



**TANJONG PAGAR**  
TOWN COUNCIL

# Annual Report FY 2020/2021

Tanjong Pagar Town Council  
Audited Financial Statements,  
Auditor's Report  
and Annual Report  
for FY 2020/2021

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# Chairman's Message

## Dear Residents,

It has been over a year since COVID-19 first struck Singapore. With the necessary measures and support from the government and the cooperation of our residents, we hope to be able to bring COVID-19 under control in Singapore.

This pandemic has given us the opportunity to regroup and refocus on things that truly matter to us. Many of us have gotten closer to our family, friends and neighbours. Many have also stepped forward to help others in need during this difficult time. We have grown accustomed to new work practices, such as working from home and staggered shifts, while businesses had to implement strict safe management measures to ensure the safety of their staff and customers.

We have also seen a greater nationwide appreciation for our green spaces, and the rich biodiversity of animal and plant life within them. These green spaces have been well-integrated with built-up infrastructure and are popular spots for Singaporeans during a time when overseas travel is restricted. The green spaces also allow residents to keep fit, bond with their families and friends, and discover parts of Singapore that they may not have experienced before.

Aside from building community bonds, the Town Council has been rolling out projects in the past year to take action towards a more sustainable home – a home that will last for our future generation. Fifteen town councils, including Tanjong Pagar Town Council, are participating in the Action for Green Towns initiative to achieve goals set out in the Singapore Green Plan 2030 that was unveiled early this year. This requires a collective effort by everyone – our residents, our community volunteers, our partner organisations, our vendors and our staff. I hope that our stakeholders will be equally as excited to play their parts.

As part of our responsibility to deliver sustainable values to our residents over the long term, we are in the process of formulating a sustainability plan for our Town Council. This ensures that our stakeholders can be empowered to make significant contributions as our projects continue to flourish and expand over the years ahead. These projects will be published in our very first Sustainability Report in the last quarter of 2021.

In line with one of the targets of the Singapore Green Plan 2030 to plant 1 million trees, our residents continue to play a key role in helping us beautify our Tanjong Pagar Town with over 1,500 trees planted since 2016. We are also making inroads in the nation's zero-waste goal by reducing wastage at our food centres and in our landscaping work by introducing innovative green technology and practices in our processes. We have piloted a food digester at Redhill Market and Food Centre that is capable of converting 1 tonne of food waste every day into compost and non-potable water. With the introduction of the woodchipper, we are also able to convert horticultural waste from daily pruning exercises into mulch that is used as the top layer of the soil for trees.

Renewable energy is another area of focus in the coming year. Our aim is to achieve net-zero energy consumption on average for all common services, such as lifts, water pumps, and lights. We are making the first step with the installation of solar panels on the rooftops of about 250 HDB blocks across our housing precincts.

As one united people, we have proven time and again that we are able to overcome every new challenge that comes our way. Together, we will overcome COVID-19.

In the meantime, please stay healthy, and stay safe.

**Melvin Yong**

Chairman

**Tanjong Pagar Town Council**

# 主席的话

## 亲爱的居民们，

新加坡自出现第一起2019冠状病毒病例已超过一年。通过政府实施必要的防疫措施、提供所需的支援以及在我们居民们全力配合下，我们希望能更好地控制2019冠状病毒疫情。

这场冠病大流行给予我们一次重新整合、重新关注我们人生里真正所在乎的人事物的契机。我们当中许多人与家人、朋友及邻居的关系变得更加亲密。有许多人在这艰难时刻挺身而出，帮助周围的人度过难关。我们已经习惯新的常态，例如居家办公和错开上下班时间以避免人潮。企业也实施了严格的安全管理措施，以保障员工及客户的安全。

我们见证了国人更珍惜我们公共的绿色空间，以及它们所具有的生物多样性。这些绿色空间有完善的设施好让居民们能够更容易地融入大自然。这也恰好为新加坡人在受飞行与旅行限制的情况下，提供一个好去处。除此之外，这绿色空间也让居民们保持健康、增进与家人好友的互动，以及重新发掘一些国内从未去过的地方，增广见闻。

除了增进社区凝聚力，市镇理事会去年已陆续推出许多计划以塑造更有持续性并可继续传承给下一代的宜居家园。丹戎巴葛市镇理事会与其余14个市镇理事会参与了“绿镇计划”，以期望能达到在今年初公布的2030年新加坡绿色发展蓝图里的各项目标。绿镇愿景需要每个人包括我们的居民、社区义工们、相关机构、供应商及工友们同心协力的付出。我希望所有利益攸关者和我们一样，都能以积极、雀跃的心态扮演他们的角色。

基于为居民们提供长远的可持续价值是我们的责任。我们正为市镇理事会拟定一项可持续发展计划。未来几年，当我们的工程“种子”发芽，进一步拓展之际，这将赋权于利益相关者做出重大的贡献。这些工程将在2021年最后季度，刊登在我们首份可持续发展报告里。

为了实现2030年新加坡绿色发展蓝图中种植一百万棵树的其中一项目标，我们的居民们自2016年来，已栽种1500棵树。他们继续为美化丹戎巴葛市镇扮演着重要的角色。我们已朝我国零废的指标向前挺进。我们除了在熟食中心减少浪费食物外，也在我们的程序里引进创新的绿色科技与做法。我们在红山巴刹与熟食中心试点使用厨余处理器，每天能把一吨的厨余进行再循环，转变成肥料与非饮用水。引进木削粉碎机后，我们也成功地把每日修剪树木遗留下来的废弃物转化成覆盖料，作为树木的表土。

再生能源也是来年的焦点。我们的目标是为政府组屋的各项服务，如电梯、水泵及电灯等取得平均净零能耗。我们正迈出第一步，在超过250座政府组屋的屋顶，安装太阳能板。

秉着齐心协力，团结一致的精神，我们一而再，再而三地证明我们有足够的实力克服每个迎面而来的挑战。我们会一起化解2019冠状病毒所引发的危机，雨过天晴，重见曙光。

在这个过渡期，请大家保持健康，注意安全。

## 杨益财先生

主席  
丹戎巴葛市镇理事会













# Amanat Pengerusi

## Para Penduduk yang Dihormati,

Sudah lebih daripada setahun semenjak COVID-19 pertama kali melanda Singapura. Dengan langkah-langkah yang diperlukan dan sokongan dari pemerintah serta kerjasama para penduduk, kami berharap dapat mengawal COVID-19 di Singapura.

Pandemik ini telah memberi kita peluang untuk berkumpul kembali dan memusatkan perhatian kepada perkara-perkara yang benar-benar penting bagi kita semua. Ramai di antara kita semakin dekat dengan keluarga, rakan dan jiran. Ramai juga yang melangkah maju untuk membantu orang lain yang memerlukan dalam masa sukar ini. Kita telah terbiasa dengan amalan kerja yang baru, seperti bekerja dari rumah dan giliran kerja berperingkat, sementara perniagaan-perniagaan menerapkan langkah-langkah pengurusan keselamatan yang ketat demi memastikan keselamatan kakitangan dan pelanggan mereka.

Kita juga menyaksikan penghargaan seluruh negara untuk ruang hijau kita, dan biodiversiti haiwan dan tumbuhan di dalamnya. Ruang hijau ini telah disepadukan dengan infrastruktur binaan dan menjadi tempat popular bagi warga Singapura pada waktu pelancongan ke luar negara dibatasi. Ruang hijau ini juga membolehkan penduduk menjaga kesihatan, merapatkan hubungan dengan keluarga dan rakan mereka, dan menemukan sisi-sisi Singapura yang mungkin belum pernah mereka alami sebelumnya.

Selain membina ikatan masyarakat, Majlis Bandaraya telah melancarkan projek pada tahun lalu untuk mengambil tindakan ke arah kediaman yang lebih lestari – kediaman yang akan bertahan untuk generasi masa depan kita. Lima belas majlis bandaraya, termasuk Majlis Bandaraya Tanjong Pagar, berpartisipasi dalam inisiatif Tindakan bagi Bandar Hijau untuk mencapai tujuan yang ditetapkan dalam Perancangan Hijau Singapura 2030 yang diperkenalkan awal tahun ini. Ini memerlukan usaha kolektif antara semua pihak – penduduk, sukarelawan masyarakat, organisasi rakan kongsi, vendor dan kakitangan kita. Saya berharap bahawa pihak berkepentingan akan ikut bersemangat dalam memainkan peranan mereka.

Sebagai sebahagian daripada tanggungjawab kami untuk memberikan nilai lestari kepada penduduk kami dalam jangka masa panjang, kami dalam proses merumuskan rancangan kelestarian untuk Majlis Bandaraya kami. Ini memastikan bahawa pihak berkepentingan kami dapat diberi kuasa untuk memberikan sumbangan yang signifikan sewaktu projek kami terus membuahkan hasil dan berkembang sepanjang tahun-tahun mendatang. Projek-projek ini akan diterbitkan dalam Laporan Kelestarian pertama kami pada suku terakhir 2021.

Sejajar dengan salah satu sasaran Rancangan Hijau Singapura 2030 untuk menanam 1 juta pohon, penduduk kita terus memainkan peranan penting dalam membantu memperindahkan Bandar Tanjong Pagar kita dengan lebih daripada 1,500 pohon ditanam semenjak 2016. Kami juga sedang mara ke arah matlamat sifar sisa negara dengan mengurangkan pembaziran di pusat makanan dan dalam kerja landskap kami dengan memperkenalkan teknologi dan amalan hijau yang inovatif dalam proses kami. Kami telah mencuba penghadam makanan di Pasar dan Pusat Makanan Redhill yang mampu mengubah 1 tan sisa makanan setiap hari menjadi kompos dan air mentah. Dengan pengenalan serpihan kayu, kami juga dapat mengubah sampah hortikultur dari pemangkasan harian menjadi mulsa yang digunakan sebagai lapisan atas tanah pepohonan.

Tenaga yang boleh diperbaharui adalah bidang tumpuan lain pada tahun akan datang. Tujuan kami adalah untuk mencapai penggunaan sifar tenaga bersih secara purata untuk semua perkhidmatan umum, seperti lif, pam air, dan lampu. Kami sedang buat langkah pertama dengan pemasangan panel solar di atas bumbung sekitar 250 blok HDB di seluruh kawasan perumahan kami.

Sebagai rakyat yang bersatu, kita telah membuktikan berulang kali bahawa kita dapat mengatasi setiap cabaran baru yang datang melintas. Bersama-sama, kita akan mengatasi COVID-19.

Sementara itu, harap tetap sihat, dan selamat.

