

**HUMANITARIAN ORGANIZATION FOR  
MIGRATION ECONOMICS**

*UEN Number: T04SS0193H*

*(Registered under Singapore Societies Act 1966 and Charities Act 1994)*

FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2022

**HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS**

*UEN Number: T04SS0193H*

*(Registered under Singapore Societies Act 1966 and Charities Act 1994)*

**REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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**HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS**

UEN Number: T04SS0193H

(Registered under Singapore Societies Act 1966 and Charities Act 1994)

**STATEMENT BY MANAGEMENT COMMITTEE  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

In the opinion of the Management Committee,

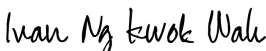
- (a) the financial statements of Humanitarian Organization for Migration Economics (the "Society") are drawn up in accordance with the provisions of the Societies Act 1966 ('the Societies Act'), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard in Singapore ("CAS") in Singapore so as to give a true and fair view of the state of affairs of the Society as at 31 December 2022 and the results and cash flows of the Society for the financial year then ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due;
- (c) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations;
- (d) the use of donation moneys is in accordance with the objectives of the Society as required under Regulation 11 (Use of donations) of the Charities (Institution of a Public Character) Regulations;
- (e) the fund-raising appeals conducted by the Society during the financial year ended 31 December 2022 have been carried out in accordance with Regulation 6 (Fund-raising appeal records) of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal; and
- (f) the Society has complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institution of a Public Character) Regulations.

The Management Committee, comprising the following, authorised the issue of these financial statements.

President	Ng Kwok Wah Ivan
Vice President	Lai Hoe Keat
Secretary	S Suraendher Kumarr
Vice Secretary	Cheah Li-Inn, Kerry
Treasurer	MasLinda Binte Ma'arof
Vice Treasurer	Ching Wen Li
Member	Tin Maung Win
Member	Laavanya Kathiravelu
Member	Henny Mardiani
Member	Yap Xinyi, Abigail
Member	Jo Olivia Lee Chee Hui

On behalf of the Management Committee,

DocuSigned by:



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**NG KWOK WAH IVAN**  
President

DocuSigned by:



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**MASLINDA BINTE MA'AROF**  
Treasurer

Date: 6 August 2023

*Helmi Talib LLP*



Registration No. (UEN): T20LL1986E  
Chartered Accountants of Singapore  
An Independent Member Firm of IAPA

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- E-mail : enquiry@helmitalib.com.sg
- Website : www.helmitalib.com

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MANAGEMENT COMMITTEE OF HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Humanitarian Organization for Migration Economics (the "Society"), which comprise the statement of financial position of the Society as at 31 December 2022, the statement of financial activities and statement of cash flows of the Society for the financial 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 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard ("CAS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2022 and the results and cash flows of the Society for the financial 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 Society in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Matter*

The financial statements of the Society for the financial year ended 31 December 2021 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements on 11 February 2022.

#### *Other Information*

Management is responsible for the other information. The other information comprises the Statement by Management Committee 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.



## *Helmi Talib LLP*

### *Responsibilities of Management Committee and Those Charged with Governance for the Financial Statements*

The Management Committee 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 CAS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Management Committee is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Committee either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee and those charged 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.

## *Helmi Talib LLP*

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations.

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

- (a) the fund-raising appeals conducted by the Society during the financial year ended 31 December 2022 have not been carried out in accordance with Regulation 6 (Fund-raising appeal records) of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals;
- (b) the use of donation moneys was not in accordance with the objectives of the Society as required under Regulation 11 (Use of donations) of the Charities (Institutions of a Public Character) Regulations; and
- (c) the Society has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:

*Helmi Talib LLP*

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**HELMI TALIB LLP**

Public Accountants and  
Chartered Accountants

Singapore

Date: 6 August 2023

Partner-in-charge : Mari Jane Tiburcio

PA No. : 01780

An Independent Member Firm of:



**HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS**

UEN Number: T04SS0193H

(Registered under Singapore Societies Act 1966 and Charities Act 1994)

