

Marsiling-Yew Tee

Town Council

Annual Report

—
2022-2023



MY HOME. MY HEART. MY HOPE.

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Our Town Councillors

OUR MPS



Mr Lawrence Wong

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



Mr Zaqy Mohamad

Senior Minister
of State for Defence
and Manpower
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

Chairman Mr Chew Boon Yeow

Co-Chairman Er. Yeo Swee Khian, BBM

Members
Mr Soh Kien Peng, PBM
Mr Ian Wong Kin Kok
Ms Jessica Lim Chui Lan
Mr Tay Boon Sin, PBM

COMMUNITY IMPROVEMENT PROJECT COMMITTEE

Chairman Mr Jacob Wong San Ta

Co-Chairman Mr Lim Hock Chee, BBM

Members
Mr Steven Lim Chwee Leong
Mr Desmond Tan Peng Yaow, PBM
Mr Eric Lim Chin Heng, BBM
Mr Lim Jun Hui
Mr Yong Wee Huat, PBM
Ms Lee Loo Loo
Ms Neo Ah Kwai (Jennifer)

COMMUNICATIONS AND SERVICE QUALITY COMMITTEE

Chairman Mr Adrian Liew Chong Boon, PBM

Co-Chairman Mr Aloysius Kwan Weng Tat

Members Ms Ann Wee Yoke Leong, PBM
Ms Jeslin Sin Lay Ping, PBM
Ms Soh Chu Yen (Jerlynn)
Ms Celine Ng Mei Ling

FINANCE COMMITTEE

Chairman Mr Ben Chong Zheng Yean, PBM

Co-Chairman Mr David Neo Watt Heng, BBM

Members Mr Alvin Tan Choon Hwa, PBM
Mr Johnny Lim Peng Siah, PBM
Mr Jerry Toh Si Liang

ESTATE AMENITIES COMMITTEE

Chairman Mr Corwin Chew Huang Jia, PBM

Co-Chairman Mr Ng Poh Wah, BBM

Members Ms Noor Banu Bte Mohamed Elias, PBM
Ms Noor Rita Bte Mohamad Rajab
Mr Soh Kok Hui
Ms Cincelia Tan Chiew Pheng, PBM
Mr Abdul Wahab Bin Ahmad
Mr Dave Ong Eng Hwa

TENDERS AND CONTRACTS COMMITTEE

Chairman Mr Lim Tai Sun, BBM(L)

Co-Chairman Mr Steven Tan Yong Cheng, PBM

Members Mr Liew Wei Keong
Mr Ng Si Hiong, PBM
Ms Rohini Ravichandran

HONORARY LEGAL COUNSEL

Mr Selvarajan Balamurugan



Message from Our Chairman

Entering into FY22/23, we saw the resumption of many community gatherings as the Safe Management Measures (SMM) was finally lifted.

We saw our estate transform physically as many developments were completed. We were able to hold the official closing ceremony for the Neighbourhood Renewal Programme (NRP) in Yew Tee for Blocks 601-616, 617-621, 625-627 in conjunction with the Mid-Autumn Festival.

Upcoming projects continued to see steady progress – such as the 2 NRPs in Limbang (Batch 12 & 13) and 2 NRPs in Woodgrove (Batch 11 & 12). The Public Consultation and Consensus Gathering Exhibitions were a great success in conveying the new living environment which would be co-created as a result of the inputs from our residents.

Marsiling oversaw the completion of various sheltered linkways which provided residents with enhanced accessibility and convenience. The sheltered linkway for the ATM near Marsiling Lane Food Centre is one such example. Major projects such as the direct connection from Blks 1 to 7 towards Marsiling Market and Hawker Centre have also seen progress after much groundwork and review with the relevant Government authorities.

The Town Council completed its first batch of 216 lift replacements under the Lift Replacement Programme (LRP). Residents can look forward to a second batch of selected lifts being replaced over the course of the next year.

Our greening and sustainability efforts saw an upswing as we commemorated LKY100. We committed to planting 1000 trees by the end of the year and added more community gardens around our Town. We now proudly house 35 such gardens. Other initiatives such as woodchippers, recycling likewise contributed to our efforts, captured in our inaugural sustainability report.

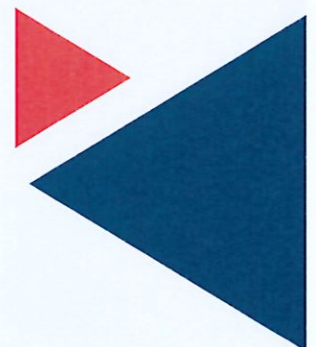
Not forgetting bread and butter issues, the S&CC increase was required due to rising costs across multiple industries and services. The Town Council will continue to manage our finances prudently and adopt cost-saving measures, while ensuring that we consistently review our services to address the needs of our residents. Residents that require financial assistance may seek help from the Town Council.

Let us continue to be a tight-knit community, anchored around the values of “My Home, My Heart, My Hope”.

Yours Sincerely,

MR ALEX YAM ZIMING

Chairman



Composition and Structure

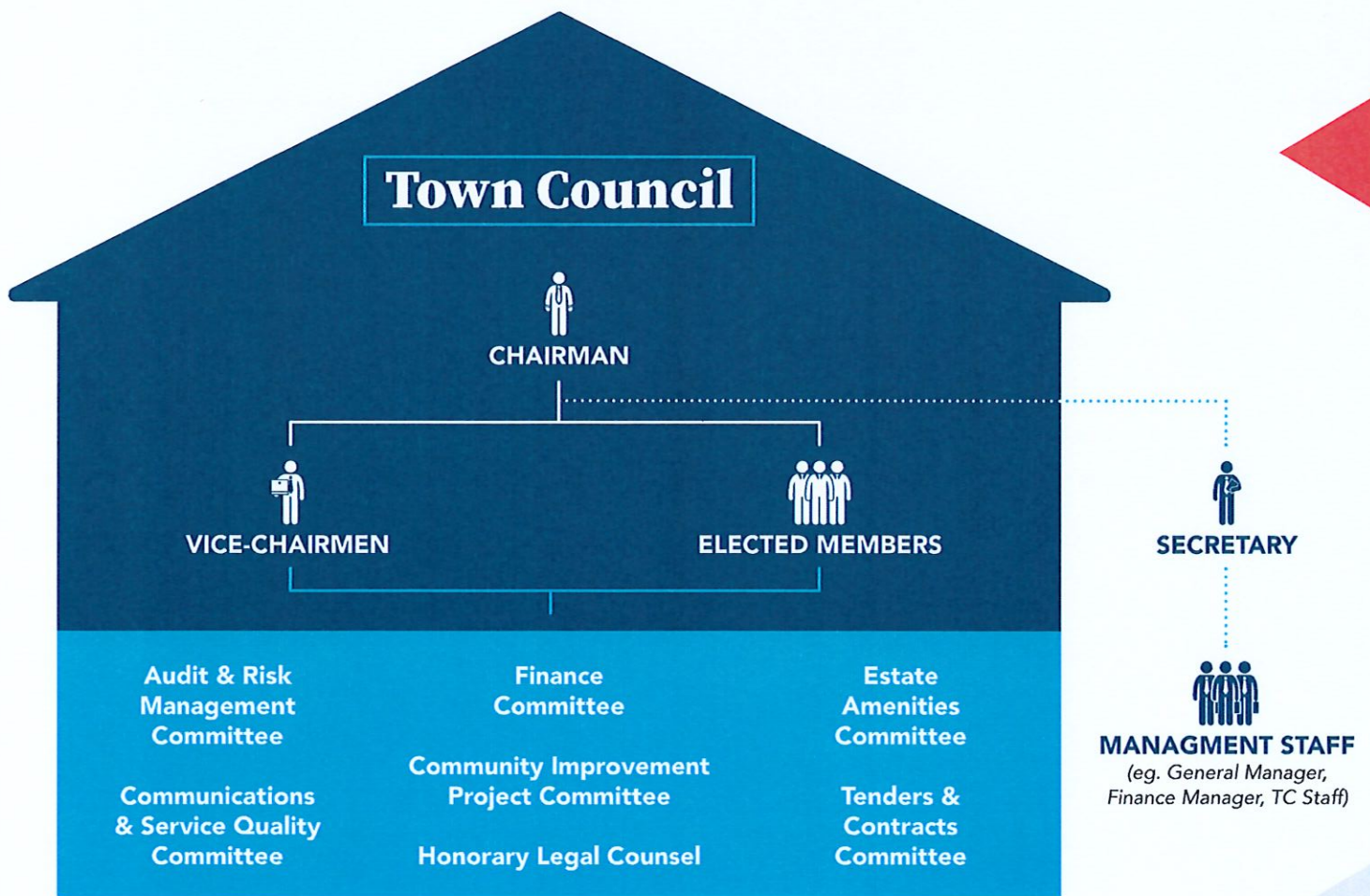


Incorporating the principles and practices of good governance, Town Councillors play a crucial role in supervising and managing the daily operations of the Town Council while diligently discharging their duties in the best interests of the residents.

