

My Home. My Heart. My Hope

# Marsiling Yew Tee

Town Council

Annual Report 2020-2021





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# OUR TOWN COUNCILLORS

## OUR MPS



**MR LAWRENCE WONG**

Minister for Finance  
MP for Marsiling-Yew Tee GRC (Limbang)



**MR ZAQQ MOHAMAD**

Senior Minister of State for  
Manpower and Defence  
MP for Marsiling-Yew Tee GRC (Marsiling)



**MR ALEX YAM**

Mayor of North West District  
MP for Marsiling-Yew Tee GRC (Yew Tee)  
Chairman of Marsiling-Yew Tee Town Council



**MS HANY SOH**

MP for Marsiling-Yew Tee GRC (Woodgrove)  
Vice-Chairman of  
Marsiling-Yew Tee Town Council

## AUDIT AND RISK MANAGEMENT COMMITTEE



**MR CHEW BOON YEOW**

Chairman



**MR ALEX TEO KIM SIAH**

PBM  
Member



**MS JESSICA LIM CHUI LAN**

Member



**MR NG SI HIONG**

PBM  
Member



**MR SOH KIEN PENG**

Member

## COMMUNICATIONS AND SERVICE QUALITY COMMITTEE



**MS NOOR BANU BTE  
MOHAMED ELIAS**

PBM  
Chairman



**MDM ANN WEE YOKE LEONG**

PBM  
Member



**MR HAZMAN ALI HAKAMALI**

Member



**MS JENNY CHEN BENG LAN**

Member



**MS JERLYNN SOH CHU YEN**  
Member



**MR JIMMY WONG CHIAM YEW**  
Member



**MS STEPHANIE TAN SOK HOON**  
PBM  
Member



## COMMUNITY IMPROVEMENT PROJECT COMMITTEE



**MR CORWIN CHEW HUANG JIA**  
Chairman



**MR ABDUL GHANI BIN FATHLI**  
PBM  
Member



**MR ALOYSIUS KWAN WENG TAT**  
Member



**MR DESMOND TAN PENG YAO**  
Member



**MR ERIC LIM CHIN HENG**  
PBM  
Member



**MS LEE LOO LOO**  
Member



**MR TAY BOON SIN**  
Member

## ESTATE AMENITIES COMMITTEE



**MR LIEW WEI KEONG**  
Chairman



**MR DICKSON CHUA TECK SENG**  
Member



**MR GILBERT LEE GEE TECK**  
Member



**MS LIM GEOK KHENG**  
Member



**MR NG POH WAH**  
PBM  
Member



**MDM NOOR RITA MOHD RAJAB**  
Member

## FINANCE COMMITTEE



**MR BEN CHONG ZHENG YEAN**  
Chairman



**MR ALVIN TAN CHOON HWA**  
PBM  
Member



**MR BOB SHAW KAR SENG**  
BBM  
Member



**MR DAVID NEO**  
PBM  
Member



**MR JOHNNY LIM PENG SIAH**  
PBM  
Member



**MR KENNY CHUA KOK CHOO**  
PBM  
Member

## TENDERS & CONTRACTS COMMITTEE



**MR LIM TAI SUN**  
BBM  
Chairman



**MR MICHAEL N KELYVANAN**  
Member



**MR RAY ANG CHIN CHIAT**  
Member



**MDM ROHINI RAVICHANDRAN**  
Member



**MR STEVEN TAN YONG CHENG**  
PBM  
Member



**MR YONG WEE HUAT**  
Member



# Chairman's

## REVIEW

I am heartened to see our residents, our community and our Town Council team, staying strong and committed despite COVID-19 posing unprecedented challenges in Singapore.

FY20/21 has been filled with many new experiences and challenges for Marsiling-Yew Tee Town. The team has continued to complete both major and minor improvements for each of the divisions despite the ever fluid and evolving pandemic situation.

Having walked the ground and gathered invaluable feedback from the residents, our team of councillors have a better understanding on the types of amenities that residents are looking forward to. We will continue to guide the Town Council in upkeeping a high standard of estate maintenance and thorough planning to execute various town improvements. At the same time, ensuring that the Town Council complies with MND's financial regulations through transparent procurement procedures, and sharing more frequent communications on activities and benefits happening around our Town.

We are halfway through our lift replacement programme (LRP), having completed 87 lifts out of the total 216 lifts that were scheduled. We welcomed the re-opening of Choa Chu Kang swimming complex with their new fixtures and modernistic look. The food court and wet market at Limbang Shopping Centre have also been completed to continue providing accessible neighbourhood provisions to our residents. We also enjoyed increased connectivity and accessibility with the completion of the new Woodlands Integrated Hub, and opening of the Thomson-East Coast Line's second phase which ends at Caldecott.

As always, we will continue to exercise financial prudence, expanding on our energy saving programmes, to keep our operating costs low.

As we learn to live with the new normal going forward, let us continue to embrace the values of My Home, Heart & Hope here at Marsiling-Yew Tee GRC.





# COMPOSITION AND Structure

Town Councillors represent the residents in Marsiling-Yew Tee and play an important role in the supervision and daily running of the Town Council. They have a duty to conduct themselves ethically and hence, it is important that they apply the principles and practices of good governance, in order to discharge their duties in the best interests of the residents.

The selection and appointment process of Town Councillors takes into consideration the composition of the Council and the relevant experience and skills of each candidate. In appointing the Town Councillors:

(a) the Council utilises a referral process to search for potential candidates;

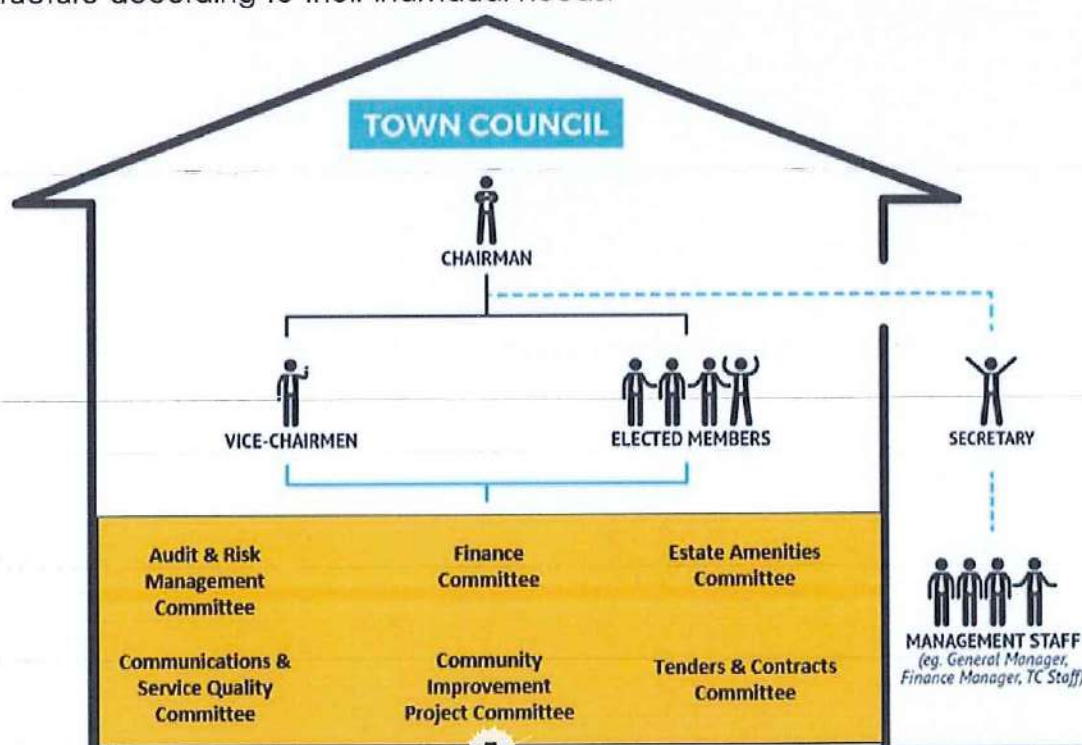
(b) the Council considers a variety of factors, including audit and financial skills, time commitment, and prior experience; and

(c) at least two-thirds of the appointed Town Councillors must be residents of the HDB housing estates within the Town.



## Typical Organisation Structure

The typical organisation structure of a Town Council is as shown below. Town Councils can vary their structure according to their individual needs.





# RISK MANAGEMENT *Framework*

In accordance with the new Code of Governance launched by the Ministry of National Development effective from 1 April 2020, Marsiling-Yew Tee Town Council has engaged an external consultant to provide professional guidance in the implementation of a comprehensive Risk Management Framework where key risks, including financial, operational, compliance and information technology risks, are identified and reported to the Council.

The Town Council adopts a sound risk management framework to provide guidance for the risk management process to identify, assess, regularly monitor and review the key risks. This structured risk management approach seeks to encourage continuous improvement through regular assessment of the adequacy of operations and processes in enabling the Town Council to meet its strategic goals and objectives.

I am pleased to update residents that an annual risk assessment has been performed and the effectiveness of internal control has been assessed. The Council is of the opinion that the Risk Management Framework and supporting Internal control policies and procedures are adequate to address the risks of Marsiling-Yew Tee Town Council.

**Financial  
Risks**



**Operational  
Risks**



**Compliance  
Risk**



**Information  
Technology  
Risks**





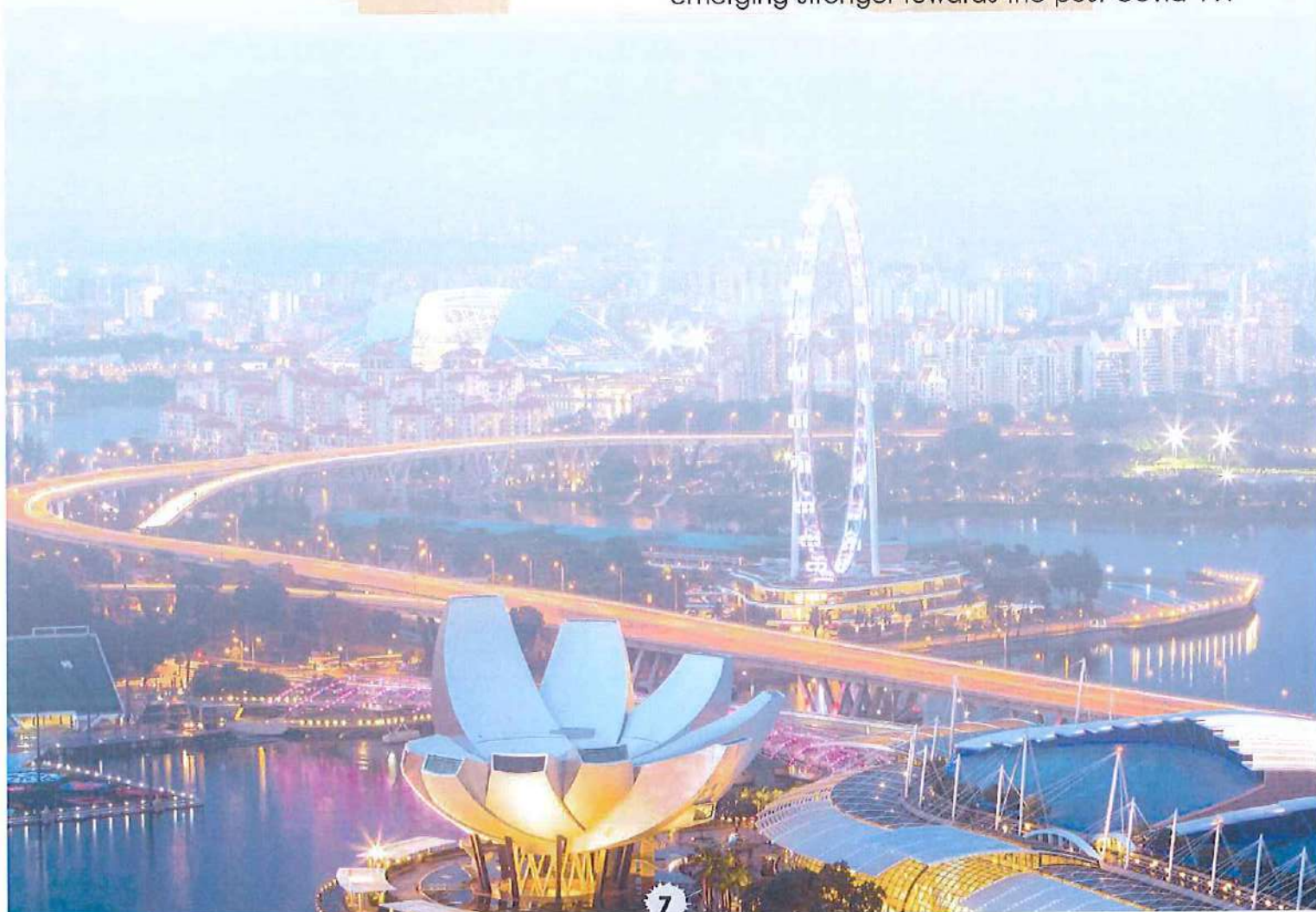


# Finance

The Town Council prides itself on prudent planning and stringent practices to ensure that our funds are well managed.

For FY20/21, the Town Council reports a modest surplus of \$2.11 million after mandatory fund transfers. As of 31 March 2021, we have registered a sinking fund of \$109.79 million, a lift replacement fund of \$41.10 million and an accumulated surplus of \$5.34 million.