**STATEMENT OF FINANCIAL ACTIVITIES**

For the financial year ended 31 December 2022

	<b>Note</b>	<b><u>2022</u></b> \$	<b><u>2021</u></b> \$
<b>INCOME</b>			
Income from generated funds			
- Voluntary income		1,475,310	1,830,066
- Investment income		3,100	4,845
Income from charitable activities		69,725	38,440
Other income		5,664	2,564
<b>TOTAL INCOME</b>	5	<u>1,553,799</u>	<u>1,875,915</u>
<b>EXPENDITURES</b>			
Charitable activities		1,778,592	1,716,673
Governance costs		214,741	146,857
<b>TOTAL EXPENDITURES</b>		<u>1,993,333</u>	<u>1,863,530</u>
<b>NET (EXPENDITURE)/INCOME FOR THE FINANCIAL YEAR</b>		<u>(439,534)</u>	<u>12,385</u>
<b><u>RECONCILIATION OF FUNDS</u></b>			
Total funds brought forward		7,320,011	7,307,626
Net (expenditure)/income for the financial year		(439,534)	12,385
<b>Total funds carried forward</b>	5	<u>6,880,477</u>	<u>7,320,011</u>

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

**HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS**

UEN Number: T04SS0193H

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**STATEMENT OF FINANCIAL POSITION**

For the financial year ended 31 December 2022

	<b>Note</b>	<b><u>2022</u></b> \$	<b><u>2021</u></b> \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	6,755,240	7,181,650
Other receivables	8	156,045	118,323
<b>Total current assets</b>		<b><u>6,911,285</u></b>	<b><u>7,299,973</u></b>
<b>Non-current assets</b>			
Plant and equipment	9	76,796	110,043
<b>Total non-current assets</b>		<b><u>76,796</u></b>	<b><u>110,043</u></b>
<b>TOTAL ASSETS</b>		<b><u>6,988,081</u></b>	<b><u>7,410,016</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	10	107,604	90,005
<b>Total current liabilities</b>		<b><u>107,604</u></b>	<b><u>90,005</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>107,604</u></b>	<b><u>90,005</u></b>
<b>NET ASSETS</b>		<b><u>6,880,477</u></b>	<b><u>7,320,011</u></b>
<b>FUNDS OF CHARITY</b>			
<b>Unrestricted funds</b>			
General fund		6,590,477	6,815,718
Chen Su Lan Trust Fund		240,000	220,000
NCSS Fund		50,000	50,000
Holding Account		-	234,293
Lee Foundation		-	-
<b>Total unrestricted funds</b>		<b><u>6,880,477</u></b>	<b><u>7,320,011</u></b>
<b>TOTAL FUNDS OF CHARITY</b>	5	<b><u>6,880,477</u></b>	<b><u>7,320,011</u></b>

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



**HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS**

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**STATEMENT OF CASH FLOWS**

For the financial year ended 31 December 2022

	Note	<u>2022</u> \$	<u>2021</u> \$
<b>Cash flows from operating activities</b>			
Net expenditure for the financial year - general fund	5	(225,241)	(175,908)
<b>Adjustments for:</b>			
Depreciation of plant and equipment	9	40,047	33,144
Interest income		(3,100)	(4,845)
Total adjustments		<u>36,947</u>	<u>28,299</u>
Operating cash flows before changes in working capital		(188,294)	(147,609)
<b>Changes in working capital:</b>			
(Increase)/decrease in other receivables		(37,722)	26,572
Increase in other payables		17,599	7,866
Total changes in working capital		<u>(20,123)</u>	<u>34,438</u>
<b>Net cash flows used in operating activities</b>		<u>(208,417)</u>	<u>(113,171)</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	9	(6,800)	(111,631)
Interest income received		3,100	4,845
<b>Net cash flows used in investing activities</b>		<u>(3,700)</u>	<u>(106,786)</u>
<b>Cash flows from financing activities</b>			
Chen Su Lan Trust		20,000	20,000
Holding Account		(234,293)	168,293
<b>Net cash flows (used in)/from financing activities</b>		<u>(214,293)</u>	<u>188,293</u>
Net decrease in cash and cash equivalents		(426,410)	(31,664)
Cash and cash equivalents at the beginning of financial year		<u>7,181,650</u>	<u>7,213,314</u>
Cash and cash equivalents at the end of financial year	7	<u>6,755,240</u>	<u>7,181,650</u>

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

## **HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS**

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### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### **1 GENERAL INFORMATION**

Humanitarian Organization for Migration Economics (the "Society") was registered as a society on 6 September 2004 under the Societies Act 1966 (the "Societies Act"). On 17 February 2005, the Society was registered as a Charity under the Charities Act 1994 (the "Charities Act") and has accorded the status of an Institution of a Public Character ("IPC") for the period from 1 May 2021 to 30 April 2023. At the date of this report, the Society has been granted an extension of IPC status from 1 May 2023 to 31 August 2024. The Society is situated in Singapore, with its registered office located at 495 Geylang Road, #02-01, Singapore 389453.