**Melvin Yong**  
Pengerusi

**Majlis Bandaraya Tanjong Pagar**

# தலைவர் செய்தி

## அன்பார்ந்த குடியிருப்பாளர்களே,

கொவிட்-19 சிங்கப்பூரில் பரவத் தொடங்கி ஓராண்டுக்கு மேலாகிறது. தேவையான நடவடிக்கைகள், அரசாங்கத்தின் ஆதரவு, நம் குடியிருப்பாளர்களின் ஒத்துழைப்பு ஆகியவற்றுடன், சிங்கப்பூரில் கொவிட்-19 கிருமிப்பரவலைக் கட்டுக்குள் கொண்டுவர முடியும் என நம்புகிறோம்.

இந்தக் கிருமிப்பரவல் காலகட்டம், நமக்கு உண்மையிலேயே முக்கியமானவை என்ன என்பது பற்றி சிந்திப்பதற்கு வாய்ப்பளித்திருக்கிறது. நம்மில் பலரும் குடும்பத்தோடும், நண்பர்களோடும், அண்டைவிட்டார்களோடும் அதிக நெருக்கமடைந்திருக்கிறோம். இந்த இக்கட்டான காலகட்டத்தில் உதவி தேவைப்படுவோருக்கு உதவி புரியவும் பலர் முன்வந்துள்ளனர். வீட்டிலிருந்து வேலை செய்தல், மாறுபட்ட வேலை நேரங்கள் போன்ற புதிய வேலை நடைமுறைகளையும் நாம் பழகிக்கொண்டு விட்டோம். அதே சமயத்தில், தொழில் நிறுவனங்கள் தங்களது ஊழியர்கள், வாடிக்கையாளர்கள் ஆகியோரின் பாதுகாப்பை உறுதிப்படுத்த பாதுகாப்பு நிர்வாக நடவடிக்கைகளை அமலாக்கியுள்ளன.

நமது பசுமைப் பரப்புகள், அவற்றில் வாழும் பல்லுயிரினங்கள், தாவரங்கள் ஆகியவற்றுக்கான மதிப்பும் நாடெங்கிலும் அதிகரித்திருக்கிறது. இந்தப் பசுமைப் பரப்புகள் கட்டடச் சூழலுடன் நன்கு ஒருங்கிணைக்கப்பட்டுள்ளன. வெளிநாட்டுப் பயணக் கட்டுப்பாடுகள் நிலவும் இந்தக் காலகட்டத்தில், சிங்கப்பூரர்கள் பலரும் விரும்பிச் செல்லும் இடங்களாக அவை திகழ்கின்றன. குடியிருப்பாளர்கள் உடலுறுதி பெறவும், குடும்பத்தாரோடும் நண்பர்களோடும் பந்தம் வளர்க்கவும், சிங்கப்பூரில் இதுவரை கண்டிராத இடங்களைக் கண்டறியவும் இந்தப் பசுமைப் பரப்புகள் துணை புரிகின்றன.

சமூகத்தில் பந்தம் வளர்ப்பது தவிர, நமது எதிர்காலத் தலைமுறைகளுக்கு நீடித்து நிலைக்கவல்ல இல்லத்தை உருவாக்கும் முனைப்பாக, நகர மன்றம் கடந்த ஓராண்டில் பற்பல திட்டப்பணிகளைச் செயல்படுத்தியுள்ளது. தஞ்சோங் பகார் நகர மன்றம் உட்பட பதினைந்து நகர மன்றங்கள், "பசுமை நகர் செய்திட்டத்தில்" பங்குபெறுகின்றன. இவ்வாண்டு துவக்கத்தில் வெளியிடப்பட்ட சிங்கப்பூர் பசுமைத் திட்டம் 2030-ல் உள்ள இலக்குகளை அடைவது செயல்திட்டத்தின் நோக்கம். இதற்கு, நமது குடியிருப்பாளர்கள், சமூகத் தொண்டோழியர்கள், பங்களி அமைப்புகள், சேவை நிறுவனங்கள், ஊழியர்கள் உள்ளிட்ட அனைவரது கூட்டு முயற்சியும் அவசியம். இதில் பங்குள்ள அனைவரும் தங்கள் பங்கை ஆர்வத்துடன் நிறைவேற்றுவார்கள் என நம்புகிறேன்.

நமது குடியிருப்பாளர்களுக்கு நீண்டகாலத்தில் நீடித்த நிலைத்தன்மையுள்ள மதிப்பை வழங்கும் எங்கள் பொறுப்பின் ஒரு பகுதியாக, நமது நகர மன்றத்திற்காக நீடித்த நிலைத்தன்மை திட்டத்தை வகுத்து வருகிறோம். எங்களது திட்டப்பணிகள் தொடர்ந்து வளம்பெற்று, எதிர்வரும் ஆண்டுகளில் மேலும் விரிவடைகையில், பங்குள்ள தரப்பினரால் குறிப்பிடத்தக்க பங்களிக்க இயல்வதை இத்திட்டம் உறுதிப்படுத்தும். இந்தத் திட்டப்பணிகள், 2021 கடைசி காலாண்டில் நாங்கள் முதல்முறையாக வெளியிடவிருக்கும் நீடித்த நிலைத்தன்மை அறிக்கையில் இடம்பெற்றிருக்கும்.

சிங்கப்பூர் பசுமைத் திட்டம் 2030-ன் இலக்குகளில் ஒன்றாக ஒரு மில்லியன் மரங்களை நடுவதற்குத் திட்டமிடப்பட்டுள்ளது. இதற்கேற்ப, நமது குடியிருப்பாளர்கள் 2016 முதல் 1,500க்கும் மேலான மரங்களை நட்டு வைத்து, தஞ்சோங் பகார் நகரை அழகுபடுத்த தொடர்ந்து முக்கிய பங்காற்றி வருகின்றனர். கழிவுகளற் தழுவை உருவாக்கும் இலக்கை அடைவதிலும் நாம் நல்ல முன்னேற்றம் கண்டிருக்கிறோம். நமது உணவு நிலையங்களில் கழிவுகளைக் குறைத்திருக்கிறோம். புதுமையான பசுமைத் தொழில்நுட்பங்களையும் நடைமுறைகளையும் அறிமுகப்படுத்தி, நமது தோட்டக்கலை பணிகளிலும் கழிவுகளைக் குறைத்திருக்கிறோம். ரெட்ஹில் சந்தை, உணவு நிலையத்தில் உணவு செரிமான இயந்திரத்தை முன்னோட்டமாக அறிமுகப்படுத்தி இருக்கிறோம். இந்த இயந்திரம், தினமும் ஒரு டன் உணவுக் கழிவை உரமாகவும் குடிநீரல்லாத தண்ணீராகவும் மாற்றக்கூடியது. மரத்தைச் சில்லாக்கும் இயந்திரத்தையும் நாங்கள் அறிமுகப்படுத்தி இருக்கிறோம். இந்த இயந்திரம், அன்றாடத் தோட்டப் பணிகளில் சேகரிக்கப்படும் தாவரக் கழிவுகளை இலைத்தழைக் கூளமாக மாற்றக்கூடியது. அந்தக் கூளம், மரங்கள் வளரும் மண்ணின் மேற்பகுதியாகப் பயன்படுகிறது.

எதிர்வரும் ஆண்டில் கவனம் செலுத்தப்படவிருக்கும் மற்றொன்று புதுப்பிக்கவல்ல மின்சக்தி. மின்தூக்கிகள், நீர் இறைக்கும் இயந்திரங்கள், விளக்குகள் போன்ற பொதுவான சேவைகள் அனைத்தின் சராசரி மின்சார உபயோகத்தைப் பூஜியமாக்குவது எங்கள் இலக்கு. இதற்கான முதற்படியாக, நமது அக்கம்பக்கங்களில் உள்ள சுமார் 250 வீடமைப்பு வளர்ச்சிக் கழக அடுக்குமாடிக் கட்டடங்களின் கூரை உச்சியில் சூரியவொளித் தகடுகளை நிறுவுகிறோம்.

ஒன்றுபட்ட மக்களாகிய நாம், ஒவ்வொரு புதிய சவாலையும் நம்மால் கடந்துசெல்ல முடியும் என்பதை ஒவ்வொரு முறையும் நிரூபித்துக் காட்டியிருக்கிறோம். ஒன்றிணைந்து, நம்மால் கொவிட்-19 கிருமிப்பரவலையும் கடந்துசெல்ல முடியும்.

அதுவரையில், நலமாகவும் பத்திரமாகவும் இருங்கள்.

**மெல்வின் யோங்**  
தலைவர்  
தஞ்சோங் பகார் நகர மன்றம்









## Our Sustainability Projects

Sustainability is a core value of Tanjong Pagar Town Council and is increasingly embedded in all our estate management and maintenance processes. With the introduction of the Singapore Green Plan 2030 and the formation of the Action for Green Towns initiative across all 15 PAP Town Councils this year, our sustainability projects are now aligned with a unified aim towards making every PAP-managed town zero waste, energy efficient and greener.

### Zero-waste Town



The reduction of food waste at our hawker centres has begun with the pilot installation of a food digester machine at Redhill Food Centre. The machine converts food waste into compost and non-potable water, while remaining odour-free with its air purification system. From January 2021 to July 2021, the machine has processed 11,200 kg of food waste.



We have implemented wood chippers at all tree pruning exercises to convert 4 tonnes of horticultural waste generated every day into mulch that is used for healthy tree growth. This has allowed us to reduce our carbon footprint by an estimated 13,487 kg annually.



With the introduction of e-bins at 34 locations in Tanjong Pagar Town, complementing about 500 recycling bins for other household items, there are many convenient options for residents to recycle unwanted items at our housing estates.



Over at our newest housing estates, we help to manage four large tanks located below vegetated catchment areas that treat and detain stormwater runoff, before directing it to the public drainage system. This infrastructure solution contributes effectively to our efforts of climate change adaptation.



## Energy-efficient Town



To date, we have installed 200,000 LED lamps and 50,000 motion sensors in our housing estates, covering about 99% of all common areas. We have also fitted 70 new lifts with energy-saving features. From January 2021 to July 2021, we have saved close to 17.8 million kWh of energy, reducing approximately 7,300 tonnes of carbon dioxide.



In 2021, we participated in the sixth batch of the SolarNova programme, where 250 blocks were fitted with solar panels that harvest solar energy to power lifts, corridors, staircase lightings, and water pumps in the day. Excess energy was then transferred to the national electrical grid. We have also made plans with the relevant agencies to install more solar panels in the latter phase of the programme.



