



**TANJONG PAGAR**  
TOWN COUNCIL

# **ANNUAL REPORT**

For FY 2021/2022



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Tanjong Pagar Town Council  
Audited Financial Statements  
Auditor's Report & Annual Report  
for FY 2021/2022



# CHAIRMAN'S MESSAGE

**Dear Residents,**

We have made much progress as a nation in the past year in our fight against COVID-19. With the easing of safe management measures, we are able to welcome our family and friends to our homes in larger groups. In our neighbourhoods, our heartland merchants and hawkers are seeing more customers and the residents' committees are resuming their community events to engage residents. Town Improvement Projects have also gradually resumed with Neighbourhood Renewal Programmes well underway at Jalan Bukit Merah, Jalan Rumah Tinggi and Clarence Lane.

As Singaporeans move toward living with an endemic COVID-19, we face grave concerns of rising prices of food, utilities and transportation due to rising energy costs and supply chain disruptions amid geopolitical tensions. The town council is not spared from the rising costs.

It is thus important that we continue to actively seek and develop ways to build sustainable, zero-waste, energy-efficient, and greener towns. In May 2021, Tanjong Pagar Town Council joined fourteen other PAP town councils to launch the Action for Green Towns initiative to achieve goals set out in the Singapore Green Plan 2030. In November 2021, we published our very first sustainability report detailing our 10-year masterplan to build a sustainable Tanjong Pagar Town.

I am pleased to share that we are well on track to achieve net zero energy consumption on average in common areas. All 527 eligible HDB blocks in our precincts will be installed with solar photovoltaic systems to harness solar energy by 2025.

Last year, we also introduced the food digester, wood chipper, and e-waste bins to address our food waste, horticultural waste and electronic waste respectively. I am pleased to share that our Sustainability team will be moving on to address other waste streams, such as paper and textiles.

On the greening front, with the strong support of our residents, the town council planted more than 600 trees last year across our neighbourhoods. I am heartened also to see numerous ground-up initiatives, such as community gardening and community litter picking, by our residents. I would like to thank all residents who have stepped forward to organise or to participate in these ground-up initiatives, and I look forward to more residents joining in our joint efforts to build a green and sustainable town.

Sustainability is also very much part of our office ethos and operations. Last year, our Tanjong Pagar Town Council office was awarded the highest Elite category of the Eco-Office Plus certification. Tanjong Pagar Town Council was also the first town council to be awarded the GreenDNA organisation certification by the Singapore Environment Council.

The past year has seen us overcome numerous challenges together. But the fight against COVID-19 is not over yet. New variants of the virus may trigger new waves of infection. Let us continue to stay vigilant as we resume our normal activities. United, we can continue beating the odds, come what may.

**Melvin Yong**

Chairman

Tanjong Pagar Town Council



# 主席的话

亲爱的居民们，

过去的一年里，我们的疫情防控取得了巨大的进展。随着安全措施的松绑，我们能够欢迎亲朋好友到我们家里做客。更多顾客也开始光顾邻里的商家及小贩中心。与此同时，居民委员会正在恢复举办社区活动，与居民互动。我们也逐渐重新启动市镇提升计划。Jalan Bukit Merah、Jalan Rumah Tinggi及Clarence Lane的邻里更新计划已经如火如荼地展开了。

在国人随着冠病19过渡到“地方性流行病”状态，我们面对能源价格高涨、供应链冲击和地缘政治关系紧张等因素而导致食物价格、水电费及交通开销日益高涨的严重隐忧。我们的市镇理事会也未能幸免。

有鉴于此，努力不懈，继续寻找和研发新的方案，建设可持续性、零废弃、能源效率高及更绿化的市镇尤其重要。在2021年5月，丹戎巴葛市镇理事会与其他14个行动党市镇理事会启动了绿色市镇行动，以落实2030年新加坡绿色发展蓝图里的目标。我们于2021年11月发表首期的可持续性报告，勾勒长达10年的发展总蓝图，塑造丹戎巴葛市镇成可持续性发展的家园。

我非常高兴在此分享我们正在朝公共区域净零能耗的目标前进。到了2025年，坐落在我们的邻里，符合条件的527座政府组屋将安装太阳能光伏系统，利用太阳的能量来产生电流。