The principal activities of the Society are to develop research and education on the social-economics of migration in Singapore and the countries of origin, to provide social integration services for emigrants and immigrants and to provide humanitarian assistance for the effects of 'crisis' migration in accordance with the rules and conditions set up in the Constitution of the Society.

The financial statements of the Society for the financial year ended 31 December 2022 were approved and authorised for issue in accordance with a resolution of the Management Committee as at the date of Statement by Management Committee.

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of preparation**

The financial statements of the Society are prepared in accordance with the provisions of the Societies Act, the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard ("CAS"). The financial statements are prepared under the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are expressed in Singapore Dollar ("SGD" or "\$") which is the functional currency of the Society.

##### **2.2 Funds**

The Society maintains designated funds and general funds. Funds set up for specific purposes are classified as designated funds. All income and expenses other than those attributable to designated funds and common overheads are recorded in the general fund's statement of financial activities.

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Society, the financial statements of the Society are maintained substantially in accordance with the principles of "fund accounting" whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds that are in accordance with activities or objectives specified.

##### **2.3 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Society operates ("the functional currency"). The financial statements are presented in Singapore Dollar, which is the Society's functional and presentation currency.

All financial information presented are denominated in Singapore Dollar unless otherwise specified.

## HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS

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(Registered under Singapore Societies Act 1966 and Charities Act 1994)

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Income recognition

Income comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Society's activities. Income is recognised as follows:

(i) Rendering of services

The Society provides social integration services for emigrants and immigrants and to provide humanitarian assistance for the effects of 'crisis' migration in accordance with the rules and conditions set up in the Constitution of the Society. Revenue from service is recognised when the services have been performed and rendered.

(ii) Donation

Donation income is recognised when the Society's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability.

(iii) Grant/s subsidy

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attaching 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.

(iv) Donation in-kind

Donation in kind is valued and recorded as revenue at their estimated fair values as provided by donor or, in the absence of donors' valuations, estimated by the management considering their condition and utility for use at the time the goods are received from the donor.

(v) Interest income

Interest income is recognised over time using the effective interest rate method.

### 2.5 Retirement benefit costs

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. Contributions made to government managed retirement benefit plan such as the Central Provident Fund which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

### 2.6 Operating leases

*As lessee*

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in statement of financial activities on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

**HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS**

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.7 Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation.

The cost of plant and equipment initially recognised includes its purchase price and any directly attributable costs of bringing the plant and equipment to working condition for its intended use. Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in statement of financial activities when incurred.

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Computer and office equipment	3 years
Motor vehicle	6 years
Renovation	3 years

The residual values, estimated useful lives and depreciation method are reviewed and adjusted as appropriate, at the end of each reporting year.

Fully depreciated assets are retained in the accounts until they are no longer in use.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the statement of financial activities.

**2.8 Financial assets**

Financial assets are any asset that is either cash or equity instrument of another entity of which the Society has a contractual right:

- To receive cash or another financial asset from another entity; or
- To exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Society.

Financial assets are recognised on the statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

Financial assets are measured initially at the transaction price excluding transaction costs. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Subsequent to initial measurement, financial assets are measured at cost less any accumulated impairment losses.

The Society classifies its financial assets into the following categories:

**(a) Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand and bank balances placed with financial institutions.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.8 Financial assets (Continued)**

The Society classifies its financial assets into the following categories: (Continued)

**(b) Other receivables**

Other receivables are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities.

Other receivables comprise of donation receivables, prepayments and deposits.