Having worked hard to keep the arrears number low, we shall continue to render assistance to households with financial difficulties. We will stay committed and continue to help one another during this challenging period as we work towards emerging stronger towards the post Covid-19.





# TOWN COUNCIL *Management* REPORT



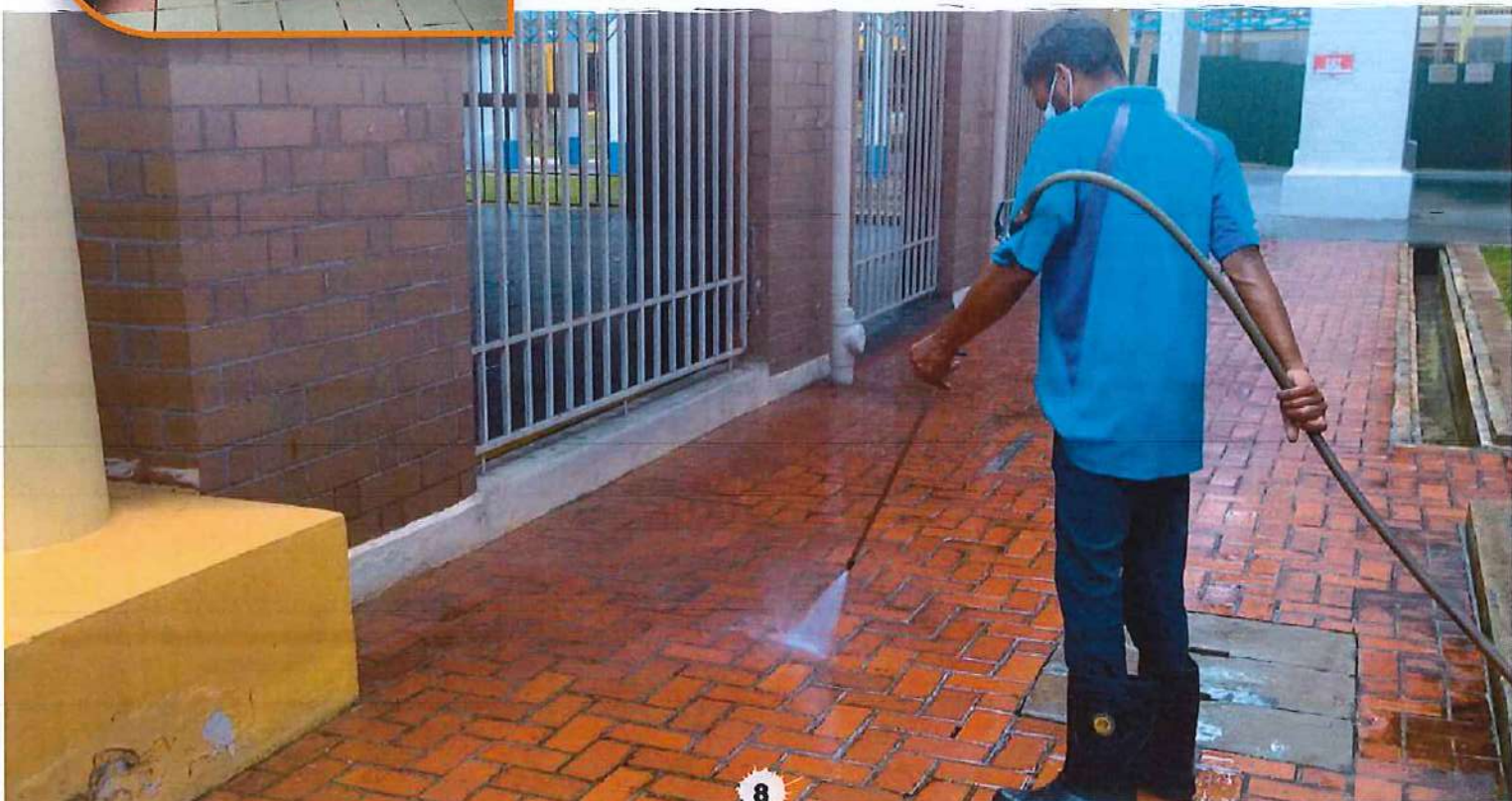
All Town Councils are assessed on five key indicators, Estate Cleanliness, Estate Maintenance, Lift Performance, S&CC Arrears Management and Corporate Governance, using three colour bands – green, amber and red.

Marsiling-Yew Tee Town Council has consistently performed well in the Town Council Management Report and has received top ratings in Financial Years 2017 and 2018.



I am pleased to update residents that Marsiling-Yew Tee Town Council has again received top ratings in the Town Council Management Report for Financial Year 2019/2020, scoring green bands across the 5 categories.

The consistent performance over the years is a testimony of the strong team work between all the stakeholders of Marsiling-Yew Tee Town Council. We are privileged to have a team of dedicated and passionate staff and Town Councillors who works hand in hand with residents to maintain the high standards set. Please rest assured that we will continue to do our best and make Marsiling-Yew Tee the best home to live in!



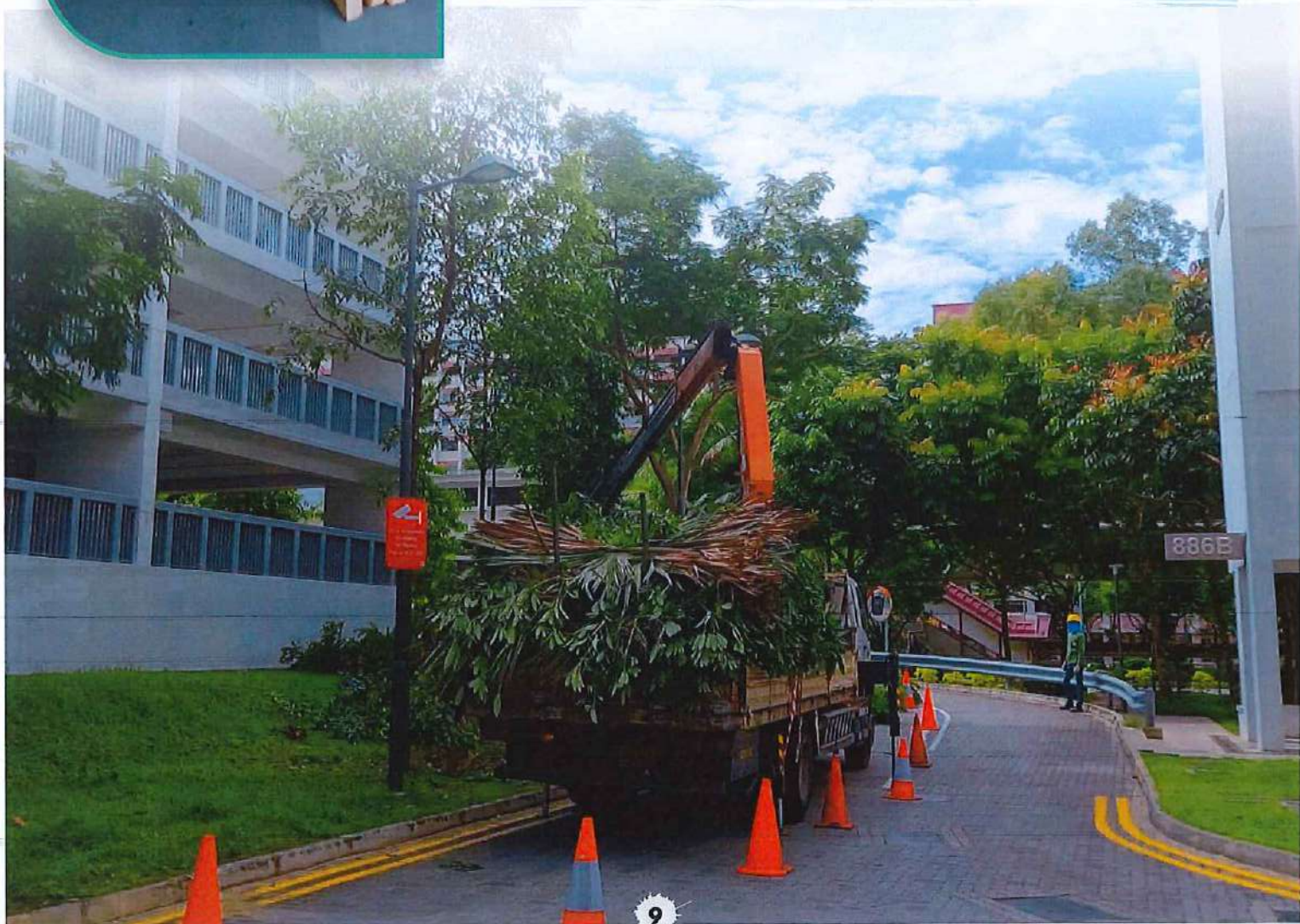


# ESTATE *Maintenance*



Estate Maintenance continues to be the pivotal part of our routine work despite the challenging Covid-19 situation as we have to ensure the safety of residents and provide them with an estate that promotes a pleasant living environment for all to live in.

With the support of a dedicated operational team, essential maintenance and cleaning work can then be carried out promptly and seamlessly. The operational team's hard work and dedication are critical in upkeeping the estates.







# *Cyclical* WORKS



Scheduling cyclical works is integral to keeping our estates well maintained, and key facilities in optimal condition. The works include lift repair, R&R, replacement of water pump sets, water pipes and water tanks. It is inevitable that estates and facilities will face the issues of prolonged wear and tear over a period of time.

It is through meaningful consultative discussions with the Residents' Committee/Residents' Network along with the residents that enable the Town Council to further enhance the estate or refresh the existing facilities for the benefit of residents and the committee to enjoy.

During FY20/21, we have invested a total of \$13.60 million in cyclical works. Of which, \$9.98 million has been catered for cyclical lift works, and another \$3.62 million was used on other cyclical works such as repainting, rewiring, reroofing, replacement of water pumping and piping systems and refuse chute system etc.

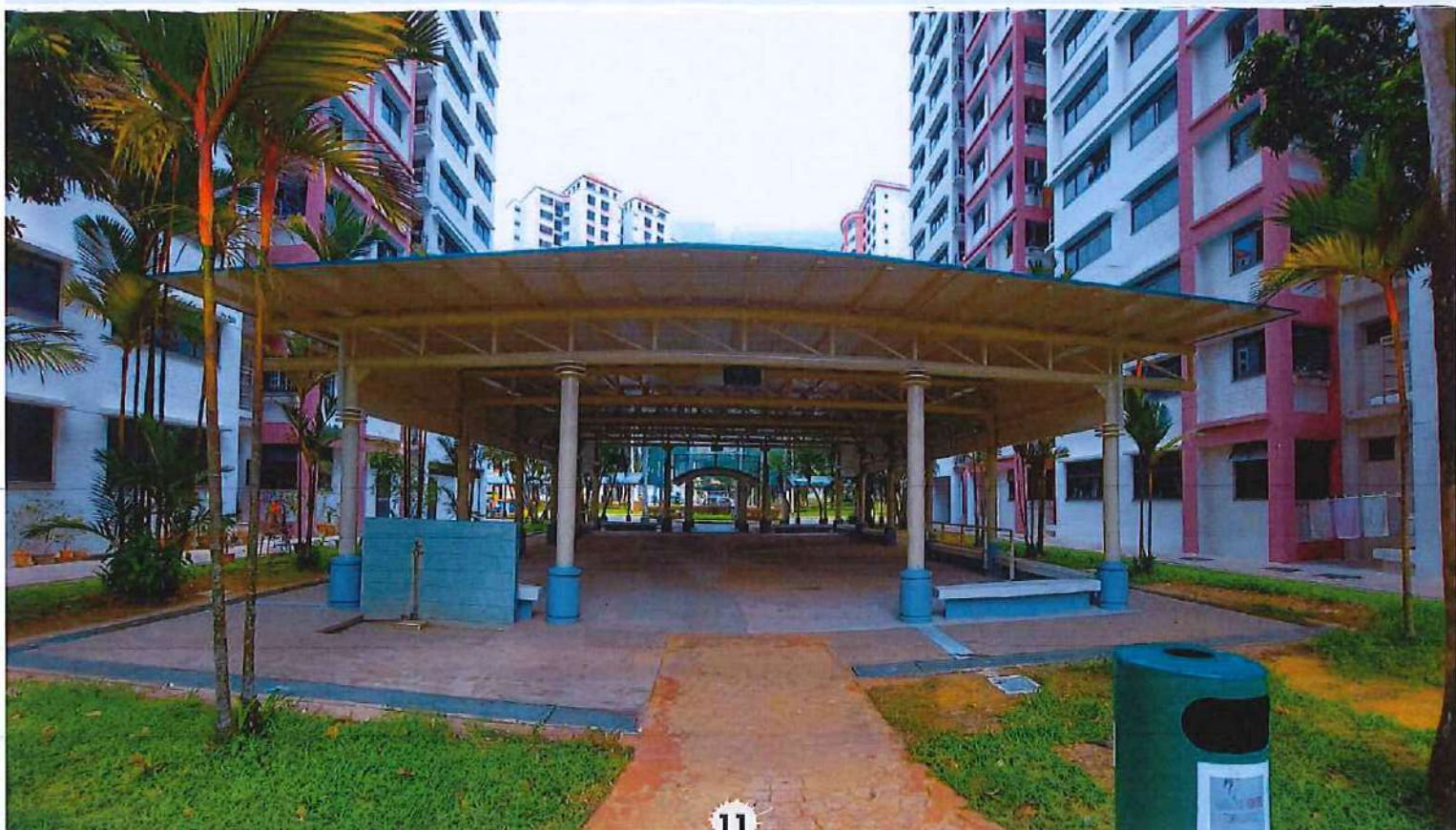




# TOWN *Improvement* PROJECTS

Town Improvement Projects are identified on a yearly basis to meet the evolving needs of our residents and their lifestyles. The team adopts a consultative approach in identifying improvement works to improve the Town's general amenities and environment.