Each elected representative is chosen based on their respective experience and skills. A wide range of skill sets, from project management to auditing and financial expertise, is essential for ensuring the Town Council's success.

To further ensure that they have a vested interest in the decision-making process, it is required that at least two-thirds of the appointed Town Councillors must be residents of the HDB housing estates within the Town.

While the structure of Town Councils can vary to suit their specific needs, a typical organisational structure for a Town Council is as follows:

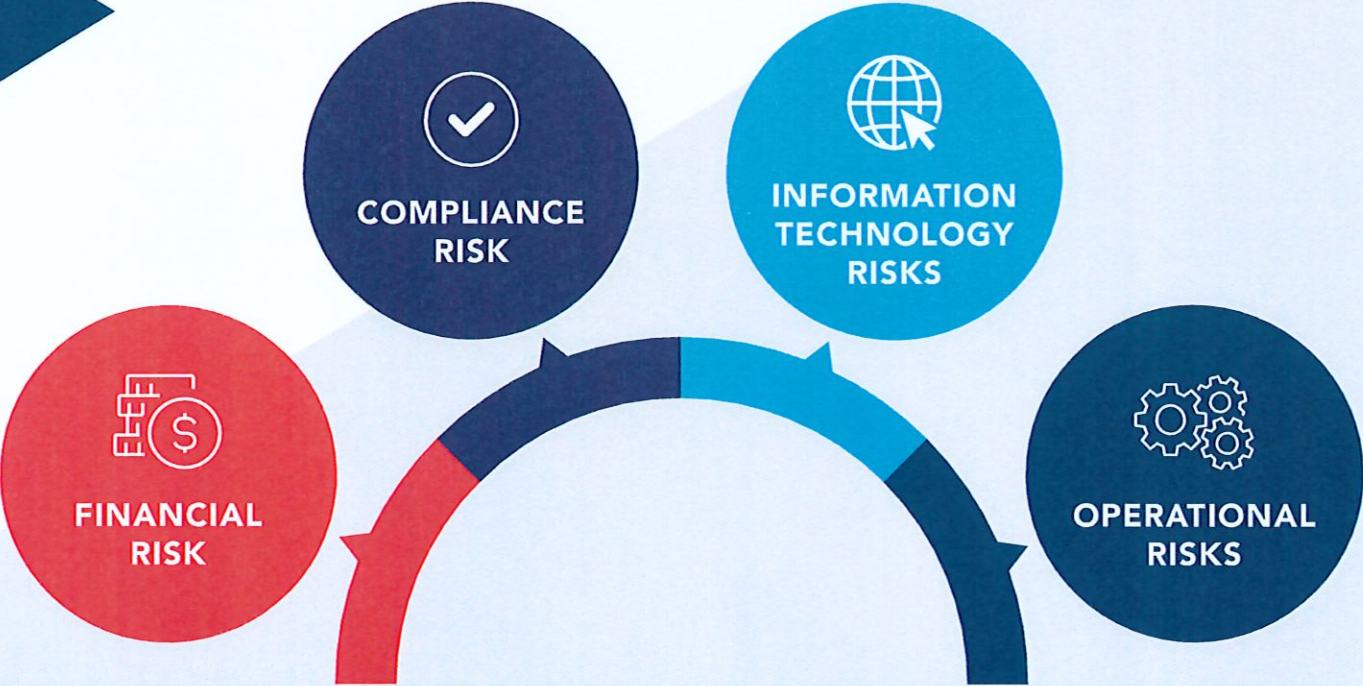


Risk Management Framework

Effective 1 April 2020, the Town Council has been adhering to the Code of Governance launched by the Ministry of National Development. We collaborated with an external consultant to assess our existing Risk Management Framework, covering financial, operational, compliance, and information technology risks. Any identified shortfalls or areas requiring improvement were promptly brought to the attention of the Council.

Since then, we have been consistently reviewing our risk management framework annually. Overcoming the challenges posed by the COVID-19 pandemic and its associated restrictions, we also deemed it necessary to identify potential new risks arising from the new-normal circumstances.

We are pleased to inform residents that we have been diligently refining our business continuity plan (BCP) to ensure the uninterrupted provision of essential services during emergencies. The ongoing assessment, review, and implementation of changes are sufficient to address these risks adequately.



Our Finance

The Town Council takes pride in ensuring our funds are well managed through insightful projection and stringent practices.

For FY22/23, the Town Council reports a modest surplus of \$0.38 million after mandatory fund transfers. As of 31 March 2023, we have registered a sinking fund of \$109.50 million, a lift replacement fund of \$33.33 million and an accumulated surplus of \$3.00 million.

The Town Council has progressively kept the number of arrears low. We will continue to aid households with financial difficulties, be it through instalment plans or application for financial aid via Government agencies e.g. MSF to ensure that the numbers remain low.



Town Council Management Report



The performance of every Town Council depends on five key indicators: Estate Cleanliness, Estate Maintenance, Lift Performance, S&CC Arrears Management, and Corporate Governance. These indicators are graded using three respective bands: green, amber, and red.

Marsiling-Yew Tee Town Council has consistently dedicated itself to hard work, and our results witness our commitment. In our Town Council Management Report (TCMR) for the FY2022/2023, we proudly announce that we have once again received top ratings by scoring green bands for 4 indicators, pending the result announcement for Corporate Governance.



01 | LIFT PERFORMANCE



02 | ESTATE CLEANLINESS



03 | ESTATE MAINTENANCE



04 | S&CC ARREARS MANAGEMENT



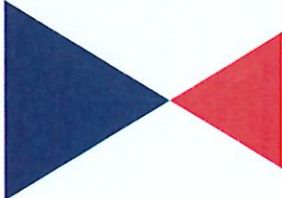
This accomplishment underscores the effective teamwork between the Town Council and our stakeholders. We eagerly anticipate providing excellent service and maintaining high-quality standards, which have become non-negotiable.



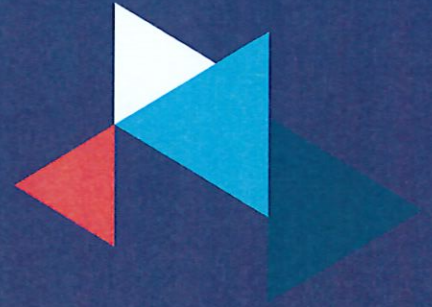
Estate Maintenance

Estate maintenance is an integral and crucial aspect of the Town Council's daily operations. Whether it involves sweeping common areas daily or conducting essential repairs for services like lights and water, well-maintained estates instil confidence in our residents.

Our operational team remains dedicated to their roles while also remaining attuned to the evolving needs of our residents. Maintaining cleanliness and ensuring proper upkeep continues to be our highest priority, and we are pleased to note that residents recognise and appreciate our cleaning staff's hard work and efforts.