From 2019 to end-2020, two blocks in Bukit Purmei served as a testbed to determine if heat-reflective paint, applied on the building facade and carpark surface, is able to reduce ambient temperature by 2 degrees. Known as CoolPaint, it contains transparent polymeric beads that are capable of reflecting the infrared portion of solar radiation, allowing the painted surfaces to absorb less heat during the day.

## Greener Town



We have incorporated new horticultural practices in a way that enhances the natural environment. This allows fauna and flora to continue flourishing even when buildings and facilities are built around them. We are taking care of an estimated 28,700 trees, spread across about 20 ha of greenery in Tanjong Pagar Town.



We manage eight precincts with high-rise vertical green facades. We also assist with the basic maintenance of 24 community gardens, 16 multi-storey carpark roof gardens, and 7 neighbourhood parks. These facilities and vertical greenery help to improve the overall air quality, provide scenic views, and enhance communal spaces for residents to enjoy.

## Composition and Structure

The selection, appointment and reappointment of Town Councillors takes into consideration the composition of the Council and the relevant experience, skills and/or competencies of the members. In appointing the Town Councillors:

- (a) The Council utilises a referral process to search for potential candidates;
- (b) The Council considers a variety of factors, including audit and financial skills, time commitment, and prior experience and
- (c) At least two-thirds of the appointed Town Councillors must be residents of the HDB housing estates within the Town.

## Code of Governance Practices

The Code of Governance which took effect from 1 April 2020 sets out the principles of good governance and highlights best practices that guide the Town Councils in executing their fiduciary responsibilities, and improving accountability and disclosure.

Tanjong Pagar Town Council exercises the code of governance practices, with the aim to provide greater transparency and raise governance standards. Policies and processes were developed and implemented in line with guiding principles of the Code across four main domains – Council Effectiveness, Internal Controls & Processes, Financial Management and Vendor Management.

The Town Council further manages risks effectively by providing a systematic framework – Enterprise Risk Management (ERM). By identifying key risks through structured risk assessment methodology, the Town Council was able to conduct a deep dive into the risk consequences and put in place effective actionable controls and supporting policies to address these risks adequately. This systematic framework is an ongoing effort which supports the Town Council and management in making informed strategic and operational decisions that resonates with the objectives of the Town Council.

The Council is of the opinion that the Risk Management Framework and supporting internal control policies and procedures are adequate to address the risks of the Town Council.



# Auditor's Report

## Independent Auditor's report to the Members of Tanjong Pagar Town Council

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

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Tanjong Pagar Town Council (the "Town Council"), which comprise the statement of financial position of the Town Council as at 31 March 2021, the income and expenditure statement, statement of comprehensive income, statement of changes in Town Council funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 37.

In our opinion, the accompanying financial statements of the Town Council are properly drawn up in accordance with the provisions of the Town Councils Act, Cap. 329A (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Town Council as at 31 March 2021 and of the financial performance, changes in Town Council 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 comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

A Town Council is established under the Town Councils 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, or has no realistic alternative but to do so. 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.

# Auditor's Report

## Independent Auditor's report to the Members of Tanjong Pagar Town Council

*Established under the Town Councils Act, Cap 329A)*

### Report on the Audit of the Financial Statements (Cont'd)

#### **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 and 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.

#### **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 implementing accounting and 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 the 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 entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.



**PKF-CAP LLP**

Public Accountants and  
Chartered Accountants

Singapore

31 August 2021



# STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	Note	2021 S\$	2020 S\$
<b>TOWN COUNCIL FUNDS</b>			
<b>Residential Property</b>			
Accumulated Surplus	3	2,489,288	627,600
Sinking Fund	4	127,528,066	119,433,445
Lift Replacement Fund	5	36,440,074	30,614,730
Town Improvement and Project Fund	6	(152,176)	417,891
		<b>166,305,252</b>	<b>151,093,666</b>
<b>Commercial Property</b>			
Accumulated Surplus	3	(33,236)	1,329,963
Sinking Fund	4	54,235,128	51,725,554
Lift Replacement Fund	5	14,304,893	12,444,328
Town Improvement and Project Fund	6	579,004	703,366
		<b>69,085,789</b>	<b>66,203,211</b>
<b>Car Park</b>			
Accumulated Surplus	3	2,034,464	2,739,317
<b>Fair Value Reserve</b>			
	4	427,750	365,250
<b>Total Town Council funds</b>		<b>237,853,255</b>	<b>220,401,444</b>
<b>REPRESENTED BY:</b>			
<b>Non-Current Assets</b>			
Plant and equipment	8	1,105,863	98,335
Equity investments at fair value through other comprehensive income	10	280,000	217,500
Debt investments at amortised cost	11	58,499,879	63,560,218
		<b>59,885,742</b>	<b>63,876,053</b>
<b>Current Assets</b>			
Conservancy and service receivables	12	981,743	1,322,273
Other receivables	13	7,889,279	7,348,334
Interest receivable		572,681	1,486,089
Debt investments at amortised cost	11	7,751,612	24,024,087
Cash and cash equivalents	16	167,240,159	129,072,206
		<b>184,435,474</b>	<b>163,252,989</b>
<b>Total Assets</b>		<b>244,321,216</b>	<b>227,129,042</b>
<b>Less:</b>			
<b>Non-Current Liabilities</b>			
Lease liabilities	9	398,181	9,809
<b>Current Liabilities</b>			
Conservancy and service fees received in advance		1,019,392	889,464
Payables and accrued expenses	17	3,217,642	4,104,224
Lease liabilities	9	181,236	27,802
Income tax payable		1,651,510	1,696,299
		<b>6,069,780</b>	<b>6,717,789</b>
<b>Total Liabilities</b>		<b>6,467,961</b>	<b>6,727,598</b>
<b>Net assets</b>		<b>237,853,255</b>	<b>220,401,444</b>



Mr Melvin Yong Yik Chye  
Chairman  
Date: 31 August 2021



Simon Koh Tee Chuan  
Secretary  
Date: 31 August 2021

# INCOME AND EXPENDITURE STATEMENT

For the Financial Year Ended 31 March 2021

	Note	2021 S\$	2020 S\$
<b>Operating Income</b>			
Conservancy and service fees	3	53,484,493	53,270,075
Operating transfer to sinking fund (minimum required by law)	3,4	(13,906,034)	(13,850,221)
Operating transfer to lift replacement fund (minimum required by law)	3,5	(7,487,863)	(7,457,809)
		<b>32,090,596</b>	<b>31,962,045</b>
Agency fees	18(a)	3,586,923	3,709,640
Other income	18(b)	3,632,321	3,892,349
		<b>39,309,840</b>	<b>39,564,034</b>
<b>Operating Expenditure</b>			
Cleaning works		(8,049,221)	(8,030,583)
Managing agent's fees	19	(6,835,542)	(6,497,585)
Lift maintenance		(7,656,035)	(8,436,241)
Other works and maintenance		(7,036,945)	(7,837,442)
Water and electricity		(11,319,285)	(12,431,881)
General and administrative expenditure	21	(2,852,380)	(2,431,891)
		<b>(43,749,408)</b>	<b>(45,665,623)</b>
Operating deficit		<b>(4,439,568)</b>	<b>(6,101,589)</b>
<b>Non-operating income</b>			
Interest income		1,229	3,754
<b>Deficit before taxation and government grants</b>		<b>(4,438,339)</b>	<b>(6,097,835)</b>
Taxation		(355,151)	(345,306)
<b>Deficit after taxation but before government grants</b>		<b>(4,793,490)</b>	<b>(6,443,141)</b>
Government grants	3,7	17,721,518	19,114,534
Transfer to sinking fund	3,4,7	(2,837,139)	(2,840,288)
Transfer to lift replacement fund	3,5,7	(6,154,781)	(6,136,880)
Transfer to town improvement and project fund	3,6,7	(2,182,352)	(3,582,853)
		<b>6,547,246</b>	<b>6,554,513</b>
<b>Deficit after taxation but before government grants</b>			
GST subvention	3,7	1,785,502	1,765,203
Transfer to sinking fund	3,4,7	(464,234)	(458,955)
Transfer to lift replacement fund	3,5,7	(249,973)	(247,131)
		<b>1,071,295</b>	<b>1,059,117</b>
Surplus (Deficit) for the financial year		<b>2,825,051</b>	<b>1,170,489</b>
Accumulated surplus as at 1 April		<b>4,696,880</b>	<b>4,026,391</b>
Transfer to sinking fund	3,4	(1,970,420)	-
Transfer to lift replacement fund	3,5	(1,060,995)	-
Transfer to town improvement project fund	3,6	-	(500,000)
<b>Accumulated surplus as at 31 March</b>	<b>3</b>	<b>4,490,516</b>	<b>4,696,880</b>

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



# STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2021

	Note	2021 S\$	2020 S\$
<b>Surplus for the financial year</b>			
Accumulated Surplus	3	2,825,051	1,170,489
Sinking fund	4	8,633,775	8,253,449
Lift replacement fund	5	6,624,914	5,232,006
Town improvement and project fund	6	(694,429)	(887,663)
Total surplus for the year		<u>17,389,311</u>	<u>13,768,281</u>
<b>Other comprehensive income/ (loss)</b>			
<i>Items that will not be reclassified to income &amp; expenditure statement</i>			
Equity investments at FVOCI - net change in fair value	10	<u>62,500</u>	<u>(171,473)</u>
<b>Other comprehensive income/ (loss) for the year, net of income tax</b>		<u>62,500</u>	<u>(171,473)</u>
<b>Total comprehensive income for the year attributable to town council funds</b>		<u><u>17,451,811</u></u>	<u><u>13,596,808</u></u>

# STATEMENT OF CHANGES IN TOWN COUNCIL FUNDS

For the Financial Year Ended 31 March 2021

	Total		Residential Property	
	<u>2021</u> S\$	<u>2020</u> S\$	<u>2021</u> S\$	<u>2020</u> S\$
Balance at 1 April	220,401,444	206,804,636	151,093,666	139,812,446
Surplus for the year	17,389,311	13,768,281	13,843,657	11,281,220
Fair value gain/ (loss) on equity instruments at fair value through other comprehensive income	62,500	(171,473)	-	-
Statement of Transferable Surpluses				
Accumulated funds	(3,031,415)	-	-	-
Sinking Fund	1,970,420	-	889,154	-
Lift Replacement Fund	1,060,995	-	478,775	-
Total comprehensive income/ (loss) for the year	17,451,811	13,596,808	15,211,586	11,281,220
Balance at 31 March	237,853,255	220,401,444	166,305,252	151,093,666

The surplus for the year comprise the following:

	Note	<u>2021</u> S\$	<u>2020</u> S\$
Accumulated surplus	3	2,825,051	1,170,489
Sinking Fund	4	8,633,775	8,253,449
Lift Replacement Fund	5	6,624,914	5,232,006
Town Improvement and Project Fund	6	(694,429)	(887,663)
Total		17,389,311	13,768,281



Commercial Property		Carpark		Fair Value Reserve	
<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
S\$	S\$	S\$	S\$	S\$	S\$
66,203,211	64,413,180	2,739,317	2,042,287	365,250	536,723
2,882,578	1,790,031	663,076	697,030	-	-
-	-	-	-	62,500	(171,473)
(1,663,486)	-	(1,367,929)	-	-	-
1,081,266	-	-	-	-	-
582,220	-	-	-	-	-
2,882,578	1,790,031	(704,853)	697,030	62,500	(171,473)
69,085,789	66,203,211	2,034,464	2,739,317	427,750	365,250

# STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 March 2021

	<u>2021</u> S\$	<u>2020</u> S\$
<b>Cash flows from operating activities</b>		
Deficit before taxation and government grants	(4,438,339)	(6,097,835)
Adjustments for:		
Interest income	(1,229)	(3,754)
Depreciation of plant and equipment	71,585	52,989
Depreciation of right-of-use assets	185,432	148,531
Lease interest expense	23,513	5,909
Provision for doubtful debts	368,858	191,358
Operating transfer to Sinking Fund and Lift Replacement Fund	21,393,897	21,308,030
Operating surplus before working capital changes	17,603,717	15,605,228
Conservancy and service fee receivables	(28,328)	(192,106)
Other receivables	(874,746)	(774,533)
Trade and other payables	(756,654)	(9,456,214)
<b>Net cash generated from operations</b>	15,943,989	5,182,375
Sinking Fund expenditure	(11,120,263)	(12,254,524)
Sinking Fund other income received	544	66,252
Lift Replacement Fund expenditure	(7,582,300)	(9,022,884)
Town Improvement and Project Fund expenditure	(2,876,781)	(4,470,516)
Income tax paid	(807,907)	(755,550)
<b>Net cash used in operating activities</b>	(6,442,718)	(21,254,847)
<b>Cash flows from investing activities</b>		
Proceeds from redemption of investments	24,582,814	14,816,474
Fixed deposits maturing in more than 3 months	(35,000,000)	(36,000,000)
Purchase of investments	(3,250,000)	(2,014,000)
Purchase of plant and equipment	(464,275)	(17,158)
Interest and investment income received	3,269,880	4,252,306
Net cash used in investing activities	(10,861,581)	(18,962,378)
<b>Cash flows from financing activities</b>		
Government grants received	18,976,180	17,545,341
GST subvention	1,778,049	1,764,014
Payment of lease principal	(258,464)	(147,619)
Payment of lease interest	(23,513)	(5,909)
Net cash generated from financing activities	20,472,252	19,155,827
Net increase/ (decrease) in cash and cash equivalents	3,167,953	(21,061,398)
Cash and cash equivalents at beginning of year	35,072,206	56,133,604
Cash and cash equivalents at end of year	38,240,159	35,072,206

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



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 1 General information

Tanjong Pagar Town Council was formed on 13 November 2001 under the Town Councils Act, Cap. 329A. The functions of the Town Council are to control, manage, maintain and improve the common property of residential, other commercial property and market and food centres in the housing estates of the Housing and Development Board (HDB) within the Town.

The financial statements of the Town Council for the financial year ended 31 March 2021 were authorised for issue by the members of Town Council on 31 August 2021.

The main office of the Town Council is situated at:

Blk 166 Bukit Merah Central  
#03-3527  
Singapore 150166

## 2(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") as issued by the Accounting Standards Council Singapore as well as all related interpretations to FRS ("INT FRS") and the Town Councils Act, Cap. 329A. The financial statements are prepared on a going concern basis under the historical cost convention, except where an FRS requires an alternative treatment (such as fair values), as disclosed where appropriate in these financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Town Council takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net reliable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

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

### Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRSs 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.

Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a high degree of judgements or complexity, are described below.

### Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Critical accounting estimates and assumptions

The Town Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Impairment of conservancy and service receivables

With the adoption of FRS 109 *Financial Instruments*, the Town Council measures impairment loss based on an expected credit loss (ECL) on conservancy and service debts and related interest charged for late payment. When measuring ECL, the Town Council uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The gross amount of conservancy and service fee and interest receivables and related ECL are disclosed in Note 12.

##### (ii) Income tax

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 operation. 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.

##### (iii) Debt instruments measured at amortised cost

Debt investments held by the Town Council is measured at amortised cost as both the 'business model test' and the 'contractual cash flow characteristics test' are satisfied. The business model test is whether the objective of the Town Council's is to hold the financial asset to collect the contractual cash flows rather than have the objective to sell the instrument before its contractual maturity to realise its fair value changes. The contractual cash flow characteristics test is whether the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (iv) Revenue

FRS 115 *Revenue from Contracts with Customers* uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. Accordingly, the Town Council has continued to use "Conservancy and service fees received in advance" instead of contract liabilities. The significant accounting policies for its revenue streams are disclosed in Note 2(c)(i). Apart from providing additional disclosures on the Town Council's revenue transactions, FRS 115 did not have any material effect.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

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

### Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

#### (b) Key sources of estimation uncertainty

Management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, except for those as disclosed above under critical accounting estimates and assumptions.

## 2(b) Adoption of new and amended standards and interpretation

### Interpretations and amendments to published standards

The Town Council has adopted the new or revised FRSs and INT FRS that are mandatory for application on 1 April 2020. Changes to the Town Council's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or revised FRSs and INT FRS did not result in substantial changes to the Town Council's accounting policies and had no material effects on the financial statements for the current or prior years except as disclosed below.

### Impact of the initial application of COVID-19-Related Rent Concessions amendment to FRS 116

In May 2020, the ASC issued Covid-19-Related Rent Concessions (Amendment to FRS 116) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to FRS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying SFRS(I) 16 if the change were not a lease modification. The amendment is effective for annual periods beginning on or after June 1, 2020, with early application permitted.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) Any reduction in lease payments affects only payments originally due in on or before June 30, 2021 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and
- c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Town Council has applied the amendment to FRS 116 in advance of its effective date and applied the practical expedient consistently to eligible rent concessions. The amendment has no impact on retained earnings on 1 April 2020.

### FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, there are FRSs, INT FRSs and amendments to FRS that are relevant to the Town Council that were issued but not yet effective.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 2(b) Adoption of new and amended standards and interpretation (Cont'd)

### FRS and INT FRS issued but not yet effective (Cont'd)

Description	Effective for annual periods beginning on or after
Amendments to FRS 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to FRS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018 – 2020	1 January 2022
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023

The Town Council has performed a preliminary assessment and the management expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

## 2(c) Summary of significant accounting policies

### (a) Funds

#### Town Council Funds

In accordance with Section 33(1) of the Town Councils Act, separate funds are established to account for the management of the various types of properties.

The types of properties currently 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.

These funds, together with the 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 expenditure are met out of the appropriate funds set up for each property type managed.

Assets and liabilities of the various funds of the Town Council are pooled in the Statement of Financial Position.

#### Sinking Funds

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

With the establishment of the lift replacement funds, the minimum contribution rates for service and conservancy charges and grants-in-aid for sinking funds and lift replacement funds are 26% and 14% respectively.

Under the Town Councils Act, the Ministry for National Development (“MND”) 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. However, the minimum contribution rates for grants-in-aid to be paid into the Sinking Funds do not apply to the Lift Replacement Fund Matching Grant (“LRF Matching Grant”).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 2(c) Summary of significant accounting policies (Cont'd)

### (a) Funds (Con'd)

#### Sinking Funds (Cont'd)

For the current financial year, the minimum amounts to be paid into the Sinking Funds are as follows:

	<b>Property Type Service</b>	<b>Percentage of Conservancy and Fees and Grant-in-Aid</b>
(i)	1-room to 3-room	26% (2020:26%) of conservancy and service fees and grants-in-aid
(ii)	4-room to 5-room	26% (2020:26%) of conservancy and service fees and grants-in-aid
(iii)	Multi-generation	26% (2020:26%) of conservancy and service fees and grants-in-aid
(iv)	Executive	26% (2020:26%) of conservancy and service fees and grants-in-aid
(v)	Shop with living accommodation	26% (2020:26%) of conservancy and service fees and grants-in-aid
(vi)	Commercial property	26% (2020:26%) of conservancy and service fees and grants-in-aid

These minimum contributions are treated as operating transfers and netted off against the conservancy and service fees and government grants in the Income and Expenditure Statement.

The Sinking Funds are utilised for cyclical 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 under the Housing and Development Act.

#### Lift Replacement Funds

Starting 1 April 2017, in accordance with Section 33(4A) of the Town Councils Act, Town Councils are to establish and maintain a separate Lift Replacement Funds. The funds are ring-fenced to meet the costs of lift replacement and lift-related works. For the initial setup of this fund, the Town Council is required to make a one-time carve out of 14% of the Sinking Fund closing balance as at 31 March 2017 for both residential and commercial properties into the Lift Replacement Funds.

Under the Town Councils Act, the Ministry of National Development ("MND") 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. However, the minimum contribution rates for grants-in-aid to be paid into the Lift Replacement Funds do not apply to the Lift Replacement Fund Matching Grant ("LRF Matching Grant").

For the current financial year, the minimum amounts to be paid into the Lift Replacement Funds are as follows:

	<b>Property Type Service</b>	<b>Percentage of Conservancy and Fees and Grant-in-Aid</b>
(i)	Residential property	14% (2020:14%) of conservancy and service fees and grants-in-aid
(ii)	Shop with living accommodation	14% (2020:14%) of conservancy and service fees and grants-in-aid
(iii)	Commercial property	14% (2020:14%) of conservancy and service fees and grants-in-aid

These minimum contributions are treated as operating transfers and netted off against the conservancy and service fees and government grants in the Income and Expenditure Statement.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 2(c) Summary of significant accounting policies (Cont'd)

### (a) Funds (Con'd)

#### Town Improvement and Project Funds

The Town Council maintains separate Town Improvement and Project Funds as part of the Town Council Funds. These Funds are utilised for improvement and development works in the Town.

The funds are set up by transfer from Accumulated Surplus based on specific projects to be carried out. In addition, the Town Council receives payments from Citizens' Consultative Committee ("CCC") for approved projects.