Besides the development of Green Spine below the MRT viaduct, Marsiling-Yew Tee has completed various projects this year. These include the new linkways, sheltered walkways, drop-off porches, barrier-free access ramps, new playgrounds and basketball courts etc.





# NEIGHBOURHOOD *Renewal* PROGRAMMES



Block and neighbourhood improvements through Neighbourhood Renewal Programmes (NRP) are the results of active engagement and participation of residents in shaping their living environment through public consultation and consensus gathering exercises.

NRP ensures that the older estates get rejuvenated and the living environment is improved through a series of upgrading and construction of new facilities so as to provide more recreational options and accessibility to meet the evolving needs of residents.

Some of the improvement works in the NRP includes covered linkways, more drop-off porches, barrier-free access ramps, playground and fitness corners, and upgrading of existing facilities.

There are currently five ongoing NRPs within the boundary of Marsiling-Yew Tee Town Council, three of them are in Limbang and the remaining two in Woodgrove.





# CLEAN & GREEN *Energy*

## WHAT WILL TOWN COUNCIL DO?

At our Town Council, we will also form a sustainability committee consisting of a sustainability champion and members of our community.

MP Ms Hany Soh is the sustainability champion for our Marsiling-Yew Tee Town Council.

Do email her at [greentown@mytte.org.sg](mailto:greentown@mytte.org.sg) if you have any idea or suggestion for a more sustainable town!



SUSTAINABILITY  
CHAMPION

Marsiling-Yew Tee Town Council is fully committed in supporting the Action for Green Town initiative, as part of the Singapore Green Plan 2030. Ms Hany Soh, our Sustainability Champion, and her sustainability committee comprising Town Councillors and staff from Marsiling-Yew Tee Town Council are working on enhancing our sustainability plans and efforts which aims to transform our housing estates into better living environments for every resident and level up sustainability practices within the community. These efforts will work towards making our Town zero wastes, energy efficient and greener by 2025.

One of the key thrusts in our sustainability journey is the installation of solar panels which harnesses solar energy to power common services in HDB estates in the day. Excess energy will be channelled to the electrical grid. On average, HDB blocks are able to achieve net-zero energy consumption at common areas. As of today, solar panels have been installed in 210 blocks in Marsiling-Yew Tee with another 152 scheduled to be completed progressively over the next few years.







## *Estate* CLEANLINESS

Behind every clean estate, there is a hardworking team of cleaners. During this pandemic, the cleaning frequency has increased. We want to show our appreciation to our cleaners for their hard work in maintaining the cleanliness of our estates on a daily basis.

In addition, the Town Council continues to find opportunities to educate and remind residents that they too play an important part in keeping our estates clean and green.





# COMMUNICATION WITH *Residents*



Marsiling-Yew Tee Town Council continues to work closely with various stakeholders to improve on the existing communication means, which include the engagement between residents, grassroots leaders and our staff.

With the change of dynamics in the lifestyle of residents and evolvement in technology, we are adopting a more diversified approach in engaging and communicating with residents via both digital and traditional platforms such as Facebook, Instagram, Digital Display Panels and noticeboards.

We continue to adopt the "no wrong door" policy and we will share our residents' feedback and concerns with other relevant agencies when needed.

Do look out for our "MY Kampung" newsletter, informative posters and also reach out to us via our social media platforms (Facebook and Instagram) as we continue to share relatable stories, issues and tips within our neighbourhood.





# Vision AHEAD

Continuing to build on our vision of "Our Home, Our Hope, Our Heart", we have seen our community bonds strengthen despite our current situation of safe management measures, showing care and concern for one another.

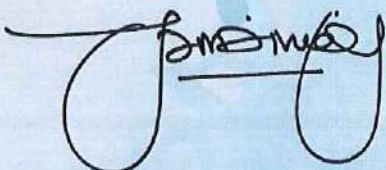
The many financial rebates of S&CC for both residents and commercial businesses, communal sharing of both new & pre-loved items to bless other residents in need, increased awareness and focus on improving mental health continue to keep our community a tightly knitted one.

The Town Council will continue to work closely with our residents and grassroots partners to bring about even more various improvements around our Town. Look forward to more shared discussions with our various stakeholders as we incorporate your ideas and vision and work towards making them a reality.

The Town Council remains fully committed to serving our residents with a spirit of excellence. Families that have been affected by this COVID-19 and are struggling to make ends meet may continue to approach the Town Council for financial assistance or alternative payment arrangements. We will also work closely with the Ministry of Social and Family Development (MSF) to provide additional financial assistance for eligible residents.

I look forward to continue transforming our Town positively together with all our residents. Stay safe and healthy!

Yours Sincerely,



**Mr Alex Yam Ziming**  
Chairman  
Marsiling-Yew Tee Town Council





# **MARSILING - YEW TEE TOWN COUNCIL**

(Established under the Town Council Act, Chapter 329 A)

## **FINANCIAL STATEMENTS**

(For the period of 1 April 2020 to 31 March 2021)



Financial statements

**MARSILING-YEW TEE TOWN COUNCIL**

(Established under the Town Councils Act, Cap. 329A)

For the year ended 31 March 2021



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# **Independent auditor's report to the members of MARSILING-YEW TEE TOWN COUNCIL**

(Established under the Town Councils Act, Cap. 329A)

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

### Opinion

We have audited the accompanying financial statements of Marsiling-Yew Tee Town Council ("the Town Council"), which comprise the statement of financial position as at 31 March 2021, and the statement of income and expenditure and other comprehensive income, the statement of changes in Town Council funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Town Councils Act, Cap 329A (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Town Council as at 31 March 2021 and the financial performance, changes in funds and cash flows of the Town Council 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 Town Council 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 the other information. The other information refers to the Chairman's Review included in the Annual Report, but does not include the financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this auditor's report.

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 in the audit or otherwise appears to be materially misstated.

When we read the other information of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.



# Independent auditor's report to the members of MARSILING-YEW TEE TOWN COUNCIL (Cont'd)

(Established under the Town Councils Act, Cap. 329A)

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

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

A Town Council is established under the Act and may dissolved by the Minister's order published in the Gazette. In preparing the financial statements, management is responsible for assessing the Town Council'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 there is intention to wind up the Town Council or for the Town Council to cease operations.

Those charged with governance are responsible for overseeing the Town Council'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 Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



# Independent auditor's report to the members of MARSILING-YEW TEE TOWN COUNCIL (Cont'd)

(Established under the Town Councils Act, Cap. 329A)

## Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 Town Council'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 Town Council 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 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.

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

### Opinion

In our opinion,

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Town Council during the financial year are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Town Council whether purchased, donated or otherwise.

### Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Compliance Audit section of our report. We are independent of the Town Council in accordance with the 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 on management's compliance.



# Independent auditor's report to the members of **MARSILING-YEW TEE TOWN COUNCIL (Cont'd)**

(Established under the Town Councils Act, Cap. 329A)

## Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes monitoring related compliance requirements relevant to the Town Council, and implementing internal controls as management determines are necessary to enable compliance with the provisions of the Act.

## Auditor's Responsibilities for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the Town Council's internal control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.



Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants

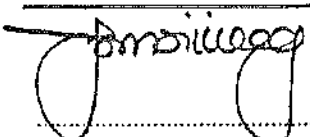
Singapore,  
23 October 2021




# Statement of financial position

as at 31 March 2021

	Note	2021 \$	2020 \$ Restated
<b>TOWN COUNCIL FUNDS</b>			
<b>Residential property</b>			
Accumulated surplus	3	3,603,221	2,283,307
Sinking Funds	4	86,090,579	69,953,811
Lift Replacement Funds	5	35,801,323	31,461,081
Town Improvement and Project Funds	6	1,442,575	917,770
		126,937,698	104,615,969
<b>Commercial property</b>			
Accumulated surplus	3	909,328	3,281,105
Sinking Funds	4	23,695,191	21,825,294
Lift Replacement Funds	5	5,303,615	4,392,479
Town Improvement and Project Funds	6	26,125	46,416
		29,934,259	29,545,294
<b>Carpark</b>			
Accumulated surplus	3	825,582	696,879
		157,697,539	134,858,142
<b>REPRESENTED BY:</b>			
<b>Non-current assets</b>			
Plant and equipment	7	221,477	196,487
Right-of-use assets	8	554,217	624,520
Investments at amortised cost	9	30,000,000	30,000,000
		30,775,694	30,821,007
<b>Current assets</b>			
Conservancy and service fees receivables	10	1,262,152	1,092,479
Receivables for Neighbourhood Renewal Programme	11	1,345,192	-
Other receivables	12	6,947,468	5,101,786
Cash and bank balances	13	142,896,504	111,640,376
		152,451,316	117,834,641
<b>Total assets</b>		<b>183,227,010</b>	<b>148,655,648</b>
<b>Less:</b>			
<b>Non-current liabilities</b>			
Lease Liabilities	14	202,910	416,804
<b>Current liabilities</b>			
Lease liabilities	14	213,779	206,026
Conservancy and service fees received in advance	15	850,816	695,763
Advances received for Neighbourhood Renewal Programme	11	-	498,762
Other payables	16	23,149,487	10,724,109
Income tax payable	21	1,112,479	1,256,042
		25,326,561	13,380,702
<b>Total liabilities</b>		<b>25,529,471</b>	<b>13,797,506</b>
<b>NET ASSETS</b>		<b>157,697,539</b>	<b>134,858,142</b>

  
MR ALEX YAM ZIMING  
Chairman

  
MR LIM TAI SUN  
Secretary

Dated: 23 October 2021

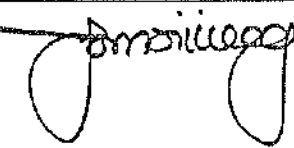
The accompanying notes form an integral part of and should be read in conjunction with the financial statements.




# Statement of income and expenditure and other comprehensive income

for the financial year ended 31 March 2021

	Note	2021 \$	2020 \$
<b>Operating income</b>			
Conservancy and service fees	3	38,280,468	37,685,351
Less:			
Operating income transfer to Sinking Funds (26% transferred to Sinking Funds)	3, 4	(9,952,945)	(9,798,205)
Operating income transfer to Lift Replacement Funds (14% transferred to Lift Replacement Funds)	3, 5	(5,359,288)	(5,275,965)
		22,968,235	22,611,181
Agency fees	3, 17	3,149,425	3,188,766
Other income	3, 18	1,984,930	2,583,201
		28,102,590	28,383,148
Less:			
<b>Operating expenditure</b>			
Cleaning works		(5,648,180)	(5,332,548)
Managing agent's fees	20	(4,173,115)	(4,012,717)
Lift maintenance		(6,562,608)	(6,116,259)
Other works and maintenance		(4,046,432)	(3,822,285)
Water and electricity		(7,277,080)	(7,670,521)
General and administrative expenditure	19	(1,920,112)	(1,627,100)
		(29,627,527)	(28,581,430)
<b>Operating deficit</b>		(1,524,937)	(198,282)
Add: Interest income	3	89,099	185,629
<b>Deficit before taxation and government grants</b>		(1,435,838)	(12,653)
Less: Income tax	3, 21	(234,368)	(292,996)
<b>Deficit before government grants</b>		(1,670,206)	(305,649)
Add: Government grants	3, 26	11,193,771	11,203,572
Less: Transfer to			
- Sinking Funds	3, 4	(1,639,507)	(1,565,653)
- Lift Replacement Funds	3, 5	(3,984,976)	(3,908,300)
- Town Improvement and Project Funds	3, 6	(1,785,820)	(2,116,582)
		3,783,468	3,613,037
<b>SURPLUS FOR THE YEAR UNDER ACCUMULATED SURPLUS</b>		2,113,262	3,307,388
Add:			
Surplus/(Deficit) for the year from:			
- Sinking Funds	4	9,126,767	3,959,474
- Lift Replacement Funds	5	2,082,979	5,941,142
- Town Improvement and Project Funds	6	(409,347)	(1,051,171)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		12,913,661	12,156,833

  
MR ALEX YAM ZIMING  
Chairman

  
MR LIM TAI SUN  
Secretary

Dated: 23 October 2021

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



## Statement of changes in Town Council funds for the financial year ended 31 March 2021

	Note	Residential property \$	Commercial property \$	Carpark \$	Total \$
Balance at 1 April 2019		93,508,087	28,764,744	428,478	122,701,309
Accumulated Surplus (restated)	3	2,600,791	438,196	268,401	3,307,388
Sinking Funds	4	3,767,951	191,523	-	3,959,474
Lift Replacement Funds	5	5,741,289	199,853	-	5,941,142
Town Improvement and Project Funds	6	(1,002,149)	(49,022)	-	(1,051,171)
Surplus/(deficit) for the year, representing total comprehensive income for the year (restated)		11,107,882	780,550	268,401	12,156,833
Appropriation to Town Improvement and Project Funds		(1,658,322)	(42,172)	-	(1,700,494)
Appropriation from Accumulated Surplus		1,658,322	42,172	-	1,700,494
Balance at 31 March 2020 (restated)		104,615,969	29,545,294	696,879	134,858,142
Accumulated Surplus	3	1,773,105	(65,135)	405,292	2,113,262
Sinking Funds	4	8,877,148	249,619	-	9,126,767
Lift Replacement Funds	5	2,025,393	57,586	-	2,082,979
Town Improvement and Project Funds	6	(367,241)	(42,106)	-	(409,347)
Surplus/(deficit) for the year, representing total comprehensive income for the year		12,308,405	199,964	405,292	12,913,661
Appropriation to Sinking Fund		180,170	1,502,448	-	1,682,618
Appropriation to Lift Replacement Fund		97,015	809,010	-	906,025
Appropriation to Town Improvement and Project Funds		859,390	21,403	-	880,793
Appropriation from Accumulated Surplus		(859,390)	(2,332,861)	(277,185)	(3,469,436)
Fund transfer from Sembawang Town Council		9,736,139	189,001	596	9,925,736
Balance at 31 March 2021		126,937,698	29,934,259	825,582	157,697,539