Cyclical Works



Cyclical works are also important due to wear and tear over time. These works include lift repair, R&R, replacement of water pump sets, water pipes and water tanks. They occur once every few years to ensure that residents benefit from evolving technologies and that the condition of these structures remain optimal.

Such works involve discussions with the Residents' Committee (RCs), Residents' Network (RNs), and residents to garner important feedback to incorporate into these improvements. When residents see that the Town Council is making an effort to implement their suggestions, they see the value and importance of co-creating our living environment.

In FY22/23, a total of \$28.86 million was invested in cyclical works where \$12.97 million has been catered for lift works and another \$15.89 million was used on other works such as repainting, rewiring, reroofing, replacement of water pumping and piping systems and refuse chute system and more.

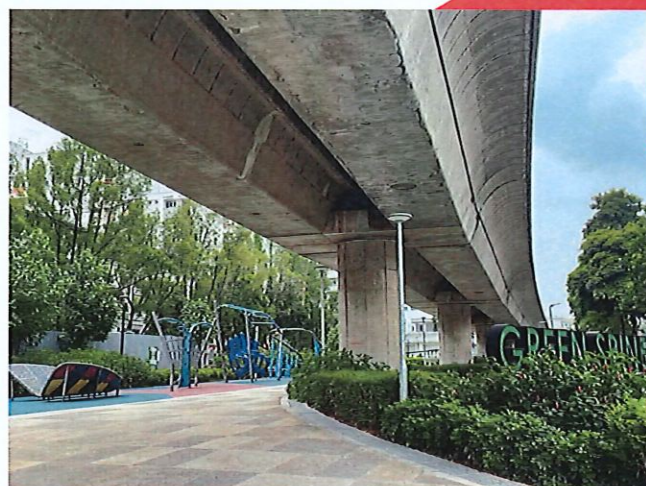


Town Improvement Projects

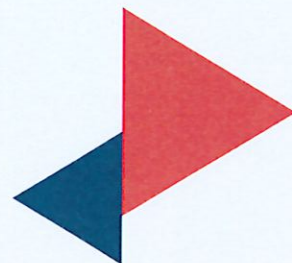


Beyond routine and cyclical maintenance, Town Improvement Projects empower the Town Council to strategically plan essential enhancements that improve accessibility and convenience for our residents.

Examples of such projects include the construction of new sheltered linkways, drop-off porches, barrier-free access ramps, new playgrounds, fitness corners, game courts, and more. Bigger projects will include the Large-Scale Town Wide for Yew Tee with the construction of Yew Tee Lifestyle Corridor and Limbang with the construction of the Limbang Green Spine, both under the MRT viaduct.



Neighbourhood Renewal Programmes



The Neighbourhood Renewal Programmes (NRP) revolve around active resident involvement and discussions regarding the desired improvements within their precincts.

This inclusive process spans public consultations to consensus-gathering, ensuring that residents play a vital role.

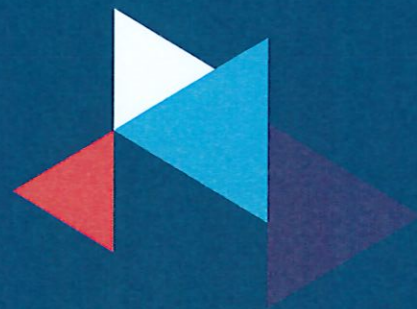
The NRP helps to revitalise older estates, giving them a refreshed appearance while enhancing existing facilities and even adding new ones to offer a broader range of recreational options and improved accessibility within these neighbourhoods.

There are five NRP initiatives within Marsiling-Yew Tee Town, with three located in Limbang and two in Woodgrove.

Three of these NRP works have commenced, while two are in the tender preparation stage with a targeted start date of 1H2024.



Clean & Green Energy



As part of the Singapore Green Plan 2030, the Town Council is fully dedicated to supporting the Action for Green Town initiatives.

Our sustainability Champion, Ms Hany Soh and her committee is working towards making our town zero waste, energy efficient and greener by 2025. As we commemorate LKY100 this year, our Town Council has committed to planting 1000 trees by the end of 2023.

We have seen an increase in the participation of residents recycling as well.

Working with SGRecycle and ALBA, we have collected a total of **36,148 kg** worth of recycled paper, **491.24 kg** worth of recycled textiles and **24,137.5 kg** worth of recycled electronics.

Still harnessing the power of solar energy via the installation of solar panels on the HDB rooftops, the excess energy is channelled back to the electrical grid. This function allows HDB blocks to achieve net-zero energy consumption in the common areas.

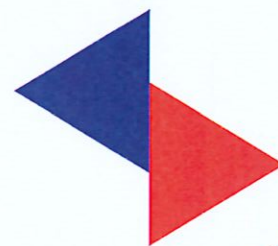
To-date, we have installed solar panels on approximately 210 blocks, with another 152 scheduled for installation over the next few years.



Estate Cleanliness

Our dedicated cleaners have been working tirelessly to maintain top-notch estate cleanliness. We thank residents who have shown their appreciation for their efforts by participating in our 'Nominate Your Favourite Cleaner' contest at the end of 2022. Despite challenges related to manpower and rising costs, our cleaners have consistently ensured that residents return to a clean and well-kept estate every day.

The Town Council also appreciates our residents for their contributions to keeping our estates clean and green.



Communication with Residents

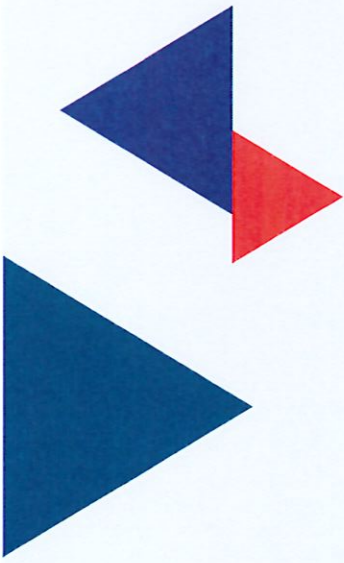


Leveraging on technological advancement, more digital display panels (DDPs) were installed at the void deck lift lobby landings.

These panels add an additional layer of engaging content via videos to keep residents abreast of upcoming events. They complement the physical notices and letters as we seek to engage and keep our residents up-to-date on multiple platforms.

Having received various feedback from our residents, the “no wrong door” policy has been adopted to ensure that residents are able to share their concerns with the relevant Government agencies through the assistance of the Town Council.



Keep a look out for our “My Kampung” newsletter and follow us on our various social media platforms as we continue to share relatable stories and issues.





Financial Statements

(For the period of 1 April 2022 to 31 March 2023)



Marsiling-Yew Tee
Town Council

(Established under the Town Councils Act 1988)

Financial statements

MARSILING-YEW TEE TOWN COUNCIL

(Established under the Town Councils Act 1988)

For the year ended 31 March 2023

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

(Established under the Town Councils Act 1988)

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 2023, 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 1988 (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 2023 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 - Our Finance section included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Chairman's Review - Our Finance section is 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 when it becomes available 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 Chairman's Review - Our Finance section, 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 1988)

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 be 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 of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 1988)

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 1988)