Expenditure on Town Improvement Projects is taken directly to the Town Improvement and Project Funds. Payments from CCC are shown as part of Government Grants in the Income and Expenditure Statement and then transferred to the Town Improvement and Project Funds.

### (b) Allocation of General Overheads

Expenditure not relating specifically to any property type managed, for example, administrative overheads is allocated to the various property types using equivalent dwelling units as follows:

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

No overheads are allocated to the Sinking Funds, Lift Replacement Funds and Town Improvement and Project Funds.

### (c) Government Grants

The Town Council receives five types of grants from Government, namely, Conservancy and Service Grant, GST Subvention Grant, Payment from Citizens' Consultative Committee ("CCC"), Lift Replacement Fund Matching Grant and Lift Maintenance Grant.

- (i) Service and Conservancy Charge operating grants to meet the current year's operating expenditure are taken to the Income and Expenditure Statement, except to the extent which is required to be transferred to Sinking Fund and Lift Replacement Fund based on the amount prescribed.
- (ii) Payments from CCC are granted to provide funding support for community improvement projects under Community Improvement Projects Committee ("CIPC") scheme.
- (iii) The GST Subvention is given as grants-in-aid to Town Councils for absorbing the GST increase in conservancy and service charges for residential properties.
- (iv) Lift Replacement Fund Matching Grant ("LRF Matching Grant") is given as a grant in aid to the Town Council by MND, matching 50% of the Town Council's quarterly contributions to the Lift Replacement Fund to encourage Town Councils to set aside sufficient funds for the replacement of their existing lifts and lift parts.
- (v) Lift Maintenance Grant ("LMG") is disbursed to Town Councils annually, at \$600 for each lift maintained by the Town Council to help Town Councils cope with higher lift-related servicing and maintenance costs.

Government grants are accounted for on an accrual basis where there is reasonable assurance that the grants will be received and all required conditions will be complied with. Grants to meet the current year's operating expenditure are taken to the Income and Expenditure Statement.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 2(c) Summary of significant accounting policies (Cont'd)

### (d) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. 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.

Depreciation is calculated on the straight-line basis to write off the cost of the assets over their estimated useful lives as follows:

Office equipment	3 to 5 years
Data processing equipment	3 to 7 years
Furniture, fixtures and fittings	5 years
Machinery and other equipment	5 years
Leasehold office	3 years
Leasehold improvements	5 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in the Income and Expenditure Statement. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost is recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income and Expenditure Statement when they are incurred.

### (e) Impairment of non-financial Assets

The carrying amount of other 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 or amortisation, if no impairment loss had been recognised.

### (f) Financial assets

#### Classification

The Town Council classifies its financial assets in the following measurement categories: (1) Amortised cost, (2) Fair value through other comprehensive income (FVOCI), and (3) Fair Value through profit or loss (FVPL).

The classification depends on the Town Council's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Town Council reclassifies debt instruments when and only when its business model for managing those assets changes.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 2(c) Summary of significant accounting policies (Cont'd)

### (f) Financial assets (Cont'd)

#### Initial recognition

At initial recognition, the Town Council measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset.

#### Subsequent measurement

##### (i) Debts instruments

Debt instruments mainly comprise bank balances, conservancy and service fees receivables, debt investments and other receivables. There are three prescribed subsequent measurement categories, depending on the Town Council's business model in managing the assets and the cash flow characteristic of the assets:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Income and Expenditure Statement or the respective funds when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in Income and Expenditure Statement or the respective funds. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from fair value reserve to Income and Expenditure Statement or the respective funds. Interest income from these financial assets is recognised using the effective interest rate method and presented under "Investment and interest income" in Sinking funds.
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in Income and Expenditure Statement or the respective funds in the period in which it arises.

#### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

##### (ii) Impairment of financial assets

The Town Council recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through Income and Expenditure Statement or the respective funds. ECLs 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 2(c) Summary of significant accounting policies (Cont'd)

### (f) Financial assets (Cont'd)

#### Subsequent measurement (Cont'd)

The Town Council always recognises lifetime ECL for conservancy and service receivables.

The Town Council applies a simplified approach in calculating ECLs. 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 uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL. The following allowance matrix is used:

	Rate of Provision
Live accounts with arrears in excess of 12 months	100%
Terminated accounts with arrears	100%

Any subsequent changes in lifetime ECL, both positive and negative, will be recognised immediately in Income and Expenditure Statement or respective funds.

For all other financial instruments (including cash at banks, other receivables, receivables for NRP, interest receivables) the Town Council recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instruments since inception, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

For debt instruments carried at amortised cost, the Town Council applies the low credit risk simplification. At every reporting date, the Town Council evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

The Town Council considers 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.

#### (iii) Derecognition of financial assets

The Town Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Town Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Town Council recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Town Council retains substantially all the risks and rewards of ownership of a transferred financial asset, the Town Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### (g) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Cash on hand and in banks and short-term deposits which are held to maturity are carried at amortised cost, using the effective interest method.

### (h) Payables

Payables are initially measured at fair value (net of transaction costs), and subsequently measured at amortised cost, using the effective interest method.

### (i) 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. Provision is 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

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 2(c) Summary of significant accounting policies (Cont'd)

### (i) Provisions (Cont'd)

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 the Income and Expenditure Statement in the period they occur.

### (j) Revenue recognition

Conservancy and service fees is charged on a monthly to the lessees and tenants of the Housing and Development Board ("HDB") flats, shops/offices and market/food stalls towards the maintenance and upkeep of the common property under the Town Council. Conservancy and service fees are allocated between operating income, sinking fund and Lift Replacement Fund in accordance with the Town Councils Act, Cap. 329A. Conservancy and service fees are recognised as a performance obligation over time.

Agency fees received for routine maintenance of HDB's car parks and common property within the town is recognised as a performance obligation over time.

Investment income from financial assets designated at fair value through other comprehensive income is recognised as income, in the respective funds, when right to receive the income is established, unless such income clearly represents a recovery of part of the cost of the investment.

Investment income from other financial assets at amortised costs financial assets is recognised in the respective funds, on a time proportion basis using the effective interest method.

### (k) Income tax

Income tax is provided on the following income

- (i) Income derived from investments and bank deposits;
- (ii) Agency fee derived from acting as agents for HDB;
- (iii) Fees, rents and other charges received from non-residents 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, Cap. 134.

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

### (l) Leases as Lessee

At the inception of the contract, the Town Council assesses whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Town Council applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Town Council recognises leases liabilities representing the obligations to make lease payments and right-of-use assets representing the right of use the underlying leased assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 2(c) Summary of significant accounting policies (Cont'd)

### (l) Leases as Lessee (Cont'd)

#### Right-of-use assets

The Town Council recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

#### Lease liabilities

At the commencement date of the lease, the Town Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Town Council and payments of penalties for terminating the lease, if the lease term reflects the Town Council exercising the option to terminate.

In calculating the present value of lease payments, the Town Council uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the asset. Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in income or expenditure if the carrying amount of the right-of-use asset has been reduced to zero.

#### Short-term leases and lease of low-value assets

The Town Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value leases. Lease payments relating to these leases are recognised as expense on a straight-line basis over the lease term.

#### Variable lease payments

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 profit or loss in the periods that triggered those lease payments.

### (m) Inter-fund transfer

The Town Council may make inter-fund transfer with the criteria as set out in Section 33(9) & Section 43(1)(i) of the Town Councils Act, Cap. 329A and Rule 11A of the Town Councils Financial Rules.

### (n) 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"). The financial statements of the Town Council are presented in Singapore dollar which is also the functional currency of the Town Council.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 3 Accumulated Surplus

The surplus (deficit) for the financial year attributable to the various activities is carried forward as accumulated surplus in the respective funds as follows:-

		Total		Residential Property	
	Note	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Operating Income					
Conservancy and service fees		53,484,493	53,270,075	45,992,719	45,467,032
Operating transfer to Sinking Funds (minimum required by law)	4	(13,906,034)	(13,850,221)	(11,958,173)	(11,821,429)
Operating transfer to Lift Replacement Funds (minimum required by law)	5	(7,487,863)	(7,457,809)	(6,439,014)	(6,365,382)
		32,090,596	31,962,045	27,595,532	27,280,221
Other Income + Agency fees		7,219,244	7,601,989	2,572,805	2,986,027
		39,309,840	39,564,034	30,168,337	30,266,248
Operating expenditure		(43,749,408)	(45,665,623)	(35,622,166)	(37,038,797)
Operating (deficit) surplus		(4,439,568)	(6,101,589)	(5,453,829)	(6,772,549)
Non-operating income		1,229	3,754	1,034	3,153
(Deficit) Surplus before taxation and government grants		(4,438,339)	(6,097,835)	(5,452,795)	(6,769,396)
Taxation	22	(355,151)	(345,306)	(298,658)	(290,064)
(Deficit) Surplus after taxation but before government grants		(4,793,490)	(6,443,141)	(5,751,453)	(7,059,460)
Government grants	7	17,721,518	19,114,534	17,187,841	18,562,953
Transfer to sinking fund	4,7	(2,837,139)	(2,840,288)	(2,834,799)	(2,838,416)
Transfer to lift replacement fund	5,7	(6,154,781)	(6,136,880)	(5,628,844)	(5,591,491)
Transfer to town improvement and project fund	6,7	(2,182,352)	(3,582,853)	(2,182,352)	(3,582,853)
		6,547,246	6,554,513	6,541,846	6,550,193
Add: GST subvention	7	1,785,502	1,765,203	1,785,502	1,765,203
Transfer to sinking fund	4,7	(464,234)	(458,955)	(464,234)	(458,955)
Transfer to lift replacement fund	5,7	(249,973)	(247,131)	(249,973)	(247,131)
		1,071,295	1,059,117	1,071,295	1,059,117
Surplus (Deficit) for the year		2,825,051	1,170,489	1,861,688	549,850
Accumulated surplus at the beginning of year		4,696,880	4,026,391	627,600	577,750
Transfer to sinking fund	4	(1,970,420)	-	-	-
Transfer to lift replacement fund	5	(1,060,995)	-	-	-
Transfer to town improvement project fund	6	-	(500,000)	-	(500,000)
Accumulated surplus (deficit) at end of year		4,490,516	4,696,880	2,489,288	627,600