**2.9 Impairment of financial assets**

At the end of each reporting period, the Society assesses whether there is objective evidence of impairment of its financial assets. If there is objective evidence of impairment (including significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates), the Society recognises an impairment loss (i.e. expenditure) immediately in the statement of financial activities.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Society about the following loss events:

- (i) Significant financial difficulty of the debt/bond issuer or obligor.
- (ii) A breach of contract, such as a default or delinquency in interest or principal payments.
- (iii) The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider.
- (iv) It has become probable that the debtor will enter bankruptcy or other financial re-organisation.
- (v) Observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

An impairment loss is only reversed to the extent that the carrying amount of the financial asset (net of any allowance account) does not exceed what the carrying amount would have been had the impairment not previously been recognised. The Society recognises the amount of the reversal in the statement of financial activities immediately.

**2.10 Financial liabilities**

Financial liabilities are any liability that is a contractual obligation by the Society to:

- Deliver cash or another financial asset to another entity; or
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Society.

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

**HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS***UEN Number: T04SS0193H**(Registered under Singapore Societies Act 1966 and Charities Act 1994)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2022*

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.11 Provisions**

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of past events where it is probable that it will result in an outflow of economic benefits to settle the obligation and the amount of the obligation can be estimated reliably. The amount of provision recognised is the best estimate of the expenditure required to settle the obligation at the reporting date. The best estimate of the expenditure required to settle the obligation is the amount that would rationally be paid to settle the obligation at the reporting date or to transfer it to a third party.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation at the reporting date. Any adjustments to the amounts previously recognised shall be recognised as expenditure in the statement of financial activities unless the provision was originally recognised as part of the cost of an asset.

**2.12 Recognition of expenditures**

Expenditures are recognised in the statement of financial activities once the services have been received unless the expenditure qualifies for capitalisation as assets such as plant and equipment. Expenditure on performance-related grants are recognised to the extent the specified service has been provided. Expenditures in the statement of financial activities are classified under the charitable activities and governance costs.

**(a) Classification****(i) Charitable activities**

All resources applied in undertaking activities to meet the Society's charitable objectives are classified under charitable activities expenses.

**(ii) Governance costs**

This includes costs of governance arrangements that relate to the general running of the Society as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. These activities provide the governance infrastructure, which allows the charity to operate, and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the Society.

**(b) Allocation of costs**

Where appropriate, expenditures that are specifically identifiable to each cost classification are allocated directly to the type of costs incurred.

## HUMANITARIAN ORGANIZATION FOR MIGRATION ECONOMICS

UEN Number: T04SS0193H

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.13 Related party

Related party includes all of the following:

- (a) A person or a close member of that person's family is related to the Society if that person:
  - (i) has control or joint control over the Society;
  - (ii) has significant influence over the Society; or
  - (iii) is a governing board member, trustee or member of the key management personnel of the Society or of a parent of the Society.
  
- (b) An entity is related to the Society if any of the following conditions applies:
  - (i) the entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) the entity is an associate or joint venture of the Society (or an associate or joint venture of a member of a group of which the Society is a member) and vice versa;
  - (iii) the entity and the Society are joint ventures of the same third party;
  - (iv) the entity is a joint venture of a third entity and the Society is an associate of the third entity and vice versa;
  - (v) the entity is controlled or jointly controlled by a person identified in (a); and
  - (vi) a person identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).
  
- (c) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Society and include:
  - (i) that person's children and spouse or domestic partner;
  - (ii) children of that person's spouse or domestic partner; and
  - (iii) dependants of that person or that person's spouse or domestic partner.

## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires the use of estimates, assumptions and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenditures during the financial year. These estimates are based on Management Committee's best knowledge of current events, actual results may ultimately differ from those estimates. The Management Committee is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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**4 RELATED PARTY DISCLOSURES**

The Society has two key management personnel (2021: two) consisting of the Executive Director, and Director. They are responsible for planning, directing and managing the activities of the Society.

*Remuneration of key management personnel*

	<u>2022</u>	<u>2021</u>
	\$	\$
Salaries and other short term employee benefits	176,635	61,077
Contributions to CPF, SDL, and FWL	27,864	9,638
	<u>204,499</u>	<u>70,715</u>

According to the Governance Evaluation Checklist (Enhanced Tier):

- the Society has no staff (including key management personnel) whose remuneration amount to over \$100,000, and
- the Society has no paid staff who are close members of the family of the Executive Directors or Management Committee, who receives more than \$50,000 during the financial year.