我们也在去年引进厨余处理器、木屑粉碎机及电子垃圾回收箱处理厨余、园艺废料及废弃的电子产品。我很高兴与您分享我们的永续发展团队将会陆陆续续回收其他性质的废料，如纸张及纺织品。

大家也有目共睹绿化市镇的成果。去年，市镇理事会在居民们的支持下，在邻里内播种了超过600棵树。居民们踊跃参加由基层发起的活动，如社区园艺和社区捡拾活动，让我非常欣慰。我在此感谢所有参加这些活动的居民们，也希望更多居民们能与我们联手，共同建立既环保又着重可持续发展的市镇。

可持续发展的理念已经根深蒂固地贯彻在我们市镇理事会的价值观及运作。去年，丹戎巴葛市镇荣获Eco Office Elite最高级认证。丹戎巴葛市镇也是第一个荣获由新加坡环境委员会颁发的绿基因认证书的市镇。

过去的1年里，我们共同克服了许多挑战。但是我们与冠病19的战役尚未结束。不断变异的新变种毒株可能引发一波波新的感染浪潮。让我们在恢复生活常态的当下，继续保持警惕。只要我们团结一致，就可以克服所有的难关。

## 杨益财先生

主席

丹戎巴葛市镇理事会













# AMANAT Pengerusi

**Para Penduduk yang Dihormati,**

Kita telah meraih kemajuan sebagai sebuah bangsa pada tahun lalu dalam melawan COVID-19. Dengan kelonggaran terhadap langkah-langkah pengurusan selamat, kita sudah boleh menerima kunjungan keluarga dan kawan-kawan ke kediaman kita dalam jumlah yang lebih besar. Di daerah-daerah kejiranan kita, para pedagang dan penjaja di kawasan perumahan awam dapat melihat lebih ramai pelanggan dan jawatankuasa-jawatankuasa penduduk sudah mula meneruskan acara-acara masyarakat untuk mendekati para penduduk. Projek-projek Peningkatan Bandar sudah kembali diteruskan dengan Program Pembaharuan Kejiranan yang sedang dijalankan di Jalan Bukit Merah, Jalan Rumah Tinggi dan Clarence Lane.

Ketika rakyat Singapura mula menuju ke fasa endemik dengan COVID-19, kita menghadapi kebimbangan yang berat mengenai kenaikan harga makanan, utiliti dan pengangkutan disebabkan oleh peningkatan kos tenaga dan gangguan terhadap rantaian bekalan di tengah-tengah ketegangan geopolitik. Majlis bandaraya tidak terlepas daripada kos-kos yang semakin meningkat.

Oleh itu, adalah penting untuk kita terus mencari secara aktif dan membangunkan cara-cara untuk membina bandar-bandar yang mampan, sifar sisa, cekap tenaga dan yang lebih menghijau. Pada Mei 2021, Majlis Bandaraya Tanjong Pagar telah menyertai empat belas majlis bandaraya PAP yang lain untuk melancarkan inisiatif Tindakan bagi Bandar Hijau demi mencapai matlamat-matlamat yang ditetapkan dalam Pelan Singapura Menghijau 2030. Pada November 2021, kami menerbitkan laporan kemampanan kami yang pertama yang menyebutkan secara terperinci pelan induk kami untuk 10 tahun bagi membina Bandar Tanjong Pagar yang mampan.

Saya berbesar hati untuk berkongsi bahawa kita sedang berada di landasan yang betul untuk mencapai penggunaan sifar tenaga dengan bersih secara purata di kawasan-kawasan umum. Semua 527 blok HDB yang layak di kawasan-kawasan kejiranan kami akan dipasang dengan sistem fotovoltan solar untuk memanfaatkan tenaga suria menjelang 2025.

Tahun lepas, kami juga telah memperkenalkan pencerna makanan, pemotong kayu dan tong sampah elektronik untuk menangani masalah sisa makanan, sisa hortikultur dan sisa elektronik. Saya berbesar hati untuk berkongsi bahawa pasukan Kemampanan kami akan bergerak untuk menangani aliran-aliran sisa yang lain, seperti kertas dan tekstil.