Commercial Property		Carparks	
<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
S\$	S\$	S\$	S\$
7,491,774	7,803,043	-	-
(1,947,861)	(2,028,792)	-	-
(1,048,849)	(1,092,427)	-	-
4,495,064	4,681,824	-	-
1,005,298	854,832	3,641,141	3,761,130
5,500,362	5,536,656	3,641,141	3,761,130
(5,174,198)	(5,586,914)	(2,953,044)	(3,039,912)
326,164	(50,258)	688,097	721,218
107	335	88	266
326,271	(49,923)	688,185	721,484
(31,384)	(30,788)	(25,109)	(24,454)
294,887	(80,711)	663,076	697,030
533,677	551,581	-	-
(2,340)	(1,872)	-	-
(525,937)	(545,389)	-	-
-	-	-	-
5,400	4,320	-	-
-	-	-	-
-	-	-	-
-	-	-	-
300,287	(76,391)	663,076	697,030
1,329,963	1,406,354	2,739,317	2,042,287
(1,081,266)	-	(889,154)	-
(582,220)	-	(478,775)	-
-	-	-	-
(33,236)	1,329,963	2,034,464	2,739,317

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 4 Sinking Fund

		Total		Residential Property	
	Note	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Balance at beginning of year		171,158,999	162,905,550	119,433,445	112,128,640
Transfer from accumulated surplus	3	1,970,420	-	889,154	-
		<b>173,129,419</b>	162,905,550	<b>120,322,599</b>	112,128,640
Investment and interest income	20	2,894,990	3,752,016	2,618,238	3,391,596
Other income		544	66,252	539	57,870
Operating transfer from conservancy and service fees (Minimum required by law)	3	13,906,034	13,850,221	11,958,173	11,821,429
Government grants	3,7	2,623,419	2,628,440	2,623,419	2,628,440
Lift maintenance grant	3,7	213,720	211,848	211,380	209,976
GST subvention	3,7	464,234	458,955	464,234	458,955
		<b>20,102,941</b>	20,967,732	<b>17,875,983</b>	18,568,266
Expenditure		<b>(11,120,263)</b>	(12,254,524)	<b>(10,354,790)</b>	(10,847,819)
Surplus (Deficit) before income tax		8,982,678	8,713,208	7,521,193	7,720,447
Taxation	22	(348,903)	(459,759)	(315,726)	(415,642)
Surplus (Deficit) for the financial year		<b>8,633,775</b>	8,253,449	<b>7,205,467</b>	7,304,805
Balance at end of year		<b>181,763,194</b>	171,158,999	<b>127,528,066</b>	119,433,445
Add: Fair value reserve		427,750	365,250		
		<b>182,190,944</b>	171,524,249		
Represented by:					
Non-current assets					
Equity investments	10	280,000	217,500		
Debt investments	11	53,499,879	58,560,218		
		<b>53,779,879</b>	58,777,718		
Current assets					
Conservancy and services and other receivables	12,13	81,255	485,488		
Debt investments	11	7,751,612	24,024,087		
Interest receivable		546,311	1,239,681		
Amount due from accumulated surplus		4,183,673	4,219,270		
Cash and cash equivalents	16	117,472,719	84,746,529		
		<b>130,035,570</b>	114,715,055		
Total assets		<b>183,815,449</b>	173,492,773		
Less: current liabilities					
Payables and accrued expenses	17	815,843	1,098,479		
Income tax payable		808,662	870,045		
		<b>1,624,505</b>	1,968,524		
Net assets		<b>182,190,944</b>	171,524,249		
		<b>2021 S\$</b>	<b>2020 S\$</b>		
Reroofing works		1,278,220	1,192,069		
Redecoration and repainting		5,912,230	8,324,188		
Project management fee		375,394	423,036		
Replacement of water tank, pipes and booster pump		517,890	268,704		
Others		3,036,529	2,046,527		
		<b>11,120,263</b>	12,254,524		

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



Commercial Property

<b>2021</b>	<b>2020</b>
<b>S\$</b>	<b>S\$</b>
<b>51,725,554</b>	50,776,910
<b>1,081,266</b>	-
<b>52,806,820</b>	50,776,910
<b>276,752</b>	360,420
<b>5</b>	8,382
<b>1,947,861</b>	2,028,792
<b>-</b>	-
<b>2,340</b>	1,872
<b>-</b>	-
<b>2,226,958</b>	2,399,466
<b>(765,473)</b>	(1,406,705)
<b>1,461,485</b>	992,761
<b>(33,177)</b>	(44,117)
<b>1,428,308</b>	948,644
<b>54,235,128</b>	51,725,554

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 5 Lift Replacement Fund

		Total		Residential Property	
	Note	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Balance at beginning of year		43,059,058	37,827,052	30,614,730	26,691,150
Transfer from accumulated surplus	3	1,060,995	-	478,775	-
		44,120,053	37,827,052	31,093,505	26,691,150
Investment and interest income	20	373,661	496,536	337,938	448,846
Other income		-	-	-	-
Operating transfer from conservancy and service fees (Minimum required by law)	3	7,487,863	7,457,809	6,439,014	6,365,382
Government grants	3,7	1,412,611	1,415,315	1,412,611	1,415,315
Lift maintenance grant	3,7	115,080	114,072	113,820	113,064
LRF matching grant	3,7	4,627,090	4,607,493	4,102,413	4,063,112
GST subvention	3,7	249,973	247,131	249,973	247,131
		14,266,278	14,338,356	12,655,769	12,652,850
Expenditure		(7,582,300)	(9,022,884)	(7,255,752)	(8,653,813)
Surplus before income tax		6,683,978	5,315,472	5,400,017	3,999,037
Taxation	22	(59,064)	(83,466)	(53,448)	(75,457)
Surplus for the financial year		6,624,914	5,232,006	5,346,569	3,923,580
Balance at end of year		50,744,967	43,059,058	36,440,074	30,614,730
Represented by:					
Non-current Assets					
Debt investments	11	5,000,000	5,000,000		
Current assets					
Conservancy and services and other receivables	12,13	3,114,591	2,199,138		
Interest receivable		26,370	246,408		
Amount due from accumulated surplus		2,178,270	1,847,768		
Cash and cash equivalents	16	40,564,398	33,896,547		
		45,883,629	38,189,861		
Total assets		50,883,629	43,189,861		
Less: Current liabilities					
Payables and accrued expenses	17	-	-		
Income tax payable		138,662	130,803		
		138,662	130,803		
Net assets		50,744,967	43,059,058		
		2021 S\$	2020 S\$		
Lift Position Display Panel		1,934,590	1,382,378		
Replacement of Main Sheaves/Ropes		1,265,881	1,665,341		
Lift Enhancement Work		364,947	80,533		
Lift Overhauls/Replacement		1,827,446	3,641,882		
Replacement of ARD / EBOPS Battery		298,099	270,895		
Replacement of Inverter Units		1,177,850	1,057,335		
Others		713,487	924,520		
		7,582,300	9,022,884		

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

# Commercial Property

<b><u>2021</u></b> <b>S\$</b>	<b><u>2020</u></b> <b>S\$</b>
<b>12,444,328</b>	11,135,902
<b>582,220</b>	-
<b>13,026,548</b>	11,135,902
<b>35,723</b>	47,690
-	-
<b>1,048,849</b>	1,092,427
-	-
<b>1,260</b>	1,008
<b>524,677</b>	544,381
-	-
<b>1,610,509</b>	1,685,506
<b>(326,548)</b>	(369,071)
<b>1,283,961</b>	1,316,435
<b>(5,616)</b>	(8,009)
<b>1,278,345</b>	1,308,426
<b>14,304,893</b>	12,444,328



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 6 Town Improvement and Project Fund

		Total		Residential Property	
	Note	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Balance as at 1 April		1,121,257	1,508,920	417,891	414,906
Government grants	3,7	2,182,352	3,582,853	2,182,352	3,582,853
Expenditure		(2,876,781)	(4,470,516)	(2,752,419)	(4,079,868)
Surplus for the financial year		(694,429)	(887,663)	(570,067)	(497,015)
Transfer from accumulated surplus	3	-	500,000	-	500,000
Balance as at 31 March		426,828	1,121,257	(152,176)	417,891
Represented by:					
Current assets					
Other receivables	13	2,265,647	3,513,572		
Amount due from accumulated surplus		(1,756,852)	(1,932,234)		
		508,795	1,581,338		
Less:					
Current liabilities					
Payables and accrued expenses	17	81,967	460,081		
Net assets		426,828	1,121,257		

Commercial Property

<u>2021</u>	<u>2020</u>
S\$	S\$
703,366	1,094,014
-	-
(124,362)	(390,648)
(124,362)	(390,648)
-	-
<u>579,004</u>	<u>703,366</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 7 Government Grants

(i) Government grants taken to the income and expenditure statement during the financial year are as follows:-

		Total		Conservancy and Service Grants		Payments from Citizens Consultative Committee	
	NOTE	2021 S\$	2020 S\$	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Government grants received/ receivable during the financial year	3,4 & 5	17,721,518	19,114,534	10,090,076	10,109,388	2,182,352	3,582,853
GST subvention received/receivable during the financial year	3	1,785,502	1,765,203	-	-	-	-
Less : Transfers to sinking fund	3,4	(3,301,373)	(3,299,243)	(2,623,419)	(2,628,440)	-	-
Transfer to lift replacement fund	3,5	(6,404,754)	(6,384,011)	(1,412,611)	(1,415,315)	-	-
Transfer to town improvement and project fund	3,6	(2,182,352)	(3,582,853)	-	-	(2,182,352)	(3,582,853)
		<u>7,618,541</u>	<u>7,613,630</u>	<u>6,054,046</u>	<u>6,065,633</u>	<u>-</u>	<u>-</u>

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

	2021 S\$	2020 S\$
Balance at beginning of year	258,396,319	239,086,964
Add: Grants received for the financial year	20,754,228	19,309,355
Balance at end of year	<u>279,150,547</u>	<u>258,396,319</u>

The transfers to the funds from government grants comprises of:

	2021 S\$	2020 S\$
<u>Transfers to sinking fund</u>		
Government grants	(2,837,139)	(2,840,288)
GST subvention	(464,234)	(458,955)
	<u>(3,301,373)</u>	<u>(3,299,243)</u>
<u>Transfers to lift replacement fund</u>		
Government grants	(6,154,781)	(6,136,880)
GST subvention	(249,973)	(247,131)
	<u>(6,404,754)</u>	<u>(6,384,011)</u>

GST Subvention		LRF Matching Grant		Lift Maintenance Grant	
<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
S\$	S\$	S\$	S\$	S\$	S\$
-	-	<b>4,627,090</b>	4,607,493	<b>822,000</b>	814,800
<b>1,785,502</b>	1,765,203	-	-	-	-
<b>(464,234)</b>	(458,955)	-	-	<b>(213,720)</b>	(211,848)
<b>(249,973)</b>	(247,131)	<b>(4,627,090)</b>	(4,607,493)	<b>(115,080)</b>	(114,072)
-	-	-	-	-	-
<b>1,071,295</b>	1,059,117	-	-	<b>493,200</b>	488,880