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,
15 September 2023

Statement of financial position as at 31 March 2023

	Note	2023 \$	2022 \$
TOWN COUNCIL FUNDS			
Residential property			
Accumulated surplus	3	-	2,499,721
Sinking Funds	4	85,611,147	87,555,320
Lift Replacement Funds	5	27,910,954	27,043,204
Town Improvement and Project Funds	6	4,276,828	2,024,097
		117,798,929	119,122,342
Commercial property			
Accumulated surplus	3	1,632,028	1,352,614
Sinking Funds	4	23,893,822	23,845,939
Lift Replacement Funds	5	5,418,605	5,281,081
Town Improvement and Project Funds	6	54,580	6,362
		30,999,035	30,485,996
Carpark			
Accumulated surplus	3	1,366,190	1,695,696
		150,164,154	151,304,034
REPRESENTED BY:			
Non-current assets			
Plant and equipment	7	53,087	115,538
Right-of-use assets	8	741,620	340,669
Investments at amortised cost	9	10,000,000	20,000,000
		10,794,707	20,456,207
Current assets			
Investments at amortised cost	9	10,000,000	10,000,000
Conservancy and service fees receivables	10	1,015,618	1,007,728
Receivables for Neighbourhood Renewal Programme	11	-	242,194
Other receivables	12	10,659,473	10,078,082
Cash and bank balances	13	127,201,430	127,926,948
		148,876,521	149,254,952
Total assets		159,671,228	169,711,159
Less:			
Non-current liabilities			
Lease Liabilities	14	403,559	-
Current liabilities			
Lease liabilities	14	191,610	202,910
Advances received for Neighbourhood Renewal Programme	11	496,964	-
Conservancy and service fees received in advance	15	1,048,187	937,336
Other payables	16	6,201,920	16,369,000
Income tax payable	21	1,164,834	897,879
		9,103,515	18,407,125
Total liabilities		9,507,074	18,407,125
NET ASSETS		150,164,154	151,304,034

MR ALEX YAM ZIMING
Chairman

MR LIM TAI SUN
Secretary

Dated: 15 September 2023

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 2023

	Note	2023 \$	2022 \$
Operating income			
Conservancy and service fees	3	39,204,368	39,169,994
Less:			
Operating income transfer to Sinking Funds (26% transferred to Sinking Funds)	3, 4	(10,193,148)	(10,184,211)
Operating income transfer to Lift Replacement Funds (14% transferred to Lift Replacement Funds)	3, 5	(5,488,627)	(5,483,817)
		<u>23,522,593</u>	<u>23,501,966</u>
Agency fees	3, 17	3,550,094	3,416,017
Other income	3, 18	2,458,371	2,325,744
		<u>29,531,058</u>	<u>29,243,727</u>
Less:			
Operating expenditure			
Cleaning works		(6,193,058)	(5,997,831)
Managing agent's fees	20	(4,845,254)	(4,674,139)
Lift maintenance		(6,524,927)	(6,190,386)
Other works and maintenance		(4,577,326)	(4,271,265)
Water and electricity		(8,276,314)	(7,875,091)
General and administrative expenditure	19	(2,758,985)	(2,773,455)
		<u>(33,175,864)</u>	<u>(31,782,167)</u>
Operating deficit		<u>(3,644,806)</u>	<u>(2,538,440)</u>
Add: Interest income	3	246,965	46,462
Deficit before taxation and government grants		<u>(3,397,841)</u>	<u>(2,491,978)</u>
Less: Income tax	3, 21	(291,858)	(240,563)
Deficit before government grants		<u>(3,689,699)</u>	<u>(2,732,541)</u>
Add: Government grants	3, 26	10,715,618	11,846,794
Less: Transfer to			
- Sinking Funds	3, 4	(1,765,218)	(1,732,711)
- Lift Replacement Funds	3, 5	(4,158,099)	(4,138,693)
- Town Improvement and Project Funds	3, 6	(718,730)	(1,976,834)
		<u>4,073,571</u>	<u>3,998,556</u>
SURPLUS FOR THE YEAR UNDER ACCUMULATED SURPLUS		<u>383,872</u>	<u>1,266,015</u>
Add:			
Surplus/(Deficit) for the year from:			
- Sinking Funds	4	(1,896,290)	1,615,489
- Lift Replacement Funds	5	1,005,274	(8,780,653)
- Town Improvement and Project Funds	6	(632,736)	(494,356)
TOTAL COMPREHENSIVE EXPENDITURE FOR THE YEAR		<u>(1,139,880)</u>	<u>(6,393,505)</u>

MR ALEX YAM ZIMING
Chairman

MR LIM TAI SUN
Secretary

Dated: 15 September 2023

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 2023

	Note	Residential property \$	Commercial property \$	Carpark \$	Total \$
Balance at 1 April 2021		126,937,698	29,934,259	825,582	157,697,539
Accumulated Surplus	3	(73,049)	468,950	870,114	1,266,015
Sinking Funds	4	1,464,741	150,748	-	1,615,489
Lift Replacement Funds	5	(8,758,119)	(22,534)	-	(8,780,653)
Town Improvement and Project Funds	6	(448,929)	(45,427)	-	(494,356)
Surplus/(deficit) for the year, representing total comprehensive income/(expenditure) for the year		(7,815,356)	551,737	870,114	(6,393,505)
Appropriation from Accumulated Surplus		1,030,451	25,664	-	1,056,115
Appropriation to Town Improvement and Project Funds		(1,030,451)	(25,664)	-	(1,056,115)
Balance at 31 March 2022		119,122,342	30,485,996	1,695,696	151,304,034
Accumulated Surplus	3	(617,652)	349,529	651,995	383,872
Sinking Funds	4	(1,944,173)	47,883	-	(1,896,290)
Lift Replacement Funds	5	867,750	137,524	-	1,005,274
Town Improvement and Project Funds	6	(610,839)	(21,897)	-	(632,736)
Surplus/(deficit) for the year, representing total comprehensive income/(expenditure) for the year		(2,304,914)	513,039	651,995	(1,139,880)
Accumulated Surplus transferred from Carpark to Residential Property		981,501	-	(981,501)	-
Appropriation from Accumulated Surplus		2,863,570	70,115	-	2,933,685
Appropriation to Town Improvement and Project Funds		(2,863,570)	(70,115)	-	(2,933,685)
Balance at 31 March 2023		117,798,929	30,999,035	1,366,190	150,164,154

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 2023

	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Deficit before taxation and government grants	3	(3,397,841)	(2,491,978)
Adjustments for:			
Allowance for impairment of conservancy and service fees receivables	10, 19	96,413	325,300
Depreciation of plant and equipment	7, 19	62,451	137,919
Depreciation of right-of-use asset	8, 19	212,633	213,548
Gain on disposal of plant and equipment		(210)	-
Interest expense	14, 19	7,172	11,821
Interest income	3	(246,965)	(46,462)
Operating income transfer to Sinking Funds	4	10,193,148	10,184,211
Operating income transfer to Lift Replacement Funds	5	5,488,627	5,483,817
Operating surplus before working capital changes		12,415,428	13,818,176
Changes in conservancy and service fees receivables		6,548	15,644
Changes in other receivables		407,416	(2,062,158)
Changes in other payables		(10,165,434)	(6,781,043)
Cash generated from operations before income tax		2,663,958	4,990,619
Government grants received	26(ii)	10,422,099	10,998,424
Funding received for Neighbourhood Renewal Programme	11	4,100,278	3,765,308
Funding received for Lift Enhancement Programme	24(a)	3,822,318	1,500,119
Sinking Funds expenditure	23(b)	(15,892,479)	(11,227,604)
Lift Replacement Funds expenditure	24(b)	(12,966,604)	(20,149,953)
Town Improvement and Project Funds expenditure	25	(1,351,466)	(2,471,190)
Neighbourhood Renewal Programme Funds expenditure	11	(3,361,120)	(2,662,310)
Goods and services tax claim/(paid)		125,187	(186,348)
Income tax paid	21	(480,582)	(631,840)
Net cash used in operating activities		(12,918,411)	(16,074,775)
Cash Flows from Investing Activities			
Purchase of plant and equipment	7	-	(31,980)
Proceeds from sale of plant and equipment		210	-
(Placement)/maturity of fixed deposits		(5,064,691)	5,168,303
Maturity of bonds		10,000,000	-
Interest and investment income received		2,421,180	1,362,798
Net cash generated from investing activities		7,356,699	6,499,121
Cash Flows from Financing Activities			
Principal repayment of lease liabilities (Note A)		(221,325)	(213,779)
Interest expense paid (Note A)		(7,172)	(11,821)
Net cash used in financing activities		(228,497)	(225,600)
Net decrease in cash and cash equivalents		(5,790,209)	(9,801,254)
Cash and cash equivalents at beginning of year		10,823,789	20,625,043
Cash and cash equivalents at end of year	13	5,033,580	10,823,789

Statement of cash flows (Cont'd)

for the financial year ended 31 March 2023

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.