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



## Statement of cash flows

for the financial year ended 31 March 2021

	Note	2021 \$	2020 \$
<b>Cash Flows from Operating Activities</b>			
(Deficit)/surplus before taxation and government grants	3	(1,435,838)	(12,653)
Adjustments for:			
Allowance for impairment of conservancy and service fees receivables	10, 19	47,402	13,422
Depreciation of plant and equipment	7, 19	122,997	105,633
Depreciation of right-of-use asset	8, 19	177,956	17,844
Interest expense	14, 19	19,286	1,972
Interest income	3	(89,099)	(185,629)
Operating income transfer to Sinking Funds	4	9,952,945	9,798,205
Operating income transfer to Lift Replacement Funds	5	5,359,288	5,275,965
<b>Operating surplus before working capital changes</b>		<b>14,154,937</b>	<b>15,014,759</b>
Changes in conservancy and service fees receivables		(62,022)	121,208
Changes in other receivables		(2,386,587)	(261,255)
Changes in other payables		12,281,045	566,612
<b>Cash generated from operations before income tax</b>		<b>23,987,373</b>	<b>15,441,324</b>
Government grants received	26(ii)	11,656,487	13,118,179
Funding received for Neighbourhood Renewal Programme	11	314,077	12,804,437
Funding received for Lift Enhancement Programme	24	2,361,233	455,672
Sinking Funds expenditure	23	(3,624,052)	(8,924,020)
Lift Replacement Funds expenditure	24	(9,979,061)	(4,137,093)
Town Improvement and Project Funds expenditure	25	(2,195,167)	(3,167,753)
Neighbourhood Renewal Programme Funds expenditure	11	(2,158,031)	(4,549,438)
Goods and services tax received/(paid)		(481,636)	47,156
Income tax paid	21	(624,960)	(398,964)
<b>Net cash generated from operating activities</b>		<b>19,256,263</b>	<b>20,689,500</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of plant and equipment	7	(147,987)	(20,817)
Placement of fixed deposits		(24,061,483)	(23,365,368)
Interest and investment income received		2,410,116	2,430,184
<b>Net cash used in investing activities</b>		<b>(21,799,354)</b>	<b>(20,956,001)</b>
<b>Cash Flows from Financing Activities</b>			
Principal repayment of lease liabilities (Note A)		(168,714)	(19,534)
Interest expense paid (Note A)		(19,286)	(1,972)
<b>Net cash used in financing activities</b>		<b>(188,000)</b>	<b>(21,506)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,731,091)</b>	<b>(288,007)</b>
Add: Fund transferred from Sembawang Town Council	27	9,925,736	-
<b>Cash and cash equivalents at beginning of year</b>		<b>13,430,398</b>	<b>13,718,405</b>
<b>Cash and cash equivalents at end of year</b>	13	<b>20,625,043</b>	<b>13,430,398</b>

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



## Statement of cash flows

for the financial year ended 31 March 2021 (Cont'd)

### Note A

The table below details changes in the Town Council's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Town Council's statement of cash flows as cash flows from financing activities.

		Cash flows			Non-cash flows			
		At 1 April 2020 \$	Principal repayment \$	Interest paid \$	Lease modification \$	New leases \$	Interest expenses \$	At 31 March 2021 \$
<b>2021</b>								
<b>Liabilities</b>								
Lease liabilities	14	622,830	(168,714)	(19,286)	(37,427)	-	19,286	416,689
<b>2020</b>								
<b>Liabilities</b>								
Lease liabilities	14	-	(19,534)	(1,972)	-	642,384	1,972	622,830

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



## **Notes to the financial statements**

### **for the financial year ended 31 March 2021**

#### **1 General**

Marsiling-Yew Tee Town Council (the “Town Council”) was formed on 1 October 2015 under the Town Councils Act (Cap. 329A). The principal functions of the Town Council are to control, manage, maintain and improve the common areas of residential units, other commercial properties and market and food centres in the housing estates of the Housing & Development Board (“HDB”) within the Town.

The registered office is at Blk 306A Woodlands Street 31, #02-00, Singapore 731306.

The financial statements of the Town Council for the financial year ended 31 March 2021 were authorised for issue by the Town Council on the date of this report.

#### **2(a) Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore (“FRS”) as issued by the Singapore Accounting Standards Council as well as all related interpretations to FRS (“INT FRS”) and the Town Councils Act, Cap. 329A. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar which is the Town Council’s functional currency. All financial information is presented in Singapore Dollar, unless otherwise stated.

#### **Significant accounting estimates and judgements**

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Areas involving a high degree of judgements or complexity are described below

#### **(a) Significant judgements in applying accounting policies**

##### **(i) Income tax (Note 21)**

Significant judgement is required in determining the provision for income taxes. There are also claims for which the ultimate tax determination is uncertain during the ordinary course of business. The Town Council recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made.



**2(a) Basis of preparation (Cont'd)**

## Significant accounting estimates and judgements (Cont'd)

(a) Significant judgements in applying accounting policies (Cont'd)(ii) Determination of the lease term (Note 14)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Town Council becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of office premises, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Town Council is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Town Council is typically reasonably certain to extend (or not terminate); and
- Otherwise, the Town Council considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

(iii) Software-as-a-Service ("SaaS") arrangement

The Town Council enters into a SaaS cloud computing arrangement with a third-party IT cloud provider to implement a management system for operational purposes. Under the arrangement, the customer is provided with a right to access the vendor's software application on the cloud over the contract period, and the vendor performs configuration and customisation to the customer's specifications. The Town Council does not control the software intangible asset because it is unable to run the software on its own hardware or contract with another party unrelated to the vendor to host the software without having to incur significant costs. The SaaS arrangement between the Town Council and the IT cloud provider is assessed to be a service contract. Significant judgement is also applied in determining that the configuration and customisation service provided by the vendor is not distinct from the access to the cloud software over the contract period as there is a significant degree of integration, modification and interdependency. As a result, fee for use of the cloud software is expensed as the service is provided; configuration and customisation costs are recognised as prepayment and expensed over the period of access to the cloud software; cost of the data conversion software developed for the Town Council is capitalised and amortised over its useful life; and testing and training costs are expensed as incurred.

(b) Critical assumptions and accounting estimates used in applying accounting policies(i) Allowance for expected credit losses (ECL) of conservancy and service fees receivables (Note 10) and other receivables (Note 12)

The Town Council assesses at the end of each reporting period whether there is any expected credit loss of conservancy and service fees and other receivables based on assumptions about risk of default and expected loss rates. The Town Council considers factors such as past collection history, existing market conditions as well as forward looking estimates at each reporting period. The assessment of the correlation between historical observed default, economic conditions and expected credit loss is a significant estimate. Notwithstanding the above, the Town Council evaluates the expected credit loss on receivables in financial difficulties separately. The carrying amount of the Town Council's conservancy and service fees receivables and other receivables as at 31 March 2021 were \$1,262,152 (2020 - \$1,092,479) and \$6,947,468 (2020 - \$5,101,786) respectively. The decrease of 10% in the estimated future cash flows will not lead to further allowance for impairment on the Town Council's conservancy and service fees receivables and other receivables.

**2(a) Basis of preparation (Cont'd)****Significant accounting estimates and judgements (Cont'd)****(b) Critical assumptions and accounting estimates used in applying accounting policies (Cont'd)****(i) Depreciation of plant and equipment (Note 7)**

The cost of plant and equipment for the Town Council is depreciated on the straight-line basis over the their estimated economic useful lives. Management estimates the useful lives of plant and equipment to be within 3 to 6 years. Changes in the expected useful lives and the technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

The carrying amount of the Town Council's plant and equipment as at 31 March 2021 was \$221,477 (2020 - \$196,487). If depreciation on plant and equipment increase/decrease by 10% from management's estimate, the Town Council's deficit for the year will increase/decrease by approximately \$12,300 (2020 - \$10,563).

**(iii) Estimation of the incremental borrowing rate ("IBR") (Note 14)**

For the purpose of calculating the right-of-use asset and lease liability, the Town Council applies the interest rate implicit in the lease ("IRIL") and, if the IRIL is not readily determinable, the Town Council shall use its IBR applicable to the lease asset. The IBR is the rate of interest that the Town Council would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Town Council is the lessee, the IRIL is not readily determinable. Therefore, the Town Council estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as Town Council's credit rating). The carrying amount of the Town Council's right-of-use assets and lease liabilities are disclosed in Note 8 and 14 respectively.

An increase/decrease of 50 basis points in the estimated IBR will decrease/increase the Town Council's right-of-use assets and lease liabilities by approximately \$4,100 (2020 - \$4,853) respectively.



**2(b) Adoption of new and revised standards**

On 1 April 2020, the Town Council has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020. The adoption of these new or amended FRSs and INT FRS did not result in substantial changes to the Town Council's accounting policies and had no material effect on the amounts reported for the current or prior financial years, except as discussed below:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 103	<i>Definition of a Business</i>	1 January 2020
Amendments to FRS 1 and FRS 8	<i>Definition of Material</i>	1 January 2020
Amendments to FRS 109, FRS 39 and FRS 107	<i>Interest Rate Benchmark Reform</i>	1 January 2020
	<i>Revised Conceptual Framework for Financial Reporting</i>	1 January 2020

**2(c) FRS issued but not yet effective**

At the date of authorisation of these financial statements, the following FRSs and INT FRS were issued but not yet effective and which the Town Council has not early adopted:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 116	<i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to FRS 109, FRS 39, FRS 107, FRS104 and FRS 116	<i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
FRS 117	<i>Insurance Contracts</i>	1 January 2021
Amendments to FRS 116	<i>Covid-19 Related Rent Concessions</i>	1 April 2021
Amendments to FRS 103	<i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to FRS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
<i>Annual Improvements to FRS Standards 2018-2020</i>		
Amendments to FRS 109	<i>Fees in the '10 per cent' Test for Derecognition of Financial Liabilities</i>	1 January 2022
Amendments to FRS 116	<i>Lease Incentives</i>	1 January 2022
Amendments to FRS 1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2023

The Town Council does not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Town Council in the period of their initial adoption.

**2(d) Summary of significant accounting policies****(a) Funds****Town Council Funds**

In accordance with section 33(1) of the Town Councils Act, separate funds are established to account for the management of the various types of properties. The types of properties under the management of the Town Council are as follows:

- Residential property
- Commercial property

Carparks are managed by the Town Council for the Housing and Development Board ("HDB") on an agency basis.

The routine funds related to properties under management, together with Sinking Funds, Lift Replacement Funds and Town Improvement and Project Funds form the Town Council funds.

All monies received by the Town Council are paid into and related expenditures are paid out of the appropriate funds set up for each property type managed.

Assets and liabilities of the various funds of the Town Council are pooled in the statement of financial position.

**Sinking Funds**

In accordance with section 33(4) of the Town Councils Act, separate Sinking Funds are established for the improvement to, management and maintenance of residential property and commercial property. The Sinking Funds are maintained as part of the Town Council funds.

Under the Town Councils Act, the Minister for National Development may, from time to time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid to be paid into the Sinking Funds.

The minimum amounts that are paid by each property type into the Sinking Funds for every quarter of the financial year starting 1 April 2017, and for every quarter of any subsequent financial year end, are as follows:

- (a) At least 26% of all conservancy and service charges which are levied by the Town Council for residential property and for commercial property, respectively, and are paid or due and payable, or both, to the Town Council in that quarter; and
- (b) At least 26% of -
  - (i) the total grants-in-aid received by the Town Council in that relevant quarter for residential property and commercial property, respectively; less
  - (ii) the Lift Replacement Funds matching grant-in-aid received by the Town Council in that same relevant quarter for that same property.

These minimum contributions are treated as operating income transfers and are deducted from conservancy and service fees and government grants in the statement of income and expenditure and other comprehensive income.



**2(d) Summary of significant accounting policies (Cont'd)****(a) Funds (Cont'd)****Sinking Funds (Cont'd)**

The Sinking Funds are utilised for cyclical works, including major repainting, renewal or replacement of roofing system, water tanks, pumps and water supply system, lightning protection system, major repairs and maintenance of the common area and contributions to the HDB in respect of general upgrading works carried out on the common property as defined under the Housing and Development Act.

**Lift Replacement Funds**

Lift Replacement Funds ("LRF") are established and maintained as part of the Town Council Funds to meet the cost of any capital expenditure related to the replacement of lifts in the town for lift upgrading works, which were previously incurred under the Sinking Funds.

Under the Town Councils Act, the Minister for National Development may, from time to time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid to be paid into the Lift Replacement Funds.