Dari segi penghijauan, dengan sokongan padu dari para penduduk kami, majlis bandaraya telah menanam lebih daripada 600 pokok tahun lepas di seluruh kawasan kejiranan kami. Saya juga gembira melihat pelbagai inisiatif-inisiatif asas, seperti masyarakat berkebun dan mengutip sampah yang dilakukan oleh penduduk-penduduk kami. Saya ingin mengucapkan terima kasih kepada semua penduduk yang telah melangkah ke hadapan untuk menganjurkan atau mengambil bahagian dalam inisiatif-inisiatif asas ini dan saya berharap lebih ramai penduduk akan menyertai usaha bersama kami untuk membina sebuah bandar yang hijau dan mampan.

Kemampanan juga merupakan sebahagian daripada etos dan operasi pejabat kami. Tahun lepas, pejabat Majlis Bandaraya Tanjong Pagar telah dianugerahkan dengan kategori Elit tertinggi bagi pensijilan Eco-Office Plus. Majlis Bandaraya Tanjong Pagar juga merupakan majlis bandaraya yang pertama yang dianugerahkan dengan pensijilan organisasi GreenDNA oleh Majlis Sekitaran Singapura.

Tahun lalu telah menyaksikan kami mengharungi pelbagai cabaran bersama-sama. Tetapi perjuangan melawan COVID-19 belum berakhir. Varian-varian baru dari virus ini boleh mencetuskan gelombang-gelombang jangkitan yang baru. Marilah kita terus berwaspada sambil meneruskan aktiviti-aktiviti seperti biasa. Bila kita bersatu, kita boleh terus mengatasi segala kemungkinan, walau apapun yang terjadi.

**Melvin Yong**

Pengerusi

Majlis Bandaraya Tanjong Pagar



# தலைவர் செய்தி

## அன்பார்ந்த குடியிருப்பாளர்களே,

கொவிட்-19-க்கு எதிரான நமது போராட்டத்தில் நாம் ஒரு தேசமாக கடந்த ஆண்டில் அதிக முன்னேற்றம் அடைந்துள்ளோம். பாதுகாப்பு நிர்வாக நடைமுறைகளை எளிதாக்கியதன் மூலம், நம்முடைய குடும்பங்களையும் நண்பர்களையும் பெரிய குழுக்களாக நம்முடைய வீடுகளுக்குள் வரவேற்க முடிகிறது. நம் வட்டாரத்தில், நம்முடைய குடியிருப்பு வட்டார வணிகர்களும் உணவங்காடிக் கடைக்காரர்களும் அதிக வாடிக்கையாளர்களைப் பார்க்கிறார்கள், மற்றும் குடியிருப்பாளர்களை ஈடுபடுத்துவதற்காக வசிப்போர் குழுக்கள் மீண்டும் தங்களுடைய சமூக நிகழ்வுகளை தொடங்குகின்றன. ஜாலான் புகிட் மேரா, ஜாலான் ருமா திங்கி மற்றும் கிளாரன்ஸ் லேன் ஆகிய இடங்களில் அக்கம்பக்க புதுப்பிப்பு திட்டங்களோடு நகர மேம்பாட்டுத் திட்டங்களும் படிப்படியாக மீண்டும் தொடங்கப்பட்டுள்ளன.

கொவிட்-19 கிருமிப்பரவல் மத்தியில் வாழ சிங்கப்பூரர்கள் அடியெடுத்து வைக்கும் வேளையில், புவிசார் அரசியல் பட்டங்களுக்கு மத்தியிலே அதிகரித்து வரும் எரிசக்திச் செலவுகள் மற்றும் விநியோகத் தொடர் சீர்குலைவுகள் ஆகியவற்றால் ஏற்படுகிற உணவு, பயன்பாடுகள் மற்றும் போக்குவரத்து ஆகியவற்றின் விலை உயர்வினால் நாங்கள் கடும் சிரமங்களை எதிர்கொள்கிறோம். அதிகரித்து வரும் செலவில் இருந்து நகர மன்றமும் விடுப்படவில்லை.