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 8 Plant and Equipment

	Office equipment S\$	Data processing equipment S\$	Furniture fixtures and fittings S\$	Machinery and other equipment S\$	Leasehold office S\$	Leasehold Improvement S\$	Total S\$
<b>Cost:</b>							
Balance as at 1 April 2019	118,759	207,865	244,662	-	-	506,865	1,078,151
Additions	-	4,308	-	15,579	169,651	12,850	202,388
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2020	<u>118,759</u>	<u>212,173</u>	<u>244,662</u>	<u>15,579</u>	<u>169,651</u>	<u>519,715</u>	<u>1,280,539</u>
<b>Accumulated depreciation:</b>							
Balance as at 1 April 2019	111,326	198,884	225,517	-	-	444,957	980,684
Charge for the financial year	2,822	5,763	10,561	3,116	145,415	33,843	201,520
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2020	<u>114,148</u>	<u>204,647</u>	<u>236,078</u>	<u>3,116</u>	<u>145,415</u>	<u>478,800</u>	<u>1,182,204</u>
<b>Net book value:</b>							
Balance as at 31 March 2020	<u>4,611</u>	<u>7,526</u>	<u>8,584</u>	<u>12,463</u>	<u>24,236</u>	<u>40,915</u>	<u>98,335</u>
<b>Cost:</b>							
Balance as at 1 April 2020	118,759	212,173	244,662	15,579	169,651	519,715	1,280,539
Additions	3,002	733,253	-	-	528,290	-	1,264,545
Disposals	-	(131,047)	-	-	-	-	(131,047)
Balance as at 31 March 2021	<u>121,761</u>	<u>814,379</u>	<u>244,662</u>	<u>15,579</u>	<u>697,941</u>	<u>519,715</u>	<u>2,414,037</u>
<b>Accumulated depreciation:</b>							
Balance as at 1 April 2020	114,148	204,647	236,078	3,116	145,415	478,800	1,182,204
Charge for the financial year	2,907	57,072	4,727	3,116	170,983	18,212	257,017
Disposals	-	(131,047)	-	-	-	-	(131,047)
Balance as at 31 March 2021	<u>117,055</u>	<u>130,672</u>	<u>240,805</u>	<u>6,232</u>	<u>316,398</u>	<u>497,012</u>	<u>1,308,174</u>
<b>Net book value:</b>							
Balance as at 31 March 2021	<u>4,706</u>	<u>683,707</u>	<u>3,857</u>	<u>9,347</u>	<u>381,543</u>	<u>22,703</u>	<u>1,105,863</u>

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 9(a).

During the financial year, the Town Council acquired plant and equipment for an aggregate of S\$1,264,545 (2020: S\$202,388) of which S\$800,270 (2020: S\$185,230) was acquired by means of a lease.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 9 Leases - The Town Council as a lessee

The Town Council leases town council management system, copier machines and office premises for operational use. The Town Council also has certain equipment leases of 12 months or less and/ or of low value. For such leases, the Town Council has elected not to recognise right-of-use assets and lease liabilities. The borrowing rate applied by the Town Council for the addition during the year is 5% (2020: 5%).

### (a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property, plant and equipment are as follows:

	Data processing equipment S\$	Machinery and other equipment S\$	Leasehold office S\$	Total S\$
At 1 April 2019	-	-	-	-
Additions	-	15,579	169,651	185,230
Depreciation	-	(3,116)	(145,415)	(148,531)
At 31 March 2020	-	12,463	24,236	36,699
At 1 April 2020	-	12,463	24,236	36,699
Additions	271,980	-	528,290	800,270
Depreciation	(11,332)	(3,116)	(170,983)	(185,431)
At 31 March 2021	<b>260,648</b>	<b>9,347</b>	<b>381,543</b>	<b>651,538</b>

The total cash outflow for all leases in the financial year ended 31 March 2021 was \$284,965.

### (b) Lease liabilities

	2021 S\$	2020 S\$
Lease liabilities - non-current	398,181	9,809
Lease liabilities - current	181,236	27,802
	<b>579,417</b>	<b>37,611</b>

### Reconciliation of liabilities arising from financing activities

	1 April 2020 S\$	Financing cash flows S\$	Non-cash changes Addition S\$	Accretion of interest S\$	31 March 2021 S\$
Lease liabilities	37,611	(281,977)	800,270	23,513	579,417

  

	1 April 2019 S\$	Financing cash flows S\$	Non-cash changes Addition S\$	Accretion of interest S\$	31 March 2020 S\$
Lease liabilities	169,651	(153,528)	15,579	5,909	37,611

### (c) Amounts recognised in income and expenditure statement

	2021 S\$	2020 S\$
Interest expense on lease liabilities	23,513	5,909
Expense relating to short-term leases	2,988	2,988
	<b>26,501</b>	<b>8,897</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 10 Equity Investments

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Movements during the year - at FVOCI:		
Equity investments	217,500	6,146,973
Realised for the year	-	(5,758,000)
Fair value movement	62,500	(171,473)
	<u>280,000</u>	<u>217,500</u>
Balance is made up of:		
Quoted unit trusts as equity instruments	<u>280,000</u>	<u>217,500</u>

The fair value of quoted unit trusts and equities are based on quoted market prices at the end of reporting period.

## 11 Debt Investments

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Movements during the year - at amortised cost:		
Amortised cost at beginning of year	87,584,305	94,628,779
Additions for the year	3,250,000	2,014,000
Redemption on maturity	(24,582,814)	(9,058,474)
Amortised cost at end of year	<u>66,251,491</u>	<u>87,584,305</u>
Balance is made up of:		
<u>Current</u>		
Quoted bonds with maturity less than 1 year - nominal interest 2.720% to 3.145% (2020 : 3.000% to 3.800%)	7,751,612	24,024,087
<u>Non-Current</u>		
Quoted bonds with maturity within 2 to 5 years - nominal interest 1.825% to 3.327% (2019 : 1.825% to 3.327%) p.a.	43,999,750	36,559,795
Quoted bonds with maturity over 5 years - nominal interest 2.350% to 3.650% (2019 : 2.350% to 4.400%) p.a.	14,500,129	27,000,423
	<u>58,499,879</u>	<u>63,560,218</u>
Total	<u>66,251,491</u>	<u>87,584,305</u>
Fair value at end of year:		
<u>Current</u>		
Quoted bonds with maturity less than 1 year - nominal interest 2.720% to 3.145% (2020 : 3.000% to 3.800%)	7,856,287	24,080,880
<u>Non-current</u>		
Quoted bonds with maturity within 2 to 5 years - nominal interest 1.825% to 3.327% (2020 : 1.825% to 3.327%) p.a.	45,816,988	37,028,640
Quoted bonds with maturity over 5 years - nominal interest 2.350% to 3.650% (2020 : 2.350% to 4.400%) p.a.	15,080,220	28,023,188
	<u>60,897,208</u>	<u>65,051,828</u>
Total	<u>68,753,495</u>	<u>89,132,708</u>

All of the quoted bonds are in Singapore dollar and are with Singapore incorporated entities including government agencies.

Effective interest rate of quoted bonds with maturity less than 1 year is between 2.755% to 3.152% (2020: 2.842% to 3.800%).

Effective interest rate of quoted bonds with maturity within 2 to 5 years is between 1.825% to 3.327% (2020: 1.825% to 3.327%).

Effective interest rate of quoted bonds with maturity over 5 years is between 2.100% to 3.642% (2020: 2.350% to 4.095%).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 12 Conservancy and service receivables

The Town Council has receivables arising from the performance of its function that do not have a significant financing component. In order to determine the amount of ECL to be recognised in the financial statements, a provision matrix is used based on accounts which are considered to be credit-impaired which is adjusted for forward-looking estimates and establishes that ECL should be calculated as follows:

		<u>2021</u>	<u>2020</u>
		S\$	S\$
Conservancy and service receivables		1,647,029	1,444,720
Interest receivable on late payments		740,761	914,742
		<u>2,387,790</u>	<u>2,359,462</u>
	Rate of provision		
Live account with arrears in excess of 12 months	100%	(1,309,363)	(970,685)
Terminated account with arrears	100%	(96,684)	(66,504)
Expected credit loss as at 31 March 2021		<u>(1,406,047)</u>	<u>(1,037,189)</u>
		<u>981,743</u>	<u>1,322,273</u>
Movement in above provision:			
		<u>2021</u>	<u>2020</u>
		S\$	S\$
Balance at beginning of year		1,037,189	845,831
Net provision/write back for the year		368,858	191,358
Balance as at 31 March		<u>1,406,047</u>	<u>1,037,189</u>

Conservancy and service charges are payable to the Town Council, in advance, on the first day of every month.

## 13 Other receivables

	Note	<u>2021</u>	<u>2020</u>
		S\$	S\$
Citizens' consultative committee grant receivables		2,265,647	3,513,572
Deposits		433,730	434,790
Prepayments		203,756	329,654
Other sundry debtors		1,907,643	1,204,696
Recoverable from contractors		821,478	78,562
GST subvention grant		451,943	444,490
Sport-in-precinct programme funding receivables	15	829,098	375,137
LRF matching grant		975,984	967,433
		<u>7,889,279</u>	<u>7,348,334</u>

Other receivables with a short duration was not discounted and the carrying amounts are assumed to be a reasonable approximation of fair values. The other receivables are denominated in Singapore dollar.

## 14 Neighbourhood renewal programme funding (payables) receivables

The neighbourhood renewal programme ("NRP") was introduced for greater flexibility in the provision of amenities, optimisation of facilities across adjoining precincts for renewing older towns, and more consultation with residents. NRP projects' flats share is funded by Housing & Development Board ("HDB") according to the apportionment of costs. The shops' share of the cost of improvement carried out under NRP is to be apportioned to the Town Council.

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Balance at 1 April	(457,971)	270,339
Funding from government	(1,878,771)	(4,441,285)
Payment to contractors	2,003,699	3,712,975
Balance at 31 March	<u>(333,043)</u>	<u>(457,971)</u>



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 15 Sport-in-precinct programme funding receivables

Sport-in-precinct ("SIP") programme is a partnership between the Town Council and Sport Singapore to co-create a SIP facility that will encourage an active lifestyle and social interaction within the community. The development of this project is funded by Sport Singapore and upon project completion, SIP facilities will be maintained by the Town Council.