	Note	Cash flows			Non-cash flows			At 31 March
		At 1 April	Principal repayment	Interest paid	Lease modification	New Leases	Interest expenses	
		\$	\$	\$	\$	\$	\$	
2023								
Liabilities								
Lease liabilities	14	202,910	(221,325)	(7,172)	-	613,584	7,172	595,169
2022								
Liabilities								
Lease liabilities	14	416,689	(213,779)	(11,821)	-	-	11,821	202,910

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 2023

1 General

Marsiling-Yew Tee Town Council (the “Town Council”) was formed on 1 October 2015 under the Town Councils Act 1988 (2020 Revised Edition). 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 2023 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 1988 (2020 Revised Edition). 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.

2(a) Basis of preparation (Cont'd)**(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 a teach 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 2023 were \$1,015,618 (2022 - \$1,007,728) and \$10,659,473 (2022 - \$10,078,082) 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.

- (ii) 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 2023 was \$53,087 (2022 - \$115,538). 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 \$6,245 (2022 - \$13,792).

- (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 ("IRIIL") and, if the IRIIL 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 IRIIL 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 100 basis points in the estimated IBR will decrease/increase the Town Council's right-of-use assets and lease liabilities by approximately \$92,274 (2022 - \$54,840) respectively.

2(b) Adoption of new and revised standards

On 1 April 2022, the Town Council has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2022. 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 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to FRS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 103	<i>Reference to the Conceptual Framework</i>	1 January 2022
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

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 and may be early adopted 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 1 and FRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8	<i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to FRS 117	<i>Insurance Contracts</i>	1 January 2023
Amendments to FRS 1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024

The Town Council expects that the adoption of the above standards will have no material impact on the financial statements in the period of their initial application.

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

In accordance with section 47(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 47(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 47(12) 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 57(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 six 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)**(e) 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.
- (vi) The Special Funding Support grant is given to buffer Town Councils from the full impact of increased costs of estate maintenance, with a periodical rise of Service and Conservancy Charge. The funding is computed based on Town Council’s gazetted S&CC rate increases (for each flat type excluding GST) multiplied by the number of residential units managed by the Town Council as at 3 April 2023. The total amount of funding will be the sum of all the eligible flat types, subject to the cap.

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
Furniture, fixtures and fittings	5 years
Data processing equipment (including equipment for TCMS 3.0)	3-6 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 30.

(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 investments).
- 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 (bonds), conservancy and service fees receivables, receivables for Neighbourhood Renewal Programme, other receivables, and cash and bank balances.

2(d) Summary of significant accounting policies (Cont'd)**(h) Financial instruments (Cont'd)****(i) Financial assets (Cont'd)****Measurement (Cont'd)****Subsequent measurement (Cont'd)****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.

Financial assets designated as fair value through other comprehensive income ("FVOCI") (equity investments)

The Town Council subsequently measures all equity investments 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 investments 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.

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

Measurement (Cont'd)

Subsequent measurement (Cont'd)

Financial assets at fair value through profit or loss (Cont'd)

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.

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.

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

(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.

2(d) Summary of significant accounting policies (Cont'd)**(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.

(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.

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

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 1947.

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 1947.

2(d) Summary of significant accounting policies (Cont'd)**(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.

(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.

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)

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

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 2023	Residential property 2022	Commercial property 2023	Commercial property 2022	Carparks 2023	Carparks 2022	Total 2023	Total 2022
		\$	\$	\$	\$	\$	\$	\$	\$
OPERATING INCOME									
Conservancy and service fees		37,756,979	37,723,372	1,447,389	1,446,622	-	-	39,204,368	39,169,994
Less:									
Operating income transfer to Sinking Funds	4	(9,816,826)	(9,808,088)	(376,322)	(376,123)	-	-	(10,193,148)	(10,184,211)
Operating income transfer to Lift Replacement Funds	5	(5,285,991)	(5,281,289)	(202,636)	(202,528)	-	-	(5,488,627)	(5,483,817)
		22,654,162	22,633,995	868,431	867,971	-	-	23,522,593	23,501,966
Agency fees	17	-	-	-	-	3,550,094	3,416,017	3,550,094	3,416,017
Other income	18	1,964,500	1,854,502	363,414	359,538	130,457	111,704	2,458,371	2,325,744
		24,618,662	24,488,497	1,231,845	1,227,509	3,680,551	3,527,721	29,531,058	29,243,727
Less: Operating expenditure		(29,260,535)	(28,379,749)	(890,928)	(763,845)	(3,024,401)	(2,638,573)	(33,175,864)	(31,782,167)
OPERATING (DEFICIT)/SURPLUS		(4,641,873)	(3,891,252)	340,917	463,664	656,150	889,148	(3,644,806)	(2,538,440)
Add: Interest income		217,537	40,883	5,380	1,021	24,048	4,558	246,965	46,462
(DEFICIT)/SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS		(4,424,336)	(3,850,369)	346,297	464,685	680,198	893,706	(3,397,841)	(2,491,978)
Less: Income tax	21	(257,343)	(211,692)	(6,312)	(5,279)	(28,203)	(23,592)	(291,858)	(240,563)
(DEFICIT)/SURPLUS AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS		(4,681,679)	(4,062,061)	339,985	459,406	651,995	870,114	(3,689,699)	(2,732,541)
Add: Government grants	26	10,598,533	11,728,809	117,085	117,985	-	-	10,715,618	11,846,794
Less:									
Transfer to Sinking Funds	4, 26	(1,761,083)	(1,728,576)	(4,135)	(4,135)	-	-	(1,765,218)	(1,732,711)
Transfer to Lift Replacement Funds	5, 26	(4,054,693)	(4,034,387)	(103,406)	(104,306)	-	-	(4,158,099)	(4,138,693)
Transfer to Town Improvement and Project Funds	6, 26	(718,730)	(1,976,834)	-	-	-	-	(718,730)	(1,976,834)
(DEFICIT)/SURPLUS FOR THE YEAR		4,064,027	3,989,012	9,544	9,544	-	-	4,073,571	3,998,556
		(617,652)	(73,049)	349,529	468,950	651,995	870,114	383,872	1,266,015
ACCUMULATED SURPLUS AT 1 APRIL		2,499,721	3,603,221	1,352,614	909,328	1,695,696	825,582	5,548,031	5,338,131
Add/(Less):									
Accumulated Surplus transferred from Carpark to Residential Property		981,501	-	-	-	(981,501)	-	-	-
Appropriation to Town Improvement and Project Funds	6	(2,863,570)	(1,030,451)	(70,115)	(25,664)	-	-	(2,933,685)	(1,056,115)
Accumulated surplus at 31 March		-	2,499,721	1,632,028	1,352,614	1,366,190	1,695,696	2,998,218	5,548,031

4 Sinking Funds

	Note	Residential property		Commercial property		Total
		2023	2022	2023	2022	
		\$	\$	\$	\$	\$
Balance at 1 April		87,555,320	86,090,579	23,845,939	23,695,191	111,401,259
Add:						
Other income	23	2,402,520	1,064,307	-	-	2,402,520
Operating income transfer from conservancy and service fees (minimum required by law)	3	9,816,826	9,808,088	376,322	376,123	10,193,148
Transfer from government grants	3, 26	1,761,083	1,728,576	4,135	4,135	1,765,218
		13,980,429	12,600,971	380,457	380,258	14,360,886
Less:						
Expenditure	23	(15,640,393)	(11,027,572)	(252,086)	(200,032)	(15,892,479)
Income tax	21	(284,209)	(108,658)	(80,488)	(29,478)	(364,697)
(Deficit)/Surplus for the year		(1,944,173)	1,464,741	47,883	150,748	(1,896,290)
Balance at 31 March		85,611,147	87,555,320	23,893,822	23,845,939	109,504,969

Represented by:

Non-Current assets						
Investments at amortised cost	9					16,000,000
Current assets						
Investments at amortised cost	9			8,000,000		8,000,000
Conservancy and service fees receivables	10			244,501		244,869
Other receivables				817,732		483,403
Accrued interest				777,893		191,711
				1,595,625		675,114
Amount due from accumulated surplus	12			3,399,450		3,278,391
Cash and bank balances	13			87,291,812		86,367,772
				100,531,388		98,566,146
Total assets				110,531,388		114,566,146
Less:						
Current liabilities						
Conservancy and service fees received in advance	15			252,341		227,764
Other payables	16			271,221		2,613,488
Income tax payable	21			502,857		323,635
Total liabilities				1,026,419		3,164,887
NET ASSETS				109,504,969		111,401,259

6 Town Improvement and Project Funds

	Note	Residential property		Commercial property		Total
		2023	2022	2023	2022	
Balance at 1 April		2,024,097	1,442,575	6,362	26,125	2,030,459
Add/(Less):						
Transfer from government grants	3, 26	718,730	1,976,834	-	-	718,730
Expenditure	25	(1,329,569)	(2,425,763)	(21,897)	(45,427)	(1,351,466)
Deficit for the year		(610,839)	(448,929)	(21,897)	(45,427)	(632,736)
		1,413,258	993,646	(15,535)	(19,302)	1,397,723
Add:						
Appropriation from Accumulated Surplus	3	2,863,570	1,030,451	70,115	25,664	2,933,685
Balance at 31 March		4,276,828	2,024,097	54,580	6,362	4,331,408

Represented by:

Current assets		
Other receivables	12	2,694,812
Amount due from accumulated surplus		1,740,729
Total assets		4,435,541
Less:		
Current liabilities		104,133
Other payables	16	104,133
Total liabilities		4,331,408
NET ASSETS		2,734,915

7 Plant and equipment

	Office equipment \$	Furniture, fixtures and fittings \$	Data processing equipment \$	Office renovation \$	Total \$
<u>Cost</u>					
At 1 April 2021	235,957	612,954	260,009	413,795	1,522,715
Additions	1,189	-	30,791	-	31,980
At 31 March 2022	237,146	612,954	290,800	413,795	1,554,695
Additions	-	-	-	-	-
Disposals	-	(1,100)	-	-	(1,100)
At 31 March 2023	237,146	611,854	290,800	413,795	1,553,595
<u>Accumulated depreciation</u>					
At 1 April 2021	233,260	603,689	132,265	332,024	1,301,238
Depreciation for the year (Note 19)	2,829	4,243	54,816	76,031	137,919
At 31 March 2022	236,089	607,932	187,081	408,055	1,439,157
Depreciation for the year (Note 19)	396	3,343	56,686	2,026	62,451
Disposals	-	(1,100)	-	-	(1,100)
At 31 March 2023	236,485	610,175	243,767	410,081	1,500,508
<u>Net book value</u>					
At 31 March 2023	661	1,679	47,033	3,714	53,087
At 31 March 2022	1,057	5,022	103,719	5,740	115,538

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 2021, at 31 March 2022	750,017	750,017
Additions	613,584	613,584
Disposals	(604,937)	(604,937)
At 31 March 2023	758,664	758,664
<u>Accumulated depreciation</u>		
At 1 April 2021	195,800	195,800
Depreciation for the year (Note 19)	213,548	213,548
At 31 March 2022	409,348	409,348
Depreciation for the year (Note 19)	212,633	212,633
Disposals	(604,937)	(604,937)
At 31 March 2023	17,044	17,044
<u>Net book value</u>		
At 31 March 2023	741,620	741,620
At 31 March 2022	340,669	340,669

9 Investments at amortised cost

	Note	2023 \$	2022 \$
Investments in bonds classified as financial assets at amortised cost:			
- Quoted bonds issued by statutory boards		20,000,000	30,000,000
Maturing:			
Within 1 year		10,000,000	10,000,000
After one year but within five years		10,000,000	20,000,000
		20,000,000	30,000,000
Recorded in:			
Sinking Funds	4	18,000,000	24,000,000
Lift Replacement Funds	5	2,000,000	6,000,000
		20,000,000	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:

	2023 \$	2022 \$
Quoted bonds	19,717,000	29,594,000

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 1988.

Investments in quoted bonds issued by statutory boards, with a fixed interest rate of 2.42% to 2.63% (2022 - 2.30% to 2.63%) per annum and maturity date of July 2023 to September 2025 (2022 - March 2023 to September 2025) as at reporting date.

10 Conservancy and service fees receivables

	Note	2023 \$	2022 \$
Conservancy and service fees receivables		2,267,903	2,207,143
Less: Allowance for impairment		(1,252,285)	(1,199,415)
		1,015,618	1,007,728
Recorded in:			
Accumulated surplus		639,463	631,007
Sinking Funds	4	244,501	244,869
Lift Replacement Funds	5	131,654	131,852
		1,015,618	1,007,728

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	2023 \$	2022 \$
Balance at 1 April		1,199,415	924,044
Allowance provided for the year	19	96,413	325,300
Allowance written off		(43,543)	(49,929)
Balance at 31 March		1,252,285	1,199,415

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

	2023 \$	2022 \$
Balance at 1 April	(242,194)	(1,345,192)
Add/(Less):		
Funding from Government	4,100,278	3,765,308
Payments to contractors	(3,361,120)	(2,662,310)
	739,158	1,102,998
Balance at 31 March	496,964	(242,194)

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

	2023 \$	2022 \$
GST subvention receivable	453,414	365,983
Lift Replacement Funds Matching Grant	709,666	706,849
Receivables from Citizens' Consultative Committees	2,697,528	2,511,244
Conservancy and service grant receivables	15,340	-
	3,875,948	3,584,076
Recoverable from contractors	796,680	2,823,291
Deposits	271,235	268,115
Accrued interest on investments at amortised cost	53,164	64,554
Accrued interest on fixed deposits	1,021,839	188,328
Lift enhancement receivable	3,432,550	1,788,561
Others	34,056	25,793
At amortised cost	9,485,472	8,742,718
GST receivables	954,311	1,079,498
Prepayments	219,690	255,866
	10,659,473	10,078,082

(Established under the Town Councils Act 1988)

Notes to the financial statements for the financial year ended 31 March 2023

12 Other receivables (Cont'd)

	Note	2023 \$	2022 \$
Recorded in:			
Accumulated surplus		1,567,497	3,646,163
Sinking Funds	4	1,595,625	675,114
Lift Replacement Funds	5	4,801,539	3,158,331
Town Improvement and Project Funds	6	2,694,812	2,598,474
		<u>10,659,473</u>	<u>10,078,082</u>

Other receivables are denominated in Singapore Dollar.

13 Cash and bank balances

	Note	2023 \$	2022 \$
Cash and bank balances		5,033,580	10,823,789
Fixed deposits		122,167,850	117,103,159
		<u>127,201,430</u>	<u>127,926,948</u>
Recorded in:			
Accumulated surplus:			
Cash and bank balances		3,208,530	6,047,176
Fixed deposits		8,187,430	8,022,266
		11,395,960	14,069,442
Sinking Funds:			
Cash and bank balances		89,895	2,884,127
Fixed deposits		87,201,917	83,483,645
	4	87,291,812	86,367,772
Lift Replacement Funds:			
Cash and bank balances		1,735,155	1,892,486
Fixed deposits		26,778,503	25,597,248
	5	28,513,658	27,489,734
		<u>127,201,430</u>	<u>127,926,948</u>

Cash and bank balances are denominated in Singapore Dollar.