நிலையான, விரயம் அற்ற, எரிசக்தி சிக்கனத்திறனுள்ள மற்றும் பசுமையான நகரங்களை உருவாக்குவதற்கான வழிகளை நாம் தொடர்ந்து தேடுவதும் மேம்படுத்துவதும் முக்கியம். சிங்கப்பூர் பசுமைத் திட்டம் 2030-இல் வகுக்கப்பட்டுள்ள இலக்குகளை அடைய, மே 2021 இல், பசுமையான நகரங்களுக்கான செயல்பாடு திட்டத்தை தொடங்குவதற்கு தஞ்சோங் பகார் நகர மன்றம், மக்கள் செயல் கட்சியை சேர்ந்த மற்ற பதினான்கு நகர மன்றங்களோடு இணைந்தது. நீடித்த நிலைத்தன்மையுடைய தஞ்சோங் பகார் நகரத்தை உருவாக்க, நவம்பர் 2021-இல், எங்களது பத்தாண்டு பெருந்திட்டத்தை விவரிக்கும் வகையில் எங்களின் முதல் நிலைத்தன்மை அறிக்கையை வெளியிட்டோம்.

பொதுவான பகுதிகளில் நிகர பூஜ்ஜிய எரிவாயு நுகர்வை அடைவதற்கான சரியான பாதையை நாங்கள் நோக்கி செல்கிறோம் என்பதை பகிர்ந்து கொள்வதில் மகிழ்ச்சி அடைகிறேன். எங்கள் வளாகத்தில் தகுதிப் பெற்ற அனைத்து 527 வீடமைப்பு வளர்ச்சிக் கழக குடியிருப்பு கட்டிடங்களில் 2025 ஆம் ஆண்டுக்குள் தூரிய ஆற்றலைப் பயன்படுத்துவதற்கு தூரிய ஒளிமின்னழுத்த அமைப்புகள் நிறுவப்படும்.

நமது உணவு கழிவுகள், தோட்டக்கலை கழிவுகள் மற்றும் மின்னணு கழிவுகளை கையாளும் முறையே நிவர்த்தி செய்ய உணவு செரிமான இயந்திரம், மரக்கட்டை வெட்டும் இயந்திரம் மற்றும் மின்-கழிவு தொடர்புகளையும் அறிமுகப்படுத்தினோம். காகிதம் மற்றும் ஜவுளி போன்ற மற்ற கழிவுப் பிரச்சனைகளை எங்கள் நிலைத்தன்மை செயல்பாட்டு குழு நிவர்த்தி செய்யும் என்பதை பகிர்ந்து கொள்வதில் மகிழ்ச்சி அடைகிறேன்.

பசுமையாக்குதல் முயற்சியில், எங்கள் குடியிருப்பாளர்களின் வலுவான ஆதரவுடன், நகர மன்றம் கடந்த ஆண்டு எங்கள் சுற்றுப்புறங்களில் 600-க்கும் மேற்பட்ட மரங்களை நட்டது. சமூக தோட்டக்கலை மற்றும் சமூகமாக இணைந்து குப்பைகளை எடுப்பது போன்ற பல அடிப்படை முயற்சிகளை எங்கள் குடியிருப்பாளர்கள் மேற்கொள்வதைக் கண்டு நான் மகிழ்ச்சியடைகிறேன். இந்த அடிமட்ட முன்முயற்சிகளை ஒழுங்கமைக்க அல்லது பங்கேற்க முன்வந்த அனைத்து குடியிருப்பாளர்களுக்கும் நான் நன்றி தெரிவிக்க விரும்புகிறேன். மேலும் பசுமையான மற்றும் நீடித்து நிலைத்தன்மைக் கொண்ட நகரத்தை உருவாக்குவதற்கான எங்கள் கூட்டு முயற்சிகளில் இன்னும் அதிகமான குடியிருப்பாளர்கள் ஈடுபடுவதை காண நான் எதிர்பார்க்கிறேன்.

எங்கள் அலுவலக நெறிமுறைகள் மற்றும் செயல்பாடுகளின் ஒரு முக்கிய அம்சம் நிலைத்தன்மை ஆகும். கடந்த ஆண்டு, எங்களின் தஞ்சோங் பகார் நகர மன்றத்தின் அலுவலகம், ஈகோ-ஆஃபிஸ் பிளஸ் (Eco-Office Plus) திறன் சான்றிப்பின் மிக உயர்ந்த சான்றிப்பான எலைட் (Elite) சான்றிதழைப் பெற்றது. மற்றும், நகர மன்றங்களிலேயே தஞ்சோங் பகார் நகர மன்றம் தான் சிங்கப்பூர் சுற்றுச்சூழல் மன்றம் வழங்கிய "கிரீன் டி.என்.ஏ" (GreenDNA) அமைப்புச் சான்றிதழைப் பெற்ற முதல் நகர மன்றம் ஆகும்.