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Balance at 1 April	375,137	10,257
Funding from Sport Singapore	(723,364)	(482,243)
Payment to contractors	1,177,325	847,123
Balance at 31 March	<u>829,098</u>	<u>375,137</u>

## 16 Cash and bank balances

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Cash and bank balances	38,240,159	35,072,206
Fixed deposits maturing in more than 3 months but less than one year	129,000,000	94,000,000
	<u>167,240,159</u>	<u>129,072,206</u>

The rate of interest for cash on interest earning balances of \$129,000,000 (2020: \$94,000,000) is between 0.2500% to 0.5300% (2020 : 1.0800% to 2.1500%) per annum receivable within 12 months depending on the terms of the fixed deposits. The effective interest rate is 0.34% (2020 : 1.84%) per annum.

## 17 Payables and accrued expenses

	Note	<u>2021</u>	<u>2020</u>
		S\$	S\$
Accruals for completed works		886,952	2,025,160
Amount due to managing agent		31,173	82,141
Accrued operating expenses		1,322,619	1,024,067
Refundable deposits		92,833	94,473
Provision for rectification works		382,818	378,392
Neighbourhood renewal programme payables	14	333,043	457,971
Other creditors		168,204	42,020
		<u>3,217,642</u>	<u>4,104,224</u>

The average credit period taken to settle trade payable is about 30 days (2020 : 30 days). The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair values.

## 18(a) Agency Fees

Agency fees received for routine maintenance of HDB's car parks and common property within the town.

### (b) Other income

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Temporary occupational licence income	2,652,407	2,649,268
Use of water and electricity	6,552	62,591
Use of void deck and common property	7,360	84,490
Liquidated damages	271,900	212,450
Late payment penalty	280,704	261,802
Sundry fines and income	135,201	388,181
Others	278,197	233,567
	<u>3,632,321</u>	<u>3,892,349</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 19 Significant related party transactions

In accordance with FRS 24 Related party disclosures paragraph (9)(b)(viii), Housing and Development Board ("HDB"), holding company of the managing agent who provides key management personnel services to the Town Council has been identified as a related party.

In addition, the managing agent performs certain operating and cyclical work for the Town Council. The following are the transactions entered by the Town Council with the managing agent during the financial year:

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Managing agent fee	6,835,542	6,497,585
Electrical works	2,974,536	2,763,043
Lift works	3,191,555	5,307,318
Water pump works	9,812	-
Project management fees	885,709	950,044
Other expenditures	<u>92,001</u>	<u>341,472</u>

## 20 Investment and interest income

### Sinking fund

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Income - bonds and other investments	2,036,745	2,589,565
Interest income - fixed bank deposit	<u>858,245</u>	<u>1,162,451</u>
	<u>2,894,990</u>	<u>3,752,016</u>

### Lift replacement fund

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Income - bonds and other investments	114,519	115,150
Interest income - fixed bank deposit	<u>259,142</u>	<u>381,386</u>
	<u>373,661</u>	<u>496,536</u>

## 21 General and administrative expenditure

The general and administrative expenditure comprise the following:

	Note	<u>2021</u>	<u>2020</u>
		S\$	S\$
Advertising and public relations		213,401	316,956
Bad debts written off		492,484	231,316
Computer services		454,600	228,225
Depreciation of plant and equipment	8	71,585	52,990
Depreciation of right of use assets	8, 9	185,432	148,531
Office rental and upkeep expenditure		29,784	32,775
Office supplies and stationery		95,292	119,012
Lease interest expenses		23,513	5,909
Leasing of equipment		2,988	2,988
Property tax		282,045	282,778
Telephone		72,541	92,246
Town councillors' allowance		208,600	244,800
Office water and electricity		19,131	27,700
Insurance premium		69,561	57,220
Goods and services tax	23	273,972	211,751
Legal fee and professional fee		74,787	117,282
Others		<u>282,664</u>	<u>259,412</u>
		<u>2,852,380</u>	<u>2,431,891</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 22 Income tax

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Current income tax provision	763,134	888,391
Under (Over) provision in respect of prior years	(16)	140
	<u>763,118</u>	<u>888,531</u>
Taken up in:		
Accumulated surplus	355,151	345,306
Sinking fund	348,903	459,759
Lift replacement fund	59,064	83,466
	<u>763,118</u>	<u>888,531</u>

A reconciliation between the tax expense and the product of accounting surplus multiplied by the applicable tax rate for the year ended 31 March is as follows:

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Interest and dividend income	1,131,066	1,619,054
Bonds income	2,123,370	2,615,081
Other income	2,123,563	2,083,839
	<u>5,377,999</u>	<u>6,317,974</u>
Tax at the statutory rate 17% (2020 : 17%)	914,260	1,074,056
Concessionary tax relief	(151,126)	(185,665)
(Over)/ under provision in respect of prior years	(16)	140
	<u>763,118</u>	<u>888,531</u>

## 23 Goods and services tax

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 Income and Expenditure Statement/Sinking Fund Statement during the financial year.

## 24 Commitments for capital expenditure

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Capital expenditure approved by the Town Council but not provided for in the financial statements are as follows:		
Capital commitments approved by the Town Council		
Amount approved and contracted for	40,053,417	29,502,003
Amount approved but not contracted for	77,047,330	59,170,798
	<u>117,100,747</u>	<u>88,672,801</u>
Grant receivable/received	(8,244,431)	(3,513,572)
Total net of any government grant	<u>108,856,316</u>	<u>85,159,229</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 25 Financial risk management objectives and policies

The Town Council's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. Risk management is integral to the whole operation of the Town Council. The Town Council has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. The management continually monitors the Town Council's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Town Council's activities.

### 25.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Town Council's operational activities are carried out in Singapore dollar. Hence, its exposure to foreign currency risk is minimal.

### 25.2 Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Town Council's main interest bearing assets are fixed deposits with financial institutions and debt investments. The Town Council's surplus or deficit and reserve are not affected by the changes in interest rates as these interest-bearing instruments carry fixed interest and are measured at amortised cost.

### 25.3 Liquidity risk

Liquidity risk arises in the general funding of the Town Council's operating activities. It includes the risks of not being able to fund operating activities at settlement dates and liquidate investments in a timely manner at a reasonable valuation. The Town Council adopts prudent liquidity risk management by maintaining sufficient cash to meet its routine, sinking fund and lift replacement fund expenditure requirements. Surplus funds, that are not required in the near future, are invested into short-term deposits and debt investments classified at amortised cost.

### 25.4 Price risk

The Town Council is exposed to price risks arising from investments classified as equity instruments at FVOCI. Equity instruments at FVOCI are held for strategic rather than for trading purposes. The Town Council does not actively trade equity investments. Further details of these investments can be found in Note 10 to the financial statements.

#### *Price sensitivity analysis*

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. The Town Council's equity instruments are listed. A 10% increase in prices of the equity instruments at FVOCI at the reporting date would increase the fair value reserve by \$28,000 (2020: \$21,750). This analysis assumes that all other variables remain constant.

### 25.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting from financial loss to the Town Council. For conservancy and service receivables, at the end of the reporting period, there were no significant concentrations of credit risk. Investment in fixed deposits are with 5 (2019: 5) banks holding banking licences issued by the Monetary Authority of Singapore. For debt investments, the Town Council adopts a policy of only investing in counterparties that are of investment grade. 54% (2020: 47%) of the debt investments are with government agencies.

The Town Council manages credit risk through the setting of guidelines for its investments. The guidelines are reviewed and approved by the Investment Committee. Ongoing monitoring is undertaken by management to ensure that all investment activities are in compliance with the guidelines.

For conservancy and service fees receivables, the Town Council measures loss allowance using simplified approach at an amount equal to lifetime expected credit losses ("ECL"), which is calculated using a provision matrix. As the Town Council's historical credit loss experience does not indicate significantly different loss patterns for different residential property room type and commercial property, the loss allowance based on past due status is not further disaggregated.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 25 Financial risk management objectives and policies (Cont'd)

### 25.5 Credit risk (Cont'd)

The ageing analysis of conservancy and service fee receivables is categorised based on the oldest invoice outstanding and not aged based on the date of the individual invoice that made up the outstanding receivables. Management considers this as a more appropriate method to categorise the ageing of receivables for credit control purposes. For accounts with arrears in excess of 12 months, 100% ECL provision has been made for in Note 12. The ageing analysis of conservancy and service fee receivables with number of months of fees past due but for which there is no allowance are as follows:

	<u>2021</u>	<u>2020</u>
	S\$	S\$
With less than 3 months of fees past due	483,789	718,360
With more than 3 months but less than 6 months of fees past due	297,230	234,860
With more than 6 months but less than 9 months of fees past due	113,279	178,477
With more than 9 months but less than 12 months of fees past due	87,445	190,576

The ECL on conservancy and service fee receivables arise mainly from residents who are facing significant financial hardships and have difficulties paying their conservancy and service fees despite letters of demand sent. Procedures are in place for collecting the outstanding arrears including prosecution orders. Management considers it necessary to set up an ECL at 100% in order to state it in the balance sheet at its estimated recoverables value.

## 26 Financial instruments carried at fair value

The table below analyses financial instruments carried at fair value, by valuation method. Level 1: quoted prices (unadjusted) in active markets for identical assets are as follows:

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Equity investments	280,000	217,500

The fair value of equity instruments at fair value through other comprehensive income is determined by reference to their quoted bid prices at the end of the reporting period.

## 27 Financial instruments not carried at fair value

The aggregate net fair values of financial assets and liabilities which are not carried at fair value in the statement of financial position as at 31 March are as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
	S\$	S\$	S\$	S\$
Debt investments	66,251,491	68,753,495	87,584,305	89,132,708
Unrecognised gain		2,502,004		1,548,403

The fair value of amortised cost is determined by reference to their quoted bid prices at the end of the reporting period. These debt investments are categorised into Level 1 of the fair value hierarchy.

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2021

## 28 Management of Town Council's funds

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 funds structure to ensure optimal capital structure, taking into consideration the future requirements, prevailing and 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.

The Town Council total funds amounted to \$237,853,255 (2020: \$220,401,444).

## 29 Events occurring after the reporting period

### COVID-19

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by the Singapore government to contain the virus have affected economic activity. Town Council has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home).

At this stage, the impact on the Town Council's operations and results has not been significant. Town Council will continue to follow the various government policies and advice and, in parallel do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

The duration and impact of the COVID-19 pandemic remains uncertain at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Town Council for future periods.

The Town Council has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 March 2021 have not been adjusted to reflect their impact.

## 30 Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2021 were authorised for issue by members of the Town Council on 31 August 2021.



**TANJONG PAGAR**  
TOWN COUNCIL