The interest rate for the fixed deposits ranges between 3.65% and 4.50% (2022 - 0.47% and 0.70%) per annum, receivable one year in arrears. The effective interest rate is 3.26% (2022 - 0.34%) 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:

	2023 \$	2022 \$
Cash and bank balances	127,201,430	127,926,948
Less:		
Short term fixed deposits with maturity more than 3 months	(122,167,850)	(117,103,159)
Cash and cash equivalents as per statement of cash flows	<u>5,033,580</u>	<u>10,823,789</u>

14 Lease Liabilities

	2023 \$	2022 \$
Undiscounted lease payments due:		
- Year 1	224,400	206,800
- Year 2	224,400	-
- Year 3	205,700	-
	654,500	206,800
Less: Unearned interest cost	(59,331)	(3,890)
Lease liabilities	595,169	202,910
Presented as:		
- Non-current	403,559	-
- Current	191,610	202,910
	595,169	202,910

Interest expense on lease liabilities of \$7,172 (2022 - \$11,821) 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:

	2023 \$	2022 \$
Variable lease payments not dependent on an index or rate	33,518	33,596

Total cash outflows for all leases (including interest paid) in the year amount to \$228,497 (2022 \$225,600).

As at 31 March 2023, 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

	2023 \$	2022 \$
Contract liabilities	1,048,187	937,336
Recorded in:		
Accumulated surplus	659,970	586,930
Sinking Funds	4 252,341	227,764
Lift Replacement Funds	5 135,876	122,642
	1,048,187	937,336

Notes to the financial statements for the financial year ended 31 March 2023

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:

	2023 \$	2022 \$
Revenue recognised that was included in contract liabilities at beginning of year	829,552	177,086
Increase due to cash received, excluding amounts recognised as revenue during the year	(940,403)	(263,606)

Contract liabilities are denominated in Singapore Dollar.

16 Other payables

	Note	2023 \$	2022 \$
Payables to contractors		1,227,311	11,631,695
Other creditors		1,220,957	1,349,006
Accrued operating expenses		3,573,295	3,311,793
Refundable deposits		180,357	74,860
At amortised cost		6,201,920	16,367,354
Conservancy and service grant received-in-advance		-	1,646
		6,201,920	16,369,000
Recorded in:			
Accumulated surplus		2,461,204	6,933,987
Sinking Funds	4	271,221	2,613,488
Lift Replacement Funds	5	3,365,362	6,117,069
Town Improvement and Project Funds	6	104,133	704,456
		6,201,920	16,369,000

Included in payables to contractors is an amount of \$639,277 (2022 - \$4,493,165) due to managing agent of the Town Council.

Included in accrued operating expenses is an amount of \$145,080 (2022 - \$145,080) which is restoration costs of office leases.

Other payables are generally on 30 to 90 (2022 - 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.

(Established under the Town Councils Act 1988)

Notes to the financial statements for the financial year ended 31 March 2023

18 Other income

	2023	2022
	\$	\$
Jobs Growth Incentive	43,500	25,500
Late payment penalty	146,323	145,635
Liquidated damages	81,990	181,975
Sale of tender documents	20,333	12,527
Sundry fines	26,693	23,000
Sundry income	245,562	229,239
Temporary Occupational Licence ("TOL") income	1,376,789	1,359,094
Use of common property income	23,020	4,710
Use of void decks	300	100
Use of water and electricity at void decks	373,345	235,225
Gain on sale of plant and equipment	210	-
Others	120,306	108,739
	<u>2,458,371</u>	<u>2,325,744</u>

19 General and administrative expenditure

	Note	2023	2022
		\$	\$
Advertising and public relations		330,081	316,973
Audit fee		80,559	104,644
Computer service		308,207	336,326
Depreciation of plant and equipment	7	62,451	137,919
Depreciation of right-of-use asset	8	212,633	213,548
Fees and charges		773,863	630,130
Interest expenses – lease liabilities	14	7,172	11,821
Impairment of conservancy and service fees receivables	10	96,413	325,300
Office rental and upkeep expenditure		150,425	140,070
Office supplies and stationery		128,705	136,418
Plant and equipment not capitalised		3,338	2,900
Property tax		141,754	122,551
Penalty fee written off		17,905	17,835
Staff cost and related costs (Key Management Personnel)	28	319,315	200,983
Town Councillors' allowance	28	107,467	97,669
Unclaimable goods and services tax	22	157,554	192,925
Others		41,874	51,263
		<u>2,939,716</u>	<u>3,039,275</u>
Expenses allocated to Sinking Funds			
- Allowance for impairment of receivables and bad debts written-off	23	(25,067)	(84,579)
- General and administrative expenses	23	(92,408)	(88,204)
Expenses allocated to Lift Replacement Funds			
- Allowance for impairment of receivables and bad debts written-off	24	(13,498)	(45,542)
- General and administrative expenses	24	(49,758)	(47,495)
		<u>2,758,985</u>	<u>2,773,455</u>

An amount of \$81,735 (2022 - \$129,131) which relates to reimbursement for Safe Management Measure (SMM) at market from Ministry of National Development is offset with general and administrative expenses.

20 Managing agent's fees

Daily operations of Town Council has been outsourced to a managing agent for a fee of \$4,845,254 (2022 - \$4,674,139) for the financial year ended 31 March 2023.

21 Income tax

	Note	2023 \$	2022 \$
Current tax expense		747,537	417,296
Over-provision of tax in previous financial years		-	(56)
		<u>747,537</u>	<u>417,240</u>
Recorded in:			
Accumulated surplus	3	291,858	240,563
Sinking Funds	4	364,697	138,136
Lift Replacement Funds	5	90,982	38,541
		<u>747,537</u>	<u>417,240</u>

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:

	2023 \$	2022 \$
Investment and interest income	3,243,285	1,396,241
Government grants and other income	12,367,235	13,352,867
Allowable expenses	(187,200)	(129,802)
	<u>15,423,320</u>	<u>14,619,306</u>
Tax calculated at a tax rate of 17% (2022 - 17%)	2,621,964	2,485,282
Tax effect of certain income taxed at concessionary tax rate	(50,639)	(51,473)
Tax remission of government grants under section 92(2) of Singapore Income Tax Act	(1,806,363)	(1,999,089)
Tax exempt income	(17,425)	(17,424)
Over-provision of tax in previous financial years	-	(56)
	<u>747,537</u>	<u>417,240</u>

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	2023 \$	2022 \$
Balance as at 1 April		897,879	1,112,479
Current financial year's income tax expense		747,537	417,296
Over-provision of tax in previous financial years		-	(56)
		<u>747,537</u>	<u>417,240</u>
Payments during the year		(480,582)	(631,840)
Balance as at 31 March		<u>1,164,834</u>	<u>897,879</u>
Recorded in:			
Accumulated surplus		532,451	474,730
Sinking Funds	4	502,857	323,635
Lift Replacement Funds	5	129,526	99,514
		<u>1,164,834</u>	<u>897,879</u>

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

	2023 \$	2022 \$
Interest income	2,402,520	1,064,307

(b) Expenditure

	Note	2023 \$	2022 \$
Reroofing works		4,669,125	557,448
Repairs and redecoration works		3,376,059	2,156,563
Replacement of water pipes		1,962,783	337,081
Project management Fees		588,236	428,078
Unclaimable GST	22	171,254	143,440
Electrical rewiring		2,234,031	4,844,973
Replacement of water pumpsets		323,221	401,024
Replacement of booster pumpsets		109,469	229,600
Replacement of refuse handling equipment		407,990	239,395
Replacement of pressure tank		-	15,147
Replacement of alert alarm system		400,600	1,675,000
Safety provision at rooftop of HDB blocks		(10,570)	27,072
Replacement of stainless-steel tank lining		165,928	-
Replacement of lamp post		1,202,185	-
Periodic facade inspection		154,813	-
Replacement of FRP water tank		19,880	-
<u>Expenses allocated from Accumulated Surplus</u>			
- Allowance for impairment of receivables and bad debts written off	19	25,067	84,579
- General and administrative expenses	19	92,408	88,204
	4	15,892,479	11,227,604

24 Lift Replacement Funds income and expenditure

(a) Other income

	2023	2022
	\$	\$
Funding from Lift Enhancement programme	3,822,318	1,500,119
Interest income	593,816	285,212
	<u>4,416,134</u>	<u>1,785,331</u>