கடந்த ஆண்டு, நாங்கள் பல சவால்களை ஒன்றாக சமாளித்துள்ளோம். ஆனால் கொவிட்-19-க்கு எதிரான போராட்டம் இன்னும் முடிவடையவில்லை. கிருமியின் புதிய மாறுபாடுகள் புதிய கிருமிப்பரவல்களை தூண்டலாம். நம்முடைய வழக்கமான நடவடிக்கைகளை மீண்டும் தொடங்கும் வேளையில் தொடர்ந்து விழிப்புடன் இருப்போமாக. ஒற்றுமையாக இருந்தால், ஏதாயினும் தொடர்ந்து தடைகளை முடக்கிவிடலாம்.

## மெல்வின் யோங்

தலைவர்

தஞ்சோங் பகார் நகர மன்றம்









# OUR SUSTAINABILITY PROJECTS

The integration of sustainability-focused innovations and technology in Tanjong Pagar Town Council's estate management processes and daily operations represents the early stages of our holistic sustainability roadmap to become zero waste, energy efficient and greener.

The next stage involves the support and participation from our residents, as they develop and internalise a sustainability mindset and habit in their daily lives through our outreach and engagement initiatives. Community engagement has been identified as a key factor in the successful implementation of initiatives under the Singapore Green Plan 2030 and the Action For Green Towns initiative. This year, we have organised a number of key events that focus on issues such as recycling, reducing our waste as well as utilising upcycled materials in common areas within the HDB neighbourhoods.

## The Giving Garden @ Kim Tian West



The Giving Garden @ Kim Tian West is a community garden, which features a first-of-its-kind collaboration between Tanjong Pagar-Tiong Bahru Citizens' Consultative Committee, Kim Tian West Residents' Committee, the National Parks Board and the Tanjong Pagar Town Council. Opened in November 2021, the 1,020m<sup>2</sup> rooftop garden at Block 119 Kim Tian Road houses more than 45 species of plants and at least 10 different types of vegetables, which residents and volunteers can harvest and distribute to residents in the surrounding estates.

The volunteers distribute up to 40-50kg of fresh produce every harvest, which occurs about every three weeks. Currently, there are also classes organised monthly, to help our residents and students learn about urban farming, better appreciate the life cycles of different foods, forge community bonds, as well as slowly build food resilience and supplement food security.

The rooftop greenery also plays an integral role to cool the previous concretised car park roof deck making the surrounding environment more pleasant as it improves air quality and creates communal spaces for residents to enjoy.

## Soles4Souls footwear collection drive



In December 2021, Tanjong Pagar Town Council collaborated with non-profit organisation Soles4Souls Asia, three Residents' Committees (RC), and resident-led advocacy group Our Green MoCa - Moulmein-Cairnhill, to conduct a month-long footwear collection drive. This is the first-ever collection drive to be conducted in partnership with a Town Council across multiple locations. We collected an estimated 2,750 pairs of footwear in total. In a broader sense, the environmental impact is that we are diverting about 1,560kg of textile waste from the landfill or helping to prevent 37,421kg of carbon dioxide emissions from being released.

## SGRecycle Paper recycling



Launched in October 2021, in conjunction with the Action For Green Towns initiative, SGRecycle paper recycling stations enable residents to deposit waste paper in exchange for incentives. Seven stations were introduced progressively at the common areas managed by Tanjong Pagar Town Council, the highest among Town Councils in Singapore, indicating a positive appetite for paper recycling among our residents. For the reporting period between October 2021 to July 2022, 55,730 kg of paper has been collected.



## Electronic waste recycling



ALBA E-Waste Smart Recycling, the National Environment Agency's appointed Producer Responsibility Scheme operator categorises its electronic waste recycling efforts into four main tiers.