The minimum amounts that are paid by each property type into the Lift Replacement Funds for every quarter of the financial year starting 1 April 2017, and for every quarter of any subsequent financial year end, are as follows:

- (a) At least 14% of all conservancy and service charges which are levied by the Town Council for residential property and for commercial property, respectively, and are paid or due and payable, or both, to the Town Council in that quarter; and
- (b) At least 14% of -
  - (i) the total grants-in-aid received by the Town Council in that relevant quarter for residential property and commercial property, respectively; less
  - (ii) the Lift Replacement Funds matching grant-in-aid received by the Town Council in that same relevant quarter for that same property.

These minimum contributions are treated as operating income transfers and are deducted from conservancy and service fees and government grants in the statement of income and expenditure and other comprehensive income.

**Town Improvement and Project Funds**

Town Improvement and Project Funds ("TIPF") are established and maintained as part of the Town Council Funds. These funds are utilised for improvement and development works in the town.

The funds comprise the amounts set aside for projects to be carried out in the next financial year. All expenditures on town improvement and projects are appropriated from these reserves.

The funds are set up by transfer from the Accumulated Surplus to fund specific projects to be carried out. In addition, the Town Council receives funding for approved projects under the Community Improvement Projects Committee ("CIPC") scheme. These Funds are paid through the Citizens' Consultative Committees ("CCC").

**2(d) Summary of significant accounting policies (Cont'd)****(b) Inter-funds transfer**

Under Section 33(9) of the Town Councils Act and Rule 11A(1) of the Town Council Financial Rules, if there is a surplus in an operating fund or a surplus in an ordinary sinking fund of the Town Council at the end of the financial year, the Town Council may transfer the whole or part of the surplus in the operating fund to a lift replacement fund or an ordinary sinking fund, or transfer the whole or part of the surplus in an ordinary sinking fund to a lift replacement fund, but only to make good any deficit in the lift replacement fund.

Under Section 43(1)(i) of the Town Councils Act, the Minister may make rules for the circumstances under which a surplus in an operating fund, sinking fund or lift replacement fund established for residential property, may be transferred to the same fund established for commercial property, and vice versa.

Under Rule 11A(2) and (3) of the Town Council Financial Rules, a surplus in an operating fund, sinking fund or lift replacement fund established for residential property, may be transferred to the same fund established for commercial property, and vice versa, to make good any deficit.

**(c) Neighbourhood Renewal Programme**

Neighbourhood Renewal Programme (NRP) is established in respect of the neighbourhood renewal programme works carried out on the qualifying properties. This upgrading scheme was entered into between the Town Council and HDB. The funding for the programme comes from the Government and is for the specific use of projects under the programme.

**(d) Allocation of General Overheads**

Expenditure not relating specifically to any property type managed, for example, administrative overheads, tree planting and pruning, is allocated to the various property types using equivalent dwelling units ("EDU") as follows:

<u>Property Type</u>	<u>Equivalent Dwelling Unit(s)</u>
1 Residential Property Unit	1
1 Commercial Property Unit	2
6 Car Lots or 36 Motor Cycle Lots or 4 Lorry Lots	1

Such allocation by EDU is not applied to Town Improvement and Project Funds.

**(e) Government grants**

The Town Council receives five types of grants from the government:

- (i) Service and Conservancy Charge operating grant to meet the current year's operating expenditure are taken to income or expenditure.
- (ii) Payments from Citizens' Consultative Committees are granted to provide funding support for community improvement projects under the CIPC scheme.
- (iii) The Goods and Service Tax ("GST") subvention is given as grants-in-aid and is granted to assist the Town Councils for absorbing the GST increases in service and conservancy charges for HDB residential flats.



**2(d) Summary of significant accounting policies (Cont'd)****(c) Government grants (Cont'd)**

- (iv) The Lift Maintenance grant is given to help the Town Councils cope with higher lift-related servicing and maintenance costs, with a disbursement of \$600 annually for each lift maintained by the Town Council.
- (v) The Lift Replacement Funds ("LRF") matching grant is given to encourage Town Councils to set aside sufficient funds for the replacement of their existing lifts and lift parts, with disbursements to Town Councils made every quarter, matching 50% of the Town Council's quarterly contribution to its LRF.

Government grants are recognised at fair value when there are reasonable assurance that the attached conditions will be complied with and that the grants will be received. Grants in recognition of specific expenditures are recognised as income over the periods necessary to match them with the related expenditure that they are intended to compensate, on a systematic basis unless the accounting treatment is specified.

**(f) Plant and equipment and depreciation**

Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Office equipment	3 years
Data processing equipment (including equipment for TCMS 3.0)	3-6 years
Furniture, fixtures and fittings	5 years
Office renovation	5 years

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Town Council and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal, respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual lives are reviewed and adjusted as appropriate at the end of each reporting period as a change in estimates.

**2(d) Summary of significant accounting policies (Cont'd)****(g) Impairment of non-financial assets**

The carrying amount of non-financial assets is reviewed at each reporting date for indications of impairment and where impairment is found, the asset is written down through the income and expenditure statement to its estimated recoverable amount.

The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the income and expenditure statement. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

At each reporting date, non-financial assets other than goodwill with impairment loss recognised in prior periods, are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

**(h) Financial instruments**

Financial instruments carried on the statements of financial position include cash and bank balances, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets and financial liabilities are recognised when, only when the entity becomes party to the contractual provisions of the instruments. They are derecognised if the entity's rights or obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Town Council currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Disclosures on financial risk management are provided in Note 31.

**(i) Financial assets****Measurement****Initial recognition and measurement**

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Town Council's business model for managing them. With the exception of conservancy and service fee receivables that do not contain a significant financing component or for which the Town Council has applied the practical expedient, the Town Council initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Conservancy and service fees receivables are measured at the amount of consideration to which the Town Council expects to be entitled in exchange for transferring promised services to a resident, Refer to the accounting policies in this section Revenue Recognition.



**2(d) Summary of significant accounting policies (Cont'd)****(h) Financial instruments (Cont'd)****(i) Financial assets (Cont'd)****Measurement (Cont'd)****Initial recognition and measurement (Cont'd)**

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("OCI"), it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Town Council's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Town Council commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated as fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

**Financial assets at amortised cost (debt instruments)**

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 income and expenditure when the assets are derecognised or impaired, and through the amortisation process.

The Town Council's financial assets at amortised cost include investments at amortised cost, conservancy and service fees receivables, receivables for Neighbourhood Renewal Programme, other receivables, and cash and bank balances.

**Financial assets designated as fair value through other comprehensive income ("FVOCI") (debt instruments)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in income and expenditure statement and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to income and expenditure statement as a reclassification adjustment when the financial asset is de-recognised. The Town Council does not hold such financial assets.

**(d) Summary of significant accounting policies (Cont'd)****(h) Financial instruments (Cont'd)****(i) Financial assets (Cont'd)****Subsequent measurement (Cont'd)****Financial assets designated as fair value through other comprehensive income ("FVOCI") (equity instruments)**

The Town Council subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held-for-trading, the Town Council may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument – by – instrument basis. Dividends from such investments are to be recognised in income and expenditure statement when the Town Council's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in income and expenditure statement. Changes in fair value of financial assets at FVOCI recognised in OCI are never recycled to income and expenditure statement. Dividends are recognised as other income in the income and expenditure statement when the right of payment has been established, except when the Town Council benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment. The Town Council does not hold such financial assets.

**Financial assets at fair value through profit or loss**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in income and expenditure statement in the period in which it arises. Interest income from these financial assets is included in the finance income. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of income and expenditure and other comprehensive income. The Town Council does not hold such financial assets.



**2(d) Summary of significant accounting policies (Cont'd)****(h) Financial instruments (Cont'd)****(i) Financial assets (Cont'd)****Derecognition**

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Town Council has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Town Council has transferred substantially all the risks and rewards of the asset, or (b) the Town Council has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Town Council has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Town Council continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Town Council also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Town Council has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Town Council could be required to repay.

**Impairment of financial assets**

The Town Council assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Town Council expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For conservancy and service fee receivables, the Town Council measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Town Council does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Town Council has established a provision matrix that is based on its historical credit loss experience, adjusted for forward – looking factors specific to the debtors and the economic environment.

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

**2(d) Summary of significant accounting policies (Cont'd)****(h) Financial instruments (Cont'd)****(ii) Financial liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. The Town Council's financial liabilities include other payables and lease liabilities.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances and bank deposits which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

**(j) Provisions**

Provisions are recognised when the Town Council has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in income or expenditure in the period they occur.

**(k) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Town Council have received consideration (or an amount of consideration is due) from customer. If a customer pays consideration before the Town Council transfer good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Town Council perform under the contract. Contract liabilities include conservancy and service fee received in advance.

**(l) Employee benefits**Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Key management personnel consist of Town Councillors and certain managers.



**2(d) Summary of significant accounting policies (Cont'd)****(m) Revenue recognition**

Revenue is measured on the consideration to which the Town Council expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Town Council satisfied a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount collected to the satisfied performance obligation.

**(i) Conservancy and service fees**

Conservancy and service fees are recognised when due, i.e. when the service is rendered.

**(ii) Agency fees**

Agency fees for routine maintenance of HDB's carparks are recognised when due, i.e. when the service is rendered.

**(iii) Interest and investment income**

Interest income from fixed deposits is recognised on a time-proportion basis using the effective interest method.

Interest income from bonds is recognised using the effective interest method.

**(iv) Other income**

Other income comprises mainly temporary occupation licences ("TOL"), liquidated damages claims and other miscellaneous income, and are recognised when due.

**(n) Income tax**

Income tax is provided on the following income:

- (i) Income derived from investments and bank deposits;
- (ii) Agency fees derived from acting as agents for HDB;
- (iii) Fees, rents and other charges received from non-residents or non-owners of properties in the Town; and
- (iv) Donations from non-residents or non-owners of properties in the Town.

**2(d) Summary of significant accounting policies (Cont'd)****(n) Income tax (Cont'd)**

The income taxes are accounted using the liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences.

In respect of government grant received, the Town Council has been granted remission under Section 92(2) of the Income Tax Act, Cap. 134.

Tax shall be payable at the rate of 10% on income derived from the operation of its approved Finance and Treasury Centre in respect of the provision of qualifying services and activities which have been approved under Section 43G(2) of the Income Tax Act, Cap. 134.

**(o) Functional currency**

Items included in the financial statements of the Town Council are measured using the currency of the primary economic environment in which the Town Council operates (the "functional currency").

**(p) Contingencies**

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Town Council; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Town Council.

Contingent liabilities and assets are not recognised on the balance sheet of the Town Council, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.



**2(d) Summary of significant accounting policies (Cont'd)****(q) Leases**The Town Council as lessee

The Town Council assess whether a contract is or contains a lease, at inception of the contract. The Town Council recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Town Council recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

**(a) Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Town Council use the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Town Council shall recognise those lease payments in income and expenditure in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Town Council have elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Town Council remeasure the lease liability (with a corresponding adjustment to the related right-of-use asset or to income and expenditure if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

**2(d) Summary of significant accounting policies (Cont'd)****(q) Leases (Cont'd)**The Town Council as lessee (Cont'd)**(a) Lease liability (Cont'd)**

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

**(b) Right-of-use asset**

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Town Council incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Office premises	over lease term of 3 years
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If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Town Council expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Town Council apply FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.



**MARSILING-YEW TEE TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2021**

**3 Accumulated surplus**

The surplus for the year attributable to the various activities is carried forward as accumulated surplus in the respective funds as follows:

	Note	Residential property		Commercial property		Carparks		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
		\$	\$	\$	\$	\$	\$	\$	\$
			Restated		Restated				
<b>OPERATING INCOME</b>									
Conservancy and service fees		36,916,936	36,285,641	1,363,532	1,399,710	-	-	38,280,468	37,685,351
Less:									
Operating income transfer to Sinking Funds	4	(9,598,419)	(9,434,279)	(354,526)	(363,926)	-	-	(9,952,945)	(9,798,205)
Operating income transfer to Lift Replacement Funds	5	(5,168,389)	(5,080,005)	(190,899)	(195,960)	-	-	(5,359,288)	(5,275,965)
Agency fees		22,150,128	21,771,357	818,107	839,824	-	-	22,968,235	22,611,181
Other income		1,684,749	2,184,571	245,558	318,638	3,149,425	3,188,766	3,149,425	3,188,766
						74,623	79,992	1,984,930	2,583,201
Less: Operating expenditure		23,814,877	23,955,928	1,063,655	1,158,462	3,224,048	3,268,758	28,102,590	28,383,148
		(25,697,105)	(24,873,299)	(1,125,990)	(718,194)	(2,804,432)	(2,969,937)	(29,627,527)	(29,581,430)
<b>OPERATING (DEFICIT)/SURPLUS</b>		<b>(1,882,228)</b>	<b>(917,371)</b>	<b>(62,325)</b>	<b>440,268</b>	<b>419,616</b>	<b>278,821</b>	<b>(1,524,937)</b>	<b>(198,282)</b>
Add: Interest income		78,347	162,766	1,968	4,147	8,784	18,716	89,099	185,629
<b>(DEFICIT)/SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS</b>		<b>(1,803,881)</b>	<b>(754,605)</b>	<b>(60,357)</b>	<b>444,415</b>	<b>428,400</b>	<b>297,537</b>	<b>(1,435,838)</b>	<b>(12,653)</b>
Less: Income tax	21	(206,121)	(257,281)	(5,139)	(6,579)	(23,108)	(29,136)	(234,368)	(292,996)
<b>(DEFICIT)/SURPLUS AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS</b>		<b>(2,010,002)</b>	<b>(1,011,886)</b>	<b>(65,496)</b>	<b>437,836</b>	<b>405,292</b>	<b>268,401</b>	<b>(1,670,206)</b>	<b>(305,649)</b>
Add: Government grants	26	11,098,533	11,104,386	95,238	99,186	-	-	11,193,771	11,203,572
Less: Transfer to Sinking Funds	4, 26	(1,639,351)	(1,565,497)	(156)	(158)	-	-	(1,639,507)	(1,565,653)
Lift Replacement Funds	5, 26	(3,890,254)	(3,809,630)	(94,722)	(98,670)	-	-	(3,984,976)	(3,908,300)
Town Improvement and Project Funds	6, 26	(1,785,820)	(2,116,582)	-	-	-	-	(1,785,820)	(2,116,582)
		3,783,108	3,612,677	360	360	-	-	3,783,468	3,613,037
<b>SURPLUS FOR THE YEAR</b>		<b>1,773,106</b>	<b>2,600,791</b>	<b>(65,136)</b>	<b>438,196</b>	<b>405,292</b>	<b>268,401</b>	<b>2,113,262</b>	<b>3,307,388</b>
<b>ACCUMULATED SURPLUS AT 1 APRIL</b>		<b>2,283,307</b>	<b>1,340,838</b>	<b>3,281,105</b>	<b>2,885,081</b>	<b>696,879</b>	<b>428,478</b>	<b>6,261,291</b>	<b>4,654,397</b>
Add/(less):									
Transfer from Sembawang Town Council	27	408,198	-	26,220	-	596	-	433,014	-
Transfer to Sinking Fund	4	-	-	(1,502,448)	-	(180,170)	-	(1,682,618)	-
Transfer to Lift Replacement Fund	5	-	-	(809,010)	-	(97,015)	-	(906,025)	-
Appropriation to Town Improvement and Project Funds	6	(859,390)	(1,658,322)	(21,403)	(42,172)	-	-	(880,793)	(1,700,494)
<b>Accumulated surplus at end of year</b>		<b>3,603,221</b>	<b>2,283,307</b>	<b>909,328</b>	<b>3,281,105</b>	<b>825,582</b>	<b>696,879</b>	<b>5,338,131</b>	<b>6,261,291</b>

# **MARSILING-YEW TEE TOWN COUNCIL**

(Established under the Town Councils Act, Cap. 329A)

**Notes to the financial statements for the financial year ended 31 March 2021**

## **4 Sinking Funds**

	Note	Residential property 2021 \$	Residential property 2020 \$	Commercial property 2021 \$	Commercial property 2020 \$	Total 2021 \$	Total 2020 \$
Balance at 1 April		69,953,811	66,185,860	21,825,294	21,633,771	91,779,105	87,819,631
Add:							
Fund transferred from Accumulated Surplus	3	180,170	-	1,502,448	-	1,682,618	-
Fund transferred from Sembawang Town Council	27	7,079,450	-	117,830	-	7,197,280	-
		7,259,620	-	1,620,278	-	8,879,898	-
Add:							
Other income	23	1,344,296	1,867,525	-	-	1,344,296	1,867,525
Operating income transfer from conservancy and service fees (minimum required by law)	3	9,598,419	9,434,278	354,526	363,926	9,952,945	9,798,205
Transfer from government grants	3, 26	1,639,351	1,585,497	156	156	1,639,507	1,565,653
		12,582,066	12,867,301	354,682	364,082	12,936,748	13,231,383
Less:							
Expenditure	23	(3,558,982)	(8,837,146)	(65,070)	(86,874)	(3,624,052)	(8,924,020)
Income tax	21	(145,936)	(262,204)	(39,993)	(85,685)	(185,929)	(347,889)
Surplus for the year		8,877,148	3,767,951	249,619	191,523	9,126,767	3,959,474
Balance at 31 March		86,090,579	69,953,811	23,695,191	21,825,294	109,785,770	91,779,105

## *Represented by:*

Non-Current assets	9		24,000,000		24,000,000
Investments at amortised cost					
Current assets					
Conservancy and service fees receivables	10		306,692		265,462
Other receivables			259,690		274,525
Accrued interest			156,822		575,588
			416,512		850,113
Amount due from accumulated surplus	12		3,029,740		2,830,668
Cash and bank balances	13		84,235,690		66,471,966
			87,988,634		70,418,209
Total assets			111,988,634		94,418,209
Less:					
Current liabilities					
Conservancy and service fees received in advance	15		206,740		169,064
Other payables	16		1,536,876		1,883,718
Income tax payable	21		459,248		586,322
Total liabilities			2,202,864		2,639,104
NET ASSETS			109,785,770		91,779,105



**MARSILING-YEW TEE TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2021**

**5 Lift Replacement Funds**

	Note	Residential property 2021 \$	Residential property 2020 \$	Commercial property 2021 \$	Commercial property 2020 \$	Total 2021 \$	Total 2020 \$
Balance at 1 April		31,461,081	25,719,792	4,392,479	4,192,626	35,853,560	29,912,418
Add:							
Fund transferred from Accumulated Surplus	3	97,015	-	309,010	-	906,025	-
Fund transferred from Sembawang Town Council	27	2,217,834	-	44,540	-	2,262,374	-
		2,314,849	-	853,550	-	3,168,399	-
Add:							
Other income	24	2,738,125	970,419	40,751	1,055	2,778,876	971,474
Operating income transfer from conservancy and service fees (minimum required by law)	3	5,168,389	5,080,005	190,899	195,960	5,359,288	5,275,965
Transfer from government grants		882,728	842,980	84	84	882,812	843,044
Lift Replacement Funds matching grant		3,007,526	2,966,670	94,638	98,586	3,102,164	3,065,256
	3, 26	3,890,254	3,809,630	94,722	98,670	3,984,976	3,908,300
		11,796,768	9,860,054	326,372	295,685	12,123,140	10,155,739
Less:							
Expenditure	24	(9,718,450)	(4,052,127)	(260,611)	(84,966)	(9,979,061)	(4,137,093)
Income tax	21	(52,925)	(66,638)	(8,175)	(10,866)	(51,100)	(77,504)
Surplus for the year		2,025,393	5,741,289	57,536	188,853	2,082,979	5,941,142
Balance at 31 March		35,801,323	31,461,081	5,303,615	4,392,479	41,104,938	35,853,560
Represented by:							
Non-Current assets							
Investments at amortised cost	9					6,000,000	6,000,000
Current assets							
Conservancy and service fees receivables	10					165,141	142,941
Other receivables						3,485,051	750,763
Accrued interest						48,864	170,005
Amount due from accumulated surplus	12					3,533,915	920,768
Cash and bank balances	13					1,595,228	1,650,556
						39,024,719	30,023,757
						44,319,003	32,738,022
						50,319,003	38,738,022
Total assets							
Less:							
Current liabilities							
Conservancy and service fees received in advance	15					111,322	91,034
Other payables	16					8,964,294	2,659,364
Income tax payable	21					138,449	134,084
Total liabilities						9,214,065	2,884,462
NET ASSETS						41,104,938	35,853,560

**MARSILING-YEW TEE TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2021**

**6 Town Improvement and Project Funds**

	Note	Residential property 2021 \$	Residential property 2020 \$	Commercial property 2021 \$	Commercial property 2020 \$	Total 2021 \$	Total 2020 \$
Balance at 1 April		917,769	261,597	46,417	53,266	964,186	314,863
Add:							
Fund transferred from Sembawang Town Council	27	32,657	-	411	-	33,068	-
Add/(Less):							
Transfer from government grants	3, 26	1,785,820	2,116,582	-	-	1,785,820	2,116,582
Expenditure	25	(2,153,061)	(3,118,731)	(42,106)	(49,022)	(2,195,167)	(3,167,753)
Deficit for the year		(367,241)	(1,002,149)	(42,106)	(49,022)	(409,347)	(1,051,171)
		583,185	(740,552)	4,722	4,244	587,907	(736,308)
Add:							
Appropriation from Accumulated Surplus	3	859,390	1,658,322	21,403	42,172	880,793	1,700,494
Balance at 31 March		1,442,575	917,770	26,125	46,416	1,468,700	964,186

*Represented by:*

Current assets			
Other receivables	12	1,712,012	2,212,818
Amount due from accumulated surplus		846,229	-
Total assets		2,558,241	2,212,818
Less:			
Current liabilities		1,089,541	620,825
Other payables	16	-	627,807
Amount due to accumulated surplus		1,089,541	1,248,632
Total liabilities		1,468,700	964,186
NET ASSETS			

**7 Plant and equipment**

	Office equipment \$	Furniture, fixtures and fittings \$	Data processing equipment \$	Office renovation \$	Total \$
<u>Cost</u>					
At 1 April 2019	235,957	612,954	101,335	403,665	1,353,911
Additions	-	-	10,687	10,130	20,817
At 31 March 2020	235,957	612,954	112,022	413,795	1,374,728
Additions	-	-	147,987	-	147,987
At 31 March 2021	235,957	612,954	260,009	413,795	1,522,715
<u>Accumulated depreciation</u>					
At 1 April 2019	217,292	593,248	93,874	168,194	1,072,608
Depreciation for the year (Note 19)	11,480	5,721	7,361	81,071	105,633
At 31 March 2020	228,772	598,969	101,235	249,265	1,178,241
Depreciation for the year (Note 19)	4,488	4,720	31,030	82,759	122,997
At 31 March 2021	233,260	603,689	132,265	332,024	1,301,238
<u>Net book value</u>					
At 31 March 2021	2,697	9,265	127,744	81,771	221,477
At 31 March 2020	7,185	13,985	10,787	164,530	196,487

**8 Right-of-use assets**

The Town Council has lease contracts for office premises.

The Town Council applies the 'short-term lease' recognition exemptions for certain leases with lease terms of 12 months or less.

	Office premises \$	Total \$
<u>Cost</u>		
At 1 April 2019	-	-
Additions (adoption of FRS116)	642,364	642,364
At 31 March 2020	642,364	642,364
Additions	145,080	145,080
Lease modification	(37,427)	(37,427)
At 31 March 2021	750,017	750,017
<u>Accumulated depreciation</u>		
At 1 April 2019	-	-
Depreciation for the year (Note 19)	17,844	17,844
At 31 March 2020	17,844	17,844
Depreciation for the year (Note 19)	177,956	177,956
At 31 March 2021	195,800	195,800
<u>Net book value</u>		
At 31 March 2021	554,217	554,217
At 31 March 2020	624,520	624,520

Additions during the year represents restoration costs of office leases.



**9 Investments at amortised cost**

	Note	2021 \$	2020 \$
Investments in bonds classified as financial assets at amortised cost:			
- Quoted bonds issued by statutory boards		30,000,000	30,000,000
Maturing:			
Within 1 year		-	-
After one year but within five years		30,000,000	20,000,000
Later than five 5 years		-	10,000,000
		30,000,000	30,000,000
Recorded in:			
Sinking Funds	4	24,000,000	24,000,000
Lift Replacement Funds	5	6,000,000	6,000,000
		30,000,000	30,000,000

The fair value of investments at amortised cost based on the closing bid price at the end of the financial year as follows:

	2021 \$	2020 \$
Quoted bonds	29,960,000	30,617,000

The fair value of the quoted bonds are within Level 1 of the fair value hierarchy.

The investments are denominated in Singapore Dollar. These funds are invested in accordance with The Town Councils Act (Cap. 329A).

Investments in quoted bonds issued by statutory boards, with a fixed interest rate of 2.30% to 2.63% (2020: 2.30% to 2.63%) per annum and maturity date of March 2023 to July 2025 (2020: March 2023 to July 2025) as at reporting date.

**10 Conservancy and service fees receivables**

	Note	2021 \$	2020 \$
Conservancy and service fees receivables		2,186,196	1,942,170
Less: Allowance for impairment		(924,044)	(849,691)
		1,262,152	1,092,479
Recorded in:			
Accumulated surplus		790,319	684,076
Sinking Funds	4	306,692	265,462
Lift Replacement Funds	5	165,141	142,941
		1,262,152	1,092,479

Conservancy and service fees receivables are denominated in Singapore Dollar.

**10 Conservancy and service fees receivables (Cont'd)**Receivables that are impaired

The movements in allowance for impairment of conservancy and service fees receivables during the year are as follows:

	Note	2021 \$	2020 \$
Balance at 1 April		849,691	836,620
Provision transferred from Sembawang Town Council		34,760	-
Allowance provided for the year	19	47,402	13,422
Allowance written off		(7,809)	(351)
Balance at 31 March		924,044	849,691

Conservancy and service fees receivables that are individually determined to be impaired at the end of the reporting year relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

**11 (Receivables)/advances received for Neighbourhood Renewal Programme**

	2021 \$	2020 \$
Balance at 1 April	498,762	(7,756,237)
Add/(Less):		
Funding from Government	314,077	12,804,437
Payments to contractors	(2,158,031)	(4,549,438)
	(1,843,954)	8,254,999
Balance at 31 March	(1,345,192)	498,762

Neighbourhood Renewal Programme ("NRP") is established in respect of the neighbourhood renewal programme works carried out on the qualifying properties. This upgrading scheme was entered into between the Town Council and HDB. The funding for the programme comes from the Government and is for the specific use of projects under the programme.

