 and the results of the year ended on that date.

Signed for and on behalf of the Board of Trustees.

Dated this 6 day of June 2023.



Trustee



Trustee

Independent Auditor's Report

To the trustees of Ronald McDonald House Charities (Fiji)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ronald McDonald House Charities (Fiji) which comprise the statement of financial position as at 31 December 2022, the income and expenditure statement for the year ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Trust are prepared, in all material respects, in accordance with the accounting policies in Note 2.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Trust to comply with financial reporting to the Trustees. As a result, the financial statements may not be suitable for another purpose. Our report is primarily intended for the Trust and Board of Trustees and should not be relied upon by parties other than the Trust or Board of Trustees.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Trustees are responsible for the other information. The other information comprises the Statement of Trustees but does not include the financial statements and the auditor's report thereon.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon 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.

Responsibilities of those charged with governance for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the entity's policies as outlined in Note 2, and for such internal control as the entity determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust'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 the Trustees either intend to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for overseeing the Trust's financial reporting process.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and 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 the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- ▶ Conclude on the appropriateness of the Trustees 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 Trust's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust 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 those charge with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young
Chartered Accountants



Steven Pickering
Partner
Suva, Fiji
6 June 2023

**RONALD MCDONALD HOUSE CHARITIES (FIJI)
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
		* Restated
Revenue		
RMH room donation	64,465	36,194
Cash box collections	20,064	11,217
Water bottle contribution	17,400	12,017
Happy meal donation	124,250	99,280
Amortisation of deferred income	4,857	-
Other income	99,347	67,112
Total revenue	<u>330,383</u>	<u>225,820</u>
Expenses		
Benefits (including retirement plan, health insurance, bonuses, etc.)	1,619	1,136
Equipment upgrades and refurbishments	-	130
Depreciation expense	21,133	6,261
Doubtful debts	10,650	-
Exchange Loss	-	1,042
Fund raising expenses	7,294	16,209
FNPF employer contribution	5,264	-
Insurance	6,559	7,671
Linens and laundry	-	177
Marketing expenses	7,812	4,631
Repair and maintenance	8,046	35
Salaries	93,809	19,791
Supplies	14,878	3,141
Staff and volunteer professional development	220	-
Other expenses	58,495	4,852
Total expenses	<u>235,779</u>	<u>65,076</u>
Surplus for the year	<u>94,604</u>	<u>160,744</u>
Funds at the beginning of the year	388,079	227,335
Surplus funds at the end of the year	<u><u>482,683</u></u>	<u><u>388,079</u></u>

* See note 10.

The accompanying notes form an integral part of this income and expenditure statement.

RONALD MCDONALD HOUSE CHARITIES (FIJI)
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2022

	Notes	2022 \$	2021 \$ * Restated
Current assets			
Cash and cash equivalents	3	348,108	362,482
Other receivables	4	42,665	16,285
		<u>390,773</u>	<u>378,767</u>
Non-current assets			
Plant and equipment	5	672,729	561,440
		<u>672,729</u>	<u>561,440</u>
Total assets		<u>1,063,502</u>	<u>940,207</u>
Current liabilities			
Other payables	6	67,574	34,026
Non-current liabilities			
Deferred income	9	513,245	518,102
Total liabilities		<u>580,819</u>	<u>552,128</u>
Net assets		<u>482,683</u>	<u>388,079</u>
Funds balance			
Accumulated funds		482,683	388,079
Total funds balance		<u>482,683</u>	<u>388,079</u>

* See note 10.

Signed for and on behalf of the Board of Trustees.



Trustee



Trustee

The accompanying notes form an integral part of this statement of financial position.

**RONALD MCDONALD HOUSE CHARITIES (FIJI)
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022**

1. General information

The Trust is registered under the provisions of the Charitable Trust Act. It is organised for charitable, educational and scientific purposes and particularly for creating, finding and supporting programs that directly improve the health and wellbeing of children.

The objectives of the Trust includes the following:

- a) to assist in the development of programs aimed at improving access to health facilities in Fiji
- b) to support temporary housing to ill children and their families
- c) to provide mobile care facilities in underserved areas and communities which provide for primary health
- d) to assist in providing health care access to the children of the needy, the sick and the poor and anyone otherwise requiring such assistance
- e) participating in and organising health care programmes and initiatives
- f) provision of funds for the improvement or constructing of hospitals or health centres
- g) networking with the local medical community or other professional communities in fostering an interest in the development of the Trust's mission
- h) undertaking of training programmes to improve national capacity in the provision of healthcare to the
- i) invitation to others inviting contributions, sponsorships, donations, bequests, real property, or any other form of property towards the purposes of this Trust
- j) fund raising and seeking sustainable finance for its Mission activities and programmes, in Fiji and for the benefit of the people in Fiji.