- Tanjong Pagar Town Council's bulky removal services conducted on an ad-hoc basis for residents upon request,
- 3-in-1 E-bins for regulated infocommunication technology equipment including printers, computers, monitors, laptops, routers and mobile phones,
- Smaller-sized bins catering for battery and light bulb
- Quarterly E-Drives held at selected HDB blocks

To keep the momentum of e-waste recycling efforts going, Tanjong Pagar Town Council engaged several levers of publicity through collaterals, sharing regular updates on the dates and locations of the E-Drives, as well as encouraging ground-up outreach amongst residents. Due to these levers, we have been able to collect a total of 68,348 kg of e-waste from July 2021 to July 2022, ensuring end-of-life electronic product circularity.

## Greensquare Textile Recycling



The success of our first footwear collection drive in late 2021 spawned a more comprehensive textile recycling effort in July 2022 when we worked with local textile recycling partner Greensquare, for a month-long recycling effort at 11 locations. The types of textiles collected expanded to include clothes, bedsheets, towels, bags and other textiles, in addition to shoes. This culminated to a total of 1,840kg of textiles collected in one month.

After the textiles were collected, Greensquare sorted out the textiles into different categories, based on type, usage and condition. Good quality textiles will be delivered to developing countries for reuse. Textiles that are slightly defective will be repaired into a usable condition, while textiles that are deemed beyond repair will be cut into rags as industrial cleaning cloths.

## Biodiversity nodes



Tanjong Pagar Town Council has constructed 33 biodiversity nodes to create suitable habitats for biodiversity to thrive and for our residents to enjoy with their families during their walks around the neighbourhood parks and open spaces. Tree logs from pruned trees are also repurposed as seats for residents in these nodes.

The nodes are created by introducing pollinator-loving plants such as Ruellia, Ixora and Costus in open spaces measuring about 200 square metres and have attracted a wide array of butterflies, honeybees and sunbirds to amplify the natural pollination processes. Trees and plants are vital for carbon sequestration, which is the process of capturing and storing atmospheric carbon dioxide, one of the fundamental nature-based solutions to achieving carbon neutrality. When this model is progressively scaled up, these nodes will collectively form a biodiversity chain, creating a ripple effect in further nurturing the habitats of the natural pollinators.

## Tree Planting Day



Tree Planting Day has been the cornerstone community outreach event in Tanjong Pagar, since it was first initiated here in 1963 by founding Prime Minister Lee Kuan Yew, to support the tropics garden city campaign. Now aligned with the OneMillionTrees movement to plant one million trees across Singapore by 2030, Tanjong Pagar Town Council has contributed with a total of 600 trees planted from May 2021 to July 2022. This has accumulated to an estimated total of 29,000 trees in Tanjong Pagar Town.



## 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 experiences to ensure members have the relevant skills and/or competencies to adequately execute their duties; 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.



**Independent Auditor's report to the Members of Tanjong Pagar Town Council**  
(Established under the Town Councils Act 1988)

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**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 2022, 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.

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 1988 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Town Council as at 31 March 2022 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.



**Independent Auditor's report to the Members of Tanjong Pagar Town Council**  
(Established under the Town Councils Act 1988)

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

***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.

The 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 going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



**Independent Auditor's report to the Members of Tanjong Pagar Town Council**  
*(Established under the Town Councils Act 1988)*

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**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.



**Independent Auditor's report to the Members of Tanjong Pagar Town Council**  
(Established under the Town Councils Act 1988)

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**Report on Other Legal and Regulatory Requirements (Cont'd)**