(b) Expenditure

	2023	2022
	\$	\$
	Note	
Replacement of main sheaves/ropes	779,010	1,850,949
Replacement of ARD battery	345,857	156,433
Replacement of EBOPS battery	105,403	26,331
Lift overhauls/total replacement works	5,862,596	14,119,037
Replacement of lift position display panel	476,718	1,107,527
Replacement of inverter units	452,296	387,851
Replacement of lift lobby fire detector	9,420	7,680
Project management fees	519,137	507,331
Unclaimable GST	22	206,361
Lift enhancement programme expenses	4,146,550	1,643,337
<u>Expenses allocated from Accumulated Surplus</u>		
- Allowance for impairment of receivables and bad debts written off	19	13,498
- General and administrative expenses	19	49,758
	5	<u>12,966,604</u>
		<u>20,149,953</u>

25 Town Improvement and Project Funds expenditure

	2023	2022
	\$	\$
	Note	
Construction of covered linkway	537,844	754,229
Large-scale town wide improvement	291,852	512,949
Minor improvements	57,705	409,508
Construction/upgrading of playgrounds/fitness corners	-	415,649
Consultancy fees and project management fees	462,193	357,432
General and administrative expenses	1,872	21,423
	6	<u>1,351,466</u>
		<u>2,471,190</u>

MARSILING-YEW TEE TOWN COUNCIL
(Established under the Town Councils Act 1988)
Notes to the financial statements for the financial year ended 31 March 2023

26 Government grants

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

Government grants received/receivable during the year	Note	Service and Conservancy charge operating grant		GST Subvention grant		Payment from Citizens' Consultative Committee		Lift Maintenance grant		Lift Replacement Funds matching grant		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
	3	4,479,138	4,443,376	1,552,954	1,463,692	718,730	1,976,834	757,200	757,200	3,207,596	3,205,692	10,715,618	11,846,794
Less: Transfer to Sinking Funds	3, 4	(1,164,578)	(1,155,279)	(403,768)	(380,560)	-	-	(196,872)	(196,872)	-	-	(1,765,218)	(1,732,711)
Transfer to Lift Replacement Funds	3, 5	(627,081)	(622,076)	(217,414)	(204,917)	-	-	(106,008)	(106,008)	(3,207,596)	(3,205,692)	(4,158,099)	(4,138,693)
Transfer to Town Improvement and Project Funds	3, 6	-	-	-	-	(718,730)	(1,976,834)	-	-	-	-	(718,730)	(1,976,834)
		2,687,479	2,666,021	931,772	876,215	-	-	454,320	454,320	-	-	4,073,571	3,998,556

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

	2023	2022
Total grants received/receivable to date at 1 April	\$ 66,040,204	\$ 55,041,780
Grants received during the year	10,422,099	10,998,424
Total grants received/receivable to date at 31 March	76,462,303	66,040,204

27 Capital commitments

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

	2023 \$	2022 \$
Amount approved and contracted for	39,834,722	31,908,518
Amount approved but not contracted for	88,542,825	86,980,158
	128,377,547	118,888,676

28 Key management personnel

Key management refers to the Town Councillors and directors appointed by Town Council. The remuneration paid to the Town Councillors and directors are disclosed in Note 19 to the financial statements.

29 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.

	2023 \$	2022 \$
Managing Agent Fees	4,845,254	4,674,139
Energy Saving Project	1,368,172	1,368,172
Upgrading and Construction of Playground/Fitness Equipment	125,600	66,700
Project Management Fees	978,953	812,272
Lift Repairs, Servicing and Upgrading	6,504,048	14,337,573
Others	138,709	147,512

30 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.

30.1 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.

30 Financial instruments and financial risks (Cont'd)**30.1 Credit risk (Cont'd)**

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.

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	2023 \$	2022 \$
Not past due (less than 30 days)		59,318	66,219
Past due 30 to 90 days		308,315	286,488
Past due 91 to 180 days		129,201	132,666
Past due 181 to 360 days		206,110	205,735
Past due over 360 days		1,564,959	1,516,035
		2,267,903	2,207,143
Less: Impairment losses		(1,252,285)	(1,199,415)
	10	1,015,618	1,007,728

Conservancy and service fees receivables amounting to \$956,300 (2022 - \$941,509) 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 of other receivables (excluding prepayments and GST receivables) and receivables for Neighbourhood Renewal Programme is as follows:

	Note	2023 \$	2022 \$
Not past due (less than 30 days)			
- Other receivables	12	9,485,472	8,742,718
- Receivables for Neighbourhood Renewal Programme	11	-	242,194
		9,485,472	8,984,912

30 Financial instruments and financial risks (Cont'd)**30.1 Credit risk (Cont'd)**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 \$
2023					
Conservancy and service fee receivables	(1)	Lifetime ECL	2,267,903	(1,252,285)	1,015,618
Other receivables*	(3)	12-month ECL	9,485,472	-	9,485,472
2022					
Conservancy and service fee receivables	(1)	Lifetime ECL	2,207,143	(1,199,415)	1,007,728
Receivables for Neighbourhood Renewal Programme	(2)	12-month ECL	242,194	-	242,194
Other receivables*	(3)	12-month ECL	8,742,718	-	8,742,718

* Exclude prepayments and GST receivables

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, receivables for this Programme are fully received.

(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.

30 Financial instruments and financial risks (Cont'd)**30.2 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.

30.3 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.

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 \$
At 31 March 2023					
Lease liabilities (Note 14)	595,169	654,500	224,400	430,100	-
Other payables (Note 16)	6,201,920	6,201,920	6,201,920	-	-
	6,797,089	6,856,420	6,426,320	430,100	-
At 31 March 2022					
Lease liabilities (Note 14)	202,910	206,800	206,800	-	-
Other payables (Note 16)	16,369,000	16,369,000	16,369,000	-	-
	16,571,910	16,575,800	16,575,800	-	-

30 Financial instruments and financial risks (Cont'd)**30.4 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 \$
2023			
Financial assets			
Investments at amortised cost	9	20,000,000	20,000,000
Conservancy and service fees receivables	10	1,015,618	1,015,618
Other receivables*	12	9,485,472	9,485,472
Cash and bank balances	13	127,201,430	127,201,430
		157,702,520	157,702,520

	Note	Financial liabilities at amortised cost \$	Total \$
Financial liabilities			
Lease liabilities	14	595,169	595,169
Other payables**	16	6,201,920	6,201,920
		6,797,089	6,797,089

	Note	Financial assets at amortised cost \$	Total \$
2022			
Financial assets			
Investments at amortised cost	9	30,000,000	30,000,000
Conservancy and service fees receivables	10	1,007,728	1,007,728
Other receivables*	12	8,742,718	8,742,718
Cash and bank balances	13	127,926,948	127,926,948
		167,677,394	167,677,394

	Note	Financial liabilities at amortised cost \$	Total \$
Financial liabilities			
Lease liabilities	14	202,910	202,910
Other payables**	16	16,367,354	16,367,354
		16,570,264	16,570,264

* Exclude prepayments and GST receivables

** Exclude conservancy and service grant received-in-advance

31 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 \$150,164,154 (2022 - \$151,304,034).

32 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.

33 Events after the reporting period

On 24 April 2023, the Ministry of National Development announced the Special Funding Support Package to Town Councils that need to adjust the Service and Conservancy Charge to meet their long-term financial sustainability. The Special Funding Support grant disbursed on 22 August 2023 is equivalent to the gazetted Service and Conservancy Charge increases on or before 31 October 2023 and 31 October 2024, subject to the minimum contribution rates of 26% of the Sinking Fund and 14% of the Lift Replacement Fund, as well as the existing regulations under the Town Councils Act 1988.

The Town Council increased the Service and Conservancy Charge by 10% to 14% for all flat types effective from 1 July 2023 and will be eligible for the Special Funding Support grant for the financial year ending 31 March 2024.



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