**12 Other receivables**

	2021 \$	2020 \$
GST subvention receivable	367,413	351,918
Lift Replacement Funds Matching Grant	714,585	684,793
Receivables from Citizens' Consultative Committees	1,653,153	2,161,903
	2,735,151	3,198,614
Recoverable from contractors	210,371	258,294
Deposits	260,465	267,494
Accrued interest on investments at amortised cost	64,017	65,848
Accrued interest on fixed deposits	155,683	712,933
Lift enhancement receivable	2,344,961	-
Others	20,383	7,737
At amortised cost	5,791,031	4,510,920
GST receivables	893,151	411,516
Prepayments	263,286	179,350
	6,947,468	5,101,786

**12 Other receivables (Cont'd)**

	Note	2021 \$	2020 \$
Recorded in:			
Accumulated surplus		1,285,030	1,118,087
Sinking Funds	4	416,511	850,113
Lift Replacement Funds	5	3,533,915	920,768
Town Improvement and Project Funds	6	1,712,012	2,212,818
		<u>6,947,468</u>	<u>5,101,786</u>

Other receivables are denominated in Singapore Dollar.

**13 Cash and bank balances**

	Note	2021 \$	2020 \$
Cash and bank balances		16,621,098	13,430,398
Fixed deposits		126,275,406	98,209,978
		<u>142,896,504</u>	<u>111,640,376</u>

Recorded in:

Accumulated surplus:

Cash and bank balances

Fixed deposits

5,587,224

14,048,871

19,636,095

5,108,631

10,036,022

15,144,653

Sinking Funds:

Cash and bank balances

Fixed deposits

6,576,144

77,659,546

84,235,690

2,466,889

64,005,077

66,471,966

Lift Replacement Funds:

Cash and bank balances

Fixed deposits

4,457,730

34,566,989

39,024,719

5,854,877

24,168,880

30,023,757

142,896,504

111,640,376

Cash and bank balances are denominated in Singapore Dollar.

The interest rate for the fixed deposits ranges between 0.22% and 1.21% (2020 - 1.15% and 2.05%) per annum, receivable one year in arrears. The effective interest rate is 0.49% (2020 - 1.53%) per annum.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	2021 \$	2020 \$
Cash and bank balances	142,896,504	111,640,376
Less:		
Short term fixed deposits with maturity more than 3 months	(122,271,461)	(98,209,978)
Cash and cash equivalents as per statement of cash flows	<u>20,625,043</u>	<u>13,430,398</u>



**14 Lease Liabilities**

	2021 \$	2020 \$
Undiscounted lease payments due:		
- Year 1	225,600	225,600
- Year 2	206,800	225,600
- Year 3	-	206,800
	432,400	658,000
Less: Unearned interest cost	(15,711)	(35,170)
Lease liabilities	416,689	622,830
Presented as:		
- Non-current	202,910	416,804
- Current	213,779	206,026
	416,689	622,830

Interest expense on lease liabilities of \$19,286 (2020: \$1,972) is recognised within general and administrative expenditure in the statement of income and expenditure (Note 19).

Rental expenses not capitalised in lease liabilities but recognised within "general and administrative expenditure" in the statement of income and expenditure are set out below:

	2021 \$	2020 \$
Short-term leases	-	206,800
Variable lease payments not dependent on an index or rate	31,752	20,355
	31,752	227,155

Total cash outflows for all leases (including interest paid) in the year amount to \$188,000 (2020: \$21,506).

As at 31 March 2021, the Town Council's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Town Council's short-term lease expense for the year.

The Town Council's lease liabilities are secured by the lessors' title to the leased assets.

The lease liabilities are denominated in Singapore Dollar.

**15 Conservancy and service fees received in advance**

	Note	2021 \$	2020 \$
Contract liabilities		850,816	695,763
Recorded in:			
Accumulated surplus		532,754	435,665
Sinking Funds	4	206,740	169,064
Lift Replacement Funds	5	111,322	91,034
		850,816	695,763

**15 Conservancy and service fees received in advance (Cont'd)**

The contract liabilities primarily relate to the advance consideration received from customers for conservancy and service fees. The contract liabilities are recognised as revenue when the Town Council fulfils its performance obligation under the contract with the customers. The details are as follows:

	2021 \$	2020 \$
Revenue recognised that was included in contract liabilities at beginning of year	587,617	125,870
Increase due to cash received, excluding amounts recognised as revenue during the year	(742,670)	(266,687)

Contract liabilities are denominated in Singapore Dollar.

**16 Other payables**

	Note	2021 \$	2020 \$
Payables to contractors		15,516,485	7,114,879
Other creditors		952,139	981,412
Accrued operating expenses		6,608,723	2,448,874
Refundable deposits		71,048	177,105
<b>At amortised cost</b>		<b>23,148,395</b>	<b>10,722,270</b>
Conservancy and service grant received-in-advance		1,092	1,839
		<b>23,149,487</b>	<b>10,724,109</b>
Recorded in:			
Accumulated surplus		11,558,776	5,560,202
Sinking Funds	4	1,536,876	1,883,718
Lift Replacement Funds	5	8,964,294	2,659,384
Town Improvement and Project Funds	6	1,089,541	620,825
		<b>23,149,487</b>	<b>10,724,109</b>

Included in payables to contractors is an amount of \$7,056,760 (2020 - \$665,339) due to managing agent of the Town Council.

Included in accrued operating expenses is an amount of \$145,080 (2020 - \$NIL) which is restoration costs of office leases.

Other payables are generally on 30 to 90 (2020: 30 to 90) days' credit terms.

Other payables are denominated in Singapore Dollar.

**17 Agency fees**

These are fees received for routine maintenance of HDB's carparks in the Town.

**18 Other income**

	2021 \$	2020 \$
Late payment penalty	33,901	157,346
Liquidated damages	198,935	276,279
Sale of tender documents	18,624	16,093
Sundry fines	15,600	25,193
Sundry income	140,075	147,380
Temporary Occupational Licence ("TOL") income	1,294,593	1,411,532
Use of common property income	589	30,050
Use of void decks	(3,550)	36,150
Use of water and electricity at void decks	210,958	368,218
Others	75,205	114,960
	<b>1,984,930</b>	<b>2,583,201</b>

**19 General and administrative expenditure**

	Note	2021 \$	2020 \$
Advertising and public relations		152,809	205,593
Audit fee		67,473	39,000
Bad debts written (back)/off		(21,167)	9,168
Computer service		427,741	147,403
Depreciation of plant and equipment	7	122,997	105,633
Depreciation of right-of-use asset	8	177,956	17,844
Fees and charges		417,056	376,971
Interest expenses – lease liabilities	14	19,286	1,972
Impairment of conservancy and service fees receivables	10	47,402	13,422
Office rental and upkeep expenditure		99,312	303,804
Office supplies and stationery		123,045	121,074
Plant and equipment not capitalised		4,498	1,309
Property tax		143,623	141,880
Penalty fee written off		14,469	22,481
Town Councillors' allowance	29	99,742	103,841
Unclaimable goods and services tax	22	106,197	87,007
Others		28,398	22,419
		<b>2,030,837</b>	<b>1,720,821</b>
Expenses allocated to Sinking Funds			
- Provision for impairment of receivables and bad debts written-off	23	(6,821)	(5,705)
- General and administrative expenses	23	(65,150)	(55,214)
Expenses allocated to Lift Replacement Funds			
- Provision for impairment of receivables and bad debts written-off	24	(3,673)	(3,072)
- General and administrative expenses	24	(35,081)	(29,730)
		<b>1,920,112</b>	<b>1,627,100</b>

**20 Managing agent's fees**

The Town Council does not have any other employees on its payroll as management of its daily operations have been outsourced to a managing agent for a fee of \$4,173,115 (2020 - \$4,012,717) for the financial year ended 31 March 2021.



**21 Income tax**

	Note	2021 \$	2020 \$
Current tax expense		480,582	631,897
Under-provision of tax in previous financial years		815	86,492
		<b>481,397</b>	<b>718,389</b>
Recorded in:			
Accumulated surplus	3	234,368	292,996
Sinking Funds	4	185,929	347,889
Lift Replacement Funds	5	61,100	77,504
		<b>481,397</b>	<b>718,389</b>

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Town Council's (deficit)/surplus as a result of the following:

	2021 \$	2020 \$
Investment and interest income	1,851,174	2,569,258
Government grants and other income	12,636,417	13,088,139
Allowable expenses	(146,871)	(209,012)
	<b>14,340,720</b>	<b>15,448,385</b>
Tax calculated at a tax rate of 17% (2020 - 17%)	2,437,922	2,626,225
Tax effect of certain income taxed at concessionary tax rate	(51,308)	(51,532)
Tax remission of government grants under section 92(2) of Singapore Income Tax Act	(1,888,607)	(1,925,371)
Tax exempt income	(17,425)	(17,425)
Under-provision of tax in previous financial years	815	86,492
	<b>481,397</b>	<b>718,389</b>

The Town Council enjoys a concessionary tax rate of 10% for the income earned on investment in bonds.

Movements in provision for income taxes are as follows:

	Note	2021 \$	2020 \$
Balance as at 1 April		1,256,042	936,617
Current financial year's income tax expense		480,582	631,897
Under-provision of tax in previous financial years		815	86,492
		<b>481,397</b>	<b>718,389</b>
Payments during the year		(624,960)	(398,964)
Balance as at 31 March		<b>1,112,479</b>	<b>1,256,042</b>
Recorded in:			
Accumulated surplus		514,782	535,656
Sinking Funds	4	459,248	586,322
Lift Replacement Funds	5	138,449	134,064
		<b>1,112,479</b>	<b>1,256,042</b>

**22 Goods and Services Tax ("GST")**

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore.

The unclaimed portion is charged to the Statement of Income and Expenditure and Other Comprehensive Income, Sinking Funds Statement and Lift Replacement Funds Statement, respectively, during the financial year.

**23 Sinking Funds income and expenditure****(a) Other income**

	2021 \$	2020 \$
Interest income	1,344,296	1,867,525

**(b) Expenditure**

	Note	2021 \$	2020 \$
Reroofing works		810,352	141,385
Repairs and redecoration works		831,154	3,724,175
Replacement of water pipes		22,818	172,182
Project management fees		139,617	352,199
Unclaimable GST		90,256	88,818
Electrical rewiring		1,462,382	3,989,724
Replacement of water pumpsets		-	274,257
Replacement of booster pumpsets		92,875	120,361
Modification of rooftop water tank overflow pipes		102,627	-
<u>Expenses allocated from Accumulated Surplus</u>			
- Provision for impairment of receivables and bad debts written off	19	6,821	5,705
- General and administrative expenses	19	65,150	55,214
		<u>3,624,052</u>	<u>8,924,020</u>

**24 Lift Replacement Funds income and expenditure****(a) Other income**

	2021 \$	2020 \$
Funding from lift enhancement programme	2,361,233	455,672
Interest income	417,643	515,802
	<b>2,778,876</b>	<b>971,474</b>

**(b) Expenditure**

	Note	2021 \$	2020 \$
Replacement of main sheaves/ropes		707,614	737,474
Replacement of ARD battery		165,268	183,110
Replacement of EBOPS battery		65,107	123,074
Lift overhauls/total replacement works		4,926,482	91,364
Replacement of video lift monitoring device			
- Current year		-	-
- Overprovided in prior year – reclassified to Town Improvement and Project Funds	25	-	(168,116)
Replacement of lift position display panel		577,747	1,326,433
Replacement of inverter units		552,006	831,565
Replacement of lift lobby fire detector		4,800	-
Project management fees		325,177	311,172
Unclaimable GST		145,249	194,817
Lift enhancement programme expenses		2,470,857	473,398
<b>Expenses allocated from Accumulated Surplus</b>			
- Provision for impairment of receivables and bad debts written off	19	3,673	3,072
- General and administrative expenses	19	35,081	29,730
		<b>9,979,061</b>	<b>4,137,093</b>

**25 Town Improvement and Project Funds expenditure**

	Note	2021 \$	2020 \$
Installation of lift surveillance system		-	179,824
Construction of covered linkway		925,863	1,572,643
Replacement of video lift monitoring device			
- Underprovided in prior year – reclassified from Lift Replacement Funds	24	-	168,116
Minor improvements		635,223	444,601
Construction/upgrading of playgrounds/fitness corners		320,900	439,459
Consultancy fees and project management fees		312,937	350,425
General and administrative expenses		244	12,685
		<b>2,195,167</b>	<b>3,167,753</b>



(Established under the Town Councils Act, Cap. 329A)

Notes to the financial statements for the financial year ended 31 March 2021

**26 Government grants**

(i) Government grants taken to the statement of income and expenditure and other comprehensive income during the year are as follows:

Note		Service and Conservancy charge operating grant		GST Subvention grant		Payment from Citizens' Consultative Committee		Lift Maintenance grant		Lift Replacement Funds matching grant		Total
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
3	Government grants received/receivable during the year	4,134,864	3,891,388	1,433,649	1,409,145	1,785,820	2,116,582	737,274	721,200	3,102,164	3,065,257	11,193,771
3, 4	Less: Transfer to Sinking Funds	(1,075,065)	(1,011,761)	(372,751)	(366,380)	-	-	(191,691)	(187,512)	-	-	(1,639,507)
3, 5	Transfer to Lift Replacement Funds	(578,883)	(544,794)	(200,711)	(197,281)	-	-	(103,218)	(100,968)	(3,102,164)	(3,065,257)	(1,565,653)
3, 6	Transfer to Town Improvement and Project Funds	-	-	-	-	(1,785,820)	(2,116,582)	-	-	-	-	(3,908,300)
		2,480,916	2,334,833	860,187	845,484	-	-	442,365	432,720	-	-	(1,785,820)
										3,783,468	3,613,037	(2,116,582)