2. Summary of significant accounting policies

Set out hereunder are the significant accounting policies adopted by the Trust in the preparation of the financial statement of the Trust for the year ended 31 December 2022.

a) Basis of preparation

The financial statements have been prepared in accordance with historical cost convention and do not take into account changing money values or current valuations of non-monetary assets. The financial statements have been prepared in Fijian dollars.

b) Cash and cash equivalents

Cash in the Statement of Financial Position comprise of cash at bank balances at balance date.

c) Income tax

The entity is a not for profit organisation and as such is exempted from income tax under Part 7 of the Income Tax Regulations 2016.

RONALD MCDONALD HOUSE CHARITIES (FIJI)
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

d) Revenue

Revenue is recognised when received during the year.

e) Expenses

Expenses are recognised when paid during the year.

f) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

g) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such costs includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

A revaluation surplus is recorded in the other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the statement of comprehensive income, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Furniture and fittings	15%
Plant and equipment	15%
Buildings	1.25%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

h) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Trustee. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

i) Deferred income

Donations received for the purchase of/in the form of property, plant and equipment is treated as deferred income which is recognised as income on a systematic basis over the useful life of the asset.

RONALD MCDONALD HOUSE CHARITIES (FIJI)
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

			2022	2021
			\$	\$
3. Cash and cash equivalents				
Cash on hand			410	232
ANZ Bank account balance			80,778	354,532
Bred Bank account balance			266,920	7,718
Cash and cash equivalents			<u>348,108</u>	<u>362,482</u>
4. Other receivables			\$	\$
Vuvale Restaurants (Fiji) Pte Limited			42,665	16,285
Other receivables			10,650	-
Less: Provision for doubtful debts			(10,650)	-
			<u>42,665</u>	<u>16,285</u>
5. Property, plant and equipment				
	Furniture and	Plant and	Building	Total
	fittings	equipment		
Cost	\$	\$	\$	\$
At 1 January 2021	24,867	14,956	-	39,823
Additions	<u>25,119</u>	<u>2,299</u>	<u>514,408</u>	<u>541,826</u>
At 31 December 2021	49,986	17,255	514,408	581,649
Additions	<u>30,889</u>	<u>7,373</u>	<u>94,159</u>	<u>132,421</u>
At 31 December 2022	<u>80,875</u>	<u>24,628</u>	<u>608,567</u>	<u>714,070</u>
Depreciation				
At 1 January 2021	9,014	4,934	-	13,948
Depreciation charge for the year	<u>3,730</u>	<u>2,531</u>	<u>-</u>	<u>6,261</u>
At 31 December 2021	12,744	7,465	-	20,209
Depreciation charge for the year	<u>12,131</u>	<u>3,296</u>	<u>5,705</u>	<u>21,132</u>
At 31 December 2022	<u>24,875</u>	<u>10,761</u>	<u>5,705</u>	<u>41,341</u>
Net book value:				
At 31 December 2022	<u>56,000</u>	<u>13,867</u>	<u>602,862</u>	<u>672,729</u>
At 31 December 2021	<u>37,242</u>	<u>9,790</u>	<u>514,408</u>	<u>561,440</u>
6. Other payables			\$	\$
Other payables			65,612	30,867
Accruals			1,962	-
Vuvale Restaurants (Fiji) Pte Limited			-	3,159
			<u>67,574</u>	<u>34,026</u>
7. Subsequent events				
No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.				
8. Commitments and contingencies			\$	\$
(a) Capital commitments			<u>-</u>	<u>85,592</u>
(b) Contingent liabilities			<u>-</u>	<u>-</u>

RONALD MCDONALD HOUSE CHARITIES (FIJI)
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

9. Deferred income

Project	Opening balance	Funds received during the year	Utilized during the year	Balance at 31 December 2022
	\$	\$	\$	\$
Labasa Hospital	518,102	-	(4,857)	513,245

10. Correction of error

During 2022 financial year, the trust realised that donations received for specific project/purpose was incorrectly recorded as revenue even though those projects/purpose was not fulfilled. As a consequence, revenue and accumulated funds had been overstated in its financial statements since 2021. The following been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impacts on the trust's financial statements.

(i) Statement of financial position

	Impact of correction of error		
31 December 2021	As previously reported	Adjustments	As restated
	\$	\$	\$
Deferred income	-	518,102	518,102
Total liabilities	34,026	518,102	552,128
Net assets	(130,023)	(518,102)	388,079

(ii) Income and expenditure statement

	Impact of correction of error		
31 December 2021	As previously reported	Adjustments	As restated
	\$	\$	\$
Donation received	518,102	(518,102)	-
Total revenue	743,922	(518,102)	225,820
Surplus for the year	678,846	(518,102)	160,744
Surplus funds at the end of the year	906,181	(518,102)	388,079