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**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

	<b>2022</b>					<b>2021</b>	
	Unrestricted						
	Designated						
	General fund \$	Chen Su Lan Trust Fund \$	Holding Account \$	NCSS Fund \$	Lee Foundation Fund \$	Total funds \$	Total funds \$
<b>INCOME</b>							
<b>Income from generated funds</b>							
<u>Voluntary income</u>							
Donations – tax exempt (Note 14)	585,793	-	-	-	-	585,793	662,710
Donations – non-tax exempt	249,286	240,000	-	-	200,000	689,286	989,154
Grant income	200,231	-	-	-	-	200,231	178,202
	<u>1,035,310</u>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>1,475,310</u>	<u>1,830,066</u>
<u>Investment income</u>							
Fixed deposit interest	3,100	-	-	-	-	3,100	4,845
<b>Income from charitable activities</b>							
Student fees	69,725	-	-	-	-	69,725	38,440
<b>Other income</b>							
Miscellaneous income	5,664	-	-	-	-	5,664	2,564
<b>TOTAL INCOME</b>	<u>1,113,799</u>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>1,553,799</u>	<u>1,875,915</u>

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For the financial year ended 31 December 2022

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**

	<b>2022</b>					<b>2021</b>	
	Unrestricted						
	Designated						
	General fund \$	Chen Su Lan Trust Fund \$	Holding Account \$	NCSS Fund \$	Lee Foundation Fund \$	Total funds \$	Total funds \$
<b>EXPENDITURES</b>							
<b>Charitable activities</b> (See Note 6)							
Shelter centre	546,741	-	-	-	153,600	700,341	962,000
Help desk	288,834	220,000	234,293	-	46,400	789,527	540,988
Education centre	131,275	-	-	-	-	131,275	110,417
Research centre	157,449	-	-	-	-	157,449	103,268
	<u>1,124,299</u>	<u>220,000</u>	<u>234,293</u>	<u>-</u>	<u>200,000</u>	<u>1,778,592</u>	<u>1,716,673</u>
<b>Governance costs</b>							
Administrative fee	35,763	-	-	-	-	35,763	5,501
Auditor's remuneration	7,280	-	-	-	-	7,280	4,000
Bank charges	3,530	-	-	-	-	3,530	2,189
Contributions to CPF, SDL, and FWL	13,288	-	-	-	-	13,288	9,233
Contract services	-	-	-	-	-	-	8,086
Depreciation	40,047	-	-	-	-	40,047	33,144
Insurance	16,559	-	-	-	-	16,559	11,656
Miscellaneous expense	9,526	-	-	-	-	9,526	4,384
Printing and stationery	1,277	-	-	-	-	1,277	73
Plant and equipment expensed off	-	-	-	-	-	-	6,054
Professional fees	-	-	-	-	-	-	368
Salaries and other short term employee benefits	71,413	-	-	-	-	71,413	47,600
Staff welfare	4,648	-	-	-	-	4,648	2,626
<i>(To be continued)</i>							

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**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**

	<b>2022</b>					<b>2021</b>
	Unrestricted					Total funds \$
	General fund \$	Designated			Total funds \$	
	Chen Su Lan Trust Fund \$	Holding Account \$	NCSS Fund \$	Lee Foundation Fund \$		
<b>EXPENDITURES (Continued)</b>						
<b>Governance costs (Continued)</b>						
Telecommunication expenses	1,631	-	-	-	1,631	4,469
Transport and travelling	5,196	-	-	-	5,196	1,186
Upkeep of motor vehicles	4,583	-	-	-	4,583	6,288
	<u>214,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,741</u>	<u>146,857</u>
<b>TOTAL EXPENDITURES</b>	<u>1,339,040</u>	<u>220,000</u>	<u>234,293</u>	<u>-</u>	<u>200,000</u>	<u>1,993,333</u>
<b>NET (EXPENDITURE)/INCOME FOR THE FINANCIAL YEAR</b>	<u>(225,241)</u>	<u>20,000</u>	<u>(234,293)</u>	<u>-</u>	<u>-</u>	<u>(439,534)</u>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward	6,815,718	220,000	234,293	50,000	-	7,320,011
<b>Total funds carried forward</b>	<u>6,590,477</u>	<u>240,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>6,880,477</u>