(ii) The total amount of grants received (including grants received in advance) since the formation of the Town Council are as follows:

	2021	2020
	\$	\$
Total grants received/receivable to date at 1 April	43,385,293	30,267,114
Grants received during the year	11,656,487	13,118,179
Total grants received/receivable to date at 31 March	55,041,780	43,385,293

**27 Accumulated surpluses transferred from Sembawang Town Council**

As a result of the redrawing of the electoral boundaries after the General Election on 10 July 2020, Sembawang Town Council had to hand over 33 blocks of properties at Woodlands Avenue 1, Woodlands Drive 14 and Champions Way to Marsiling-Yew Tee Town Council on 28 October 2020. The following are fund transferred from Sembawang Town Council to Marsiling-Yew Tee Town Council on 28 October 2020:

		Residential \$	Commerical \$	Car Parks \$	Total \$
Accumulated Surplus	3	408,198	26,220	596	433,014
Sinking Fund	4	7,079,450	117,830	-	7,197,280
Lift Replacement Fund	5	2,217,834	44,540	-	2,262,374
Town Improvement and Project Fund	6	32,657	411	-	33,068
		<b>9,736,139</b>	<b>189,001</b>	<b>596</b>	<b>9,925,736</b>

**Represented by:****Current assets**

Conservancy and service  
fee receivables

25,967

Other receivables  
(including prepayments)

10,086,209

**Total assets**

10,112,176

**Current liabilities**

Conservancy and service  
fee received-in-advance

28,946

Sundry refundable  
deposits

290

Government grants  
received-in-advance

157,204

**Total liabilities**

186,440

**Net assets**

9,925,736

**28 Capital commitments**

Capital expenditure approved by the Town Council but not provided for in the financial statements is as follows:

	2021 \$	2020 \$
Amount approved and contracted for	40,139,670	46,388,513
Amount approved but not contracted for	43,631,148	33,826,567
	<b>83,770,818</b>	<b>80,195,080</b>

**29 Key management remuneration**

Key management refers to the Town Councillors. The remuneration paid to the Town Councillors are disclosed in Note 19 to the financial statements.

**30 Significant related party transactions**

The Town Council is managed by the managing agent, E M Services Pte Ltd. Related party relates to the managing agent who manages the operations of the Town Council and provides key management personnel services to the Town Council.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Town Council and the managing agent took place during the financial year.

	2021 \$	2020 \$
Managing Agent Fees	4,173,115	4,012,717
Energy Saving Project	1,358,845	2,493,164
Upgrading and Construction of Playground/Fitness Equipment	202,900	659,956
Project Management Fees	591,708	706,106
Lift Repair, Servicing and Upgrading	4,925,951	213,503
Others	71,786	228,448

**31 Financial instruments and financial risks**

The Town Council's financial instruments comprise certain cash and bank balances, and various items including investment in financial assets, conservancy and service fees receivables, other receivables, accrued expenses and other payables that arise from its operations.

The main risks arising from the Town Council's financial instruments are credit risk and market risk. The Town Council is not exposed to foreign exchange risk. There is no significant liquidity risk as sufficient cash is maintained. Risks management policies and systems are reviewed regularly to reflect changes in the operational environment and market conditions.

**31.1 Credit risk**

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its contractual obligations to the Town Council when they fall due. The financial assets of the Town Council comprise mainly conservancy and service fees receivables, other receivables, receivables for Neighbourhood Renewal Programme and cash and bank balances.

Fixed and bank deposits are placed with Singapore-regulated financial institutions.

Investment in bonds comprising bonds issued by statutory boards and government-related agencies, that are considered to be of good credit standing.

Concentration of credit risk relating to conservancy and service fees receivables is limited due to the exposure is spread over a large number of households. The Town Council's historical experience in the collection of conservancy and service fees receivables indicates that no additional credit risk beyond amounts provided for collection losses is inherent in the Town Council's conservancy and service fee receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.



**31 Financial instruments and financial risks (Cont'd)****31.1 Credit risk (Cont'd)**

There are no other material class of financial assets that are past due except for the conservancy and service fees receivables as disclosed below:

	Note	2021 \$	2020 \$
Not past due (Less than 30 days)		181,117	242,966
Past due 30 to 90 days		96,351	204,464
Past due 91 to 180 days		80,622	102,311
Past due 181 to 360 days		1,077,422	217,862
Past due over 360 days		750,684	1,174,567
		<b>2,186,196</b>	<b>1,942,170</b>
Less: Impairment losses		<b>(924,044)</b>	<b>(849,691)</b>
	10	<b>1,262,152</b>	<b>1,092,479</b>

Conservancy and service fees receivables amounting to \$1,081,035 (2020 - \$849,513) are past due at the financial year end but not impaired, as the management believes that it will be collectible in the foreseeable future as a result of recovery efforts and historical experience.

The analysis of other receivables (excluding prepayments and GST receivables) and receivables for Neighbourhood Renewal Programme is at follows:

	2021 \$	2020 \$
Not past due (Less than 30 days)		
- Other receivables	5,780,569	4,371,565
- Receivables for Neighbourhood Renewal Programme	1,345,192	-
Past due 30 to 90 days – other receivables	6,200	71,093
Past due 91 to 180 days – other receivables	4,262	68,262
	<b>7,136,223</b>	<b>4,510,920</b>

Exposure to credit risk

The tables below detail the credit quality of the Town Council's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Internal credit rating	12-month / Lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
<b>2021</b>					
Conservancy and service fee receivables	(1)	Lifetime ECL	2,186,196	(924,044)	1,262,152
Receivables for Neighbourhood Renewal Programme	(2)	12-month ECL	1,345,191	-	1,345,191
Other receivables*	(3)	12-month ECL	5,791,031	-	5,791,031
<b>2020</b>					
Conservancy and service fee receivables	(1)	Lifetime ECL	1,942,170	(849,691)	1,092,479
Other receivables*	(3)	12-month ECL	4,510,920	-	4,510,920

\* Exclude prepayments and GST receivables

**31 Financial instruments and financial risks (Cont'd)****31.1 Credit risk (Cont'd)**

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Town Council's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

**(1) Conservancy and service fee receivables**

The ECL on conservancy and service fee receivables are estimated by reference to the age of debts, results of recovery efforts and historical experience, adjusted by forward-looking estimates. At the reporting date, loss allowance for conservancy and service fee receivables was disclosed in Note 10.

**(2) Receivables for Neighbourhood Renewal Programme**

Receivables for this Programme are to be received from Housing & Development Board ("HDB") - a statutory board of the Singapore Government. No default of funding was noted in prior years and HDB is a government agency considered to be of high credit rating. At the reporting date, no loss allowance was required.

**(3) Other receivables (excluding prepayments and GST receivables)**

The ECL on other receivables (excluding prepayments and GST receivables) are estimated by reference to the age of debts, results of recovery efforts and historical experience, adjusted by forward-looking estimates. At the reporting date, no loss allowance was required.

**31.2 Market risk****Interest rate risk**

The Town Council's exposure to interest rate risk relates primarily to interest-earning fixed deposits with financial institutions and investments in quoted government bonds. The Town Council's surplus funds are placed with reputable financial institutions or invested in Singapore government bonds.

As the fixed deposits and investment in quoted government bond bear fixed interest rates, the Town Council is not exposed to interest rate risk. Hence, sensitivity analysis is not required.

**31.3 Liquidity risk**

Liquidity risk refer to the risks in which the Town Council encounters difficulties in meeting its short-term obligations. The Town Council manages the liquidity risk by maintaining sufficient cash, internally generated cash flows, as well as on basis of expected payment dates of the financial liabilities.

The Town Council's operations are partially supported by various government grants from government and the Town Council is satisfied that funds for operations are available as and when required.

It is expected that all the liabilities will be paid when due. The Town Council expects to meet its cash commitments with cash inflows from operating activities and government grants.

The contractual undiscounted cash flows of financial assets and financial liabilities due within 12 months approximate their carrying amounts as the impact of discounting is not significant.

**31 Financial instruments and financial risks (Cont'd)****31.3 Liquidity risk (Cont'd)**

The table below analyses the maturity profile of the Town Council's financial liabilities based on contractual undiscounted cash flows:

	Carrying amount \$	-----Contractual undiscounted cash flows-----			
		Total \$	Less than 1 year \$	Between 2 and 5 years \$	Over 5 years \$
<b>At 31 Mar 2021</b>					
Lease liabilities (Note 14)	416,689	432,400	225,600	206,800	-
Other payables (Note 16)	23,149,487	23,149,487	23,149,487	-	-
	<b>23,566,176</b>	<b>23,581,887</b>	<b>23,375,087</b>	<b>206,800</b>	<b>-</b>
<b>At 31 Mar 2020</b>					
Lease liabilities (Note 14)	622,830	658,000	225,600	432,400	-
Other payables (Note 16)	10,724,109	10,724,109	10,724,109	-	-
	<b>11,346,939</b>	<b>11,382,109</b>	<b>10,949,709</b>	<b>432,400</b>	<b>-</b>

**31.4 Accounting classifications of financial assets and financial liabilities**

The carrying amounts of financial instruments by category other than those disclosed on the face of the statement of financial position and in notes to the financial statements are as follows:

	Note	Financial assets at amortised cost \$	Total \$
<b>2021</b>			
<b>Financial assets</b>			
Investments at amortised cost	9	30,000,000	30,000,000
Conservancy and service fees receivables	10	1,262,152	1,262,152
Other receivables*	12	5,791,031	5,791,031
Cash and bank balances	13	142,896,504	142,896,504
		<b>179,949,687</b>	<b>179,949,687</b>
	Note	Financial liabilities at amortised cost \$	Total \$
<b>Financial liabilities</b>			
Lease liabilities	14	416,689	416,689
Other payables	16	23,148,395	23,148,395
		<b>23,565,084</b>	<b>23,565,084</b>

\* Exclude prepayments and GST receivables



**31 Financial instruments and financial risks (Cont'd)****31.4 Accounting classifications of financial assets and financial liabilities (Cont'd)**

The carrying amounts of financial instruments by category other than those disclosed on the face of the statement of financial position and in notes to the financial statements are as follows:

	Note	Financial assets at amortised cost \$	Total \$
<b>2020</b>			
<b>Financial assets</b>			
Investments at amortised cost	9	30,000,000	30,000,000
Conservancy and service fees receivables	10	1,092,479	1,092,479
Other receivables*	12	4,510,920	4,510,920
Cash and bank balances	13	111,640,376	111,640,376
		<b>147,243,775</b>	<b>147,243,775</b>
	Note	Financial liabilities at amortised cost \$	Total \$
<b>Financial liabilities</b>			
Lease liabilities	14	622,830	622,830
Other payables	16	10,722,270	10,722,270
		<b>11,345,100</b>	<b>11,345,100</b>

\* Exclude prepayments and GST receivables

**32 Funds management**

The Town Council's objectives when managing funds are:

- (a) to safeguard the Town Council's ability to continue as going concern;
- (b) to provide resources to sustain future development; and
- (c) to provide funds for the purpose of strengthening the Town Council's risk management capability.

The Town Council actively and regularly reviews and manages its funding structure to ensure optimal funding structure, taking into consideration the future funding requirements, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

There were no changes in the Town Council's approach to funds management during the year. The Town Council is not subject to externally imposed capital requirements. As at the end of the reporting period, the Town Council's total funds amounted to \$157,697,539 (2020 - \$134,858,142).

**33 Fair value measurements**

The carrying amounts of current financial assets and liabilities approximate their respective fair values due to the relatively short term nature of these financial instruments. The fair value of the various classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The Town Council classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. There are three fair value hierarchy levels, as follows:

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

The fair value of investments at amortised cost in Note 9 are categorised as Level 1.

**34 Restatement of comparative figures**

In prior year, the Town Council had wrongly classified a government grant relating to Commercial property and recorded it under Residential property instead. The restatement is effected to correct the wrong classification of the government grant. The incorrect classification does not affect the opening balance as at 1 April 2019.

Below is an extract representation to show the previously reported figures, the adjustment and the restated figure and the figures do not cast.

	31 March 2020 Reported \$	Adjustment \$	31 March 2020 Restated \$
<b><u>Statement of financial position</u></b>			
<b>Town Council Funds</b>			
<b>Residential property</b>			
Accumulated surplus	2,381,809	(98,502)	2,283,307
<b>Commercial property</b>			
Accumulated surplus	3,182,603	98,502	3,281,105
<b><u>Statement of changes in Town Councils funds</u></b>			
<b>Residential property</b>			
Accumulated surplus	2,699,293	(98,502)	2,600,791
Surplus for the year representing total comprehensive income for the year	11,206,384	(98,502)	11,107,882
<b>Commercial property</b>			
Accumulated surplus	339,694	98,502	438,196
Surplus for the year representing total comprehensive income for the year	682,048	98,502	780,550

**34 Restatement of comparative figures (Cont'd)**

	31 March 2020 Reported \$	Adjustment \$	31 March 2020 Restated \$
<u>Notes to the financial statements</u>			
<u>Note 3 Accumulated surplus</u>			
<b>Residential property</b>			
Government grants	11,202,888	(98,502)	11,104,386
<b>Commercial property</b>			
Government grants	684	98,502	99,186





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