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For the financial year ended 31 December 2022

**6 EXPENDITURES BY CHARITABLE ACTIVITIES**

	Shelter centre	Helpdesk	Education centre	Research centre	<b>2022</b>	<b>2021</b>
	\$	\$	\$	\$	\$	\$
Contractor expenses	-	30,000	-	-	30,000	27,500
Contributions to CPF, SDL, and FWL	26,805	38,268	10,806	22,009	97,888	83,512
Event expenses	-	22,972	-	-	22,972	-
Financial/Welfare/ Medical assistance	62,140	23,369	-	-	85,509	210,994
Food and provision	62,211	-	-	-	62,211	95,414
Helpdesk expenses	-	250	-	-	250	247
Legal assistance	-	581	-	-	581	19,172
Printing and stationery	-	2,468	359	-	2,827	2,489
Outreach collateral	-	3,392	-	-	3,392	-
Relief assistance	-	234,293	-	-	234,293	-
Rental	179,421	101,700	2,840	-	283,961	376,534
Repair and maintenance	64,308	5,501	-	-	69,809	75,430
Research fee	-	-	-	3,200	3,200	1,300
Salaries and other short term employee benefits	161,707	276,107	98,681	130,257	666,752	615,295
Shelter allowance	48,002	-	-	-	48,002	50,694
Telephone expenses	8,543	14,448	-	50	23,041	22,204
Transportation	32,303	6,736	373	1,396	40,808	36,122
Training and education	157	336	7,412	-	7,905	1,304
Utilities	40,210	4,977	-	-	45,187	43,061
Volunteer expenses	9,107	20,913	10,804	-	40,824	39,392
Miscellaneous	5,427	3,216	-	537	9,180	16,009
	<u>700,341</u>	<u>789,527</u>	<u>131,275</u>	<u>157,449</u>	<u>1,778,592</u>	<u>1,716,673</u>

**7 CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	\$	\$
Cash at bank and cash in hand	5,755,240	6,181,650
Fixed deposit	1,000,000	1,000,000
	<u>6,755,240</u>	<u>7,181,650</u>

Cash at bank is held in non-interest bearing accounts.

Fixed deposit is placed with a financial institution and mature within 12 months (2021: 12 months) from year end. The effective interest rate is 1.45% (2021: 0.31%) per annum.

Fixed deposit is included as cash and cash equivalents as this can be readily converted into cash without incurring any significant penalty.

For the purpose of the statement of cash flows, cash and cash equivalent comprised of the balances as shown above.

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**8 OTHER RECEIVABLES**

	<u>2022</u>	<u>2021</u>
	\$	\$
Donation receivables	56,658	61,077
Prepayments	49,979	9,638
Deposits	49,408	47,608
	<u>156,045</u>	<u>118,323</u>

Donation receivables are collections of donations from third party donation platforms which are unremitted as at 31 December 2022.

Deposits relate to security deposits paid in relation to rental of the Society's shelter and helpdesk locations.

**9 PLANT AND EQUIPMENT**

	<u>Motor vehicle</u>	<u>Computer and office equipment</u>	<u>Renovation</u>	<u>Total</u>
	\$	\$	\$	\$
<b>Cost</b>				
At 1 January 2021	95,900	119,748	472,886	688,534
Additions	-	-	111,631	111,631
At 31 December 2021	95,900	119,748	584,517	800,165
Additions	-	-	6,800	6,800
At 31 December 2022	95,900	119,748	591,317	806,965
<b>Accumulated depreciation</b>				
At 1 January 2021	95,900	112,444	448,634	656,978
Charge for the financial year	-	5,789	27,355	33,144
At 31 December 2021	95,900	118,233	475,989	690,122
Charge for the financial year	-	1,515	38,532	40,047
At 31 December 2022	95,900	119,748	514,521	730,169
<b>Net carrying amount</b>				
At 31 December 2021	-	1,515	108,528	110,043
At 31 December 2022	-	-	76,796	76,796

**10 OTHER PAYABLES**

	<u>2022</u>	<u>2021</u>
	\$	\$
Accruals	70,752	60,972
Other payables	36,852	29,033
	<u>107,604</u>	<u>90,005</u>

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For the financial year ended 31 December 2022

**11 FUNDS ACCOUNT BALANCES**

## (a) Unrestricted funds

General fund

This fund is expendable at the discretion of the Society's Management Committee in furtherance of the Society's objects.

Designated funds

Fund balances are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. These funds may only be utilized in accordance with the purpose established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its society purposes.

As at reporting date, the Society has the following designated funds:

## (i) Chen Su Lan Trust Fund

## (ii) Holding Account

## (iii) NCSS Fund

## (iv) Lee Foundation Fund

## (b) Net assets of the designated funds

	<u>Chen Su Lan Trust Fund</u>	<u>Holding Account</u>	<u>NCSS Fund</u>	<u>Lee Foundation Fund</u>	<u>Total designated funds</u>	
	\$	\$	\$	\$	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$	\$	\$
At the beginning of financial year	220,000	234,293	50,000	-	504,293	316,000
Fund received	240,000	-	-	200,000	440,000	457,293
Less: Charged to statement of financial activities	(220,000)	(234,293)	-	(200,000)	(654,293)	(269,000)
At the end of financial year	<u>240,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>290,000</u>	<u>504,293</u>

The holding funds comprise of funds raised entirely as relief assistance for the benefit of the family of a deceased migrant worker.

**12 INCOME TAX**

The Society is registered as a charity organisation under the Charities Act. As an approved charity, it is exempted from income tax under Section 13(1)(zm) of the Income Tax Act.

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**13 STAFF COSTS**

	<u>2022</u>	<u>2021</u>
	\$	\$
Salaries and other short term employee benefits	738,165	662,895
Contributions to CPF, SDL, and FWL	111,176	92,745
Staff welfare	4,648	2,626
	<u>853,989</u>	<u>758,266</u>

The staff costs were allocated as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Charitable activities	764,640	700,656
Governance costs	89,349	57,610
	<u>853,989</u>	<u>758,266</u>

**14 TAX DEDUCTIBLE RECEIPTS**

The Society issued tax-deductible receipts for donations received from voluntary income during the financial year totalling to \$585,793 (2021: \$662,710) (See Note 5).

**15 FUND-RAISING APPEALS**

	<u>2022</u>	<u>2021</u>
	\$	\$
Gross donations, representing total receipts from fund-raising (Note 5)	1,390,883	1,651,864
Direct fund-raising expenses (Note 5)	112,941	48,288
Percentage of direct fund-raising expenses to total receipts	8%	3%

**16 OPERATING LEASE COMMITMENTS**

Rental expenses for premises recognised in the statement of financial activities for the financial year amounted to \$227,140 (2021: \$376,534).

Future minimum lease payments payable under non-cancellable operating leases for premises as of 31 December are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Not later than one year	246,700	169,515
Between one and five financial years	274,500	52,674
	<u>521,200</u>	<u>222,189</u>

The lease agreements do not contain any contingent rent payments.

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**17 MANAGEMENT OF RESERVES**

The Society regards its unrestricted funds as its reserves.

The Society intends to maintain its reserves of 3 to 4 years operating expenses to ensure that services can continue to function during lean years.

The Society's reserve position for the financial year ended 31 December is as follows:

	<u>2022</u>	<u>2021</u>	(Decrease)/ <u>Increase</u>
	\$	\$	%
A Unrestricted funds			
General fund	6,590,477	6,815,718	(3)
B Total annual operating expenditure	<u>1,993,333</u>	<u>1,863,530</u>	7
C Ratio of funds to annual operating expenditure (A/B)	<u>3.31</u>	<u>3.66</u>	

The Society's overall approach to management of reserves remains unchanged from the previous financial year. The Society is not subject to any externally imposed reserve requirements.

**18 EVENTS AFTER THE REPORTING PERIOD**

Subsequent to financial year end, the Society has become aware that the claims of a certain employee for the financial year ended 31 December 2022, were not entirely related to the operations of the Society. The aforementioned employee has left the Society in January 2023. As at the date of the Statement by Management Committee, the review of these claims is currently in progress with the relevant authorities. Consequently, the Society is unable to determine whether any adjustments were necessary in respect of the accompanying financial statements for the financial year ended 31 December 2022.