***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*

**PKF-CAP LLP**

Public Accountants and  
Chartered Accountants

Singapore

23 August 2022



**TANJONG PAGAR TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR FINANCIAL YEAR 2021**



**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2022

	Note	<u>2022</u> S\$	<u>2021</u> S\$
<b>TOWN COUNCIL FUNDS</b>			
<b>Residential Property</b>			
Accumulated surplus	3	3,866,194	2,489,288
Sinking fund	4	130,514,987	127,528,066
Lift replacement fund	5	43,078,565	36,440,074
Town improvement and project fund	6	1,822,796	(152,176)
		<b>179,282,542</b>	<b>166,305,252</b>
<b>Commercial Property</b>			
Accumulated surplus	3	619,703	(33,236)
Sinking fund	4	55,248,911	54,235,128
Lift replacement fund	5	15,800,128	14,304,893
Town improvement and project fund	6	262,483	579,004
		<b>71,931,225</b>	<b>69,085,789</b>
<b>Car Park</b>			
Accumulated surplus	3	3,229,498	2,034,464
<b>Fair Value Reserve</b>			
	4	452,750	427,750
<b>Total Town Council funds</b>		<b>254,896,015</b>	<b>237,853,255</b>
<b>REPRESENTED BY:</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8	773,814	1,105,863
Equity investments at fair value through other comprehensive income	10	305,000	280,000
Debt investments at amortised cost	11	52,949,488	58,499,879
		<b>54,028,302</b>	<b>59,885,742</b>
<b>Current Assets</b>			
Conservancy and service receivables	12	1,206,214	981,743
Other receivables	13	9,880,197	7,889,279
Interest receivable		481,766	572,681
Debt investments at amortised cost	11	10,000,000	7,751,612
Cash and cash equivalents	16	186,275,270	167,240,159
		<b>207,843,447</b>	<b>184,435,474</b>
<b>Total Assets</b>		<b>261,871,749</b>	<b>244,321,216</b>
<b>Less:</b>			
<b>Non-Current Liabilities</b>			
Lease liabilities	9	207,673	398,181
<b>Current Liabilities</b>			
Conservancy and service fees received in advance		992,956	1,019,392
Payables and accrued expenses	17	4,214,434	3,217,642
Lease liabilities	9	190,508	181,236
Income tax payable		1,370,163	1,651,510
		<b>6,768,061</b>	<b>6,069,780</b>
<b>Total liabilities</b>		<b>6,975,734</b>	<b>6,467,961</b>
<b>Net assets</b>		<b>254,896,015</b>	<b>237,853,255</b>

Mr Melvin Yong Yik Chye  
Chairman  
Date: 23 August 2022

Dr Chin Kein Hoong, Lawrence  
Secretary  
Date: 23 August 2022

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



**INCOME AND EXPENDITURE STATEMENT**  
For the Financial Year Ended 31 March 2022

	<b>Note</b>	<b><u>2022</u></b> <b>S\$</b>	<b><u>2021</u></b> <b>S\$</b>
<b>Operating Income</b>			
Conservancy and service fees	3	<b>56,119,355</b>	53,484,493
Operating transfer to sinking fund (minimum required by law)	3,4	<b>(14,591,034)</b>	(13,906,034)
Operating transfer to lift replacement fund (minimum required by law)	3,5	<b>(7,856,709)</b>	(7,487,863)
		<b>33,671,612</b>	32,090,596
Agency fees	18(a)	<b>4,009,757</b>	3,586,923
Other income	18(b)	<b>3,714,733</b>	3,632,321
		<b>41,396,102</b>	39,309,840
<b>Operating Expenditure</b>			
Cleaning works		<b>(8,286,756)</b>	(8,049,221)
Managing agent's fee	19	<b>(7,000,328)</b>	(6,835,542)
Lift maintenance		<b>(7,364,017)</b>	(7,656,035)
Other works and maintenance		<b>(6,904,714)</b>	(7,036,945)
Water and electricity		<b>(11,912,001)</b>	(11,319,285)
General and administrative expenditure	21	<b>(2,349,310)</b>	(2,852,380)
		<b>(43,817,126)</b>	(43,749,408)
Operating deficit		<b>(2,421,024)</b>	(4,439,568)
<b>Non-operating Income</b>			
Interest income on bank balances		<b>2,001</b>	1,229
<b>Deficit before taxation and government grants</b>		<b>(2,419,023)</b>	(4,438,339)
Taxation	22	<b>(356,714)</b>	(355,151)
<b>Deficit after taxation but before government grants</b>		<b>(2,775,737)</b>	(4,793,490)
Government grants	3,7	<b>18,604,907</b>	17,721,518
Transfer to sinking fund	3,4,7	<b>(2,890,264)</b>	(2,837,139)
Transfer to lift replacement fund	3,5,7	<b>(6,376,562)</b>	(6,154,781)
Transfer to town improvement and project fund	3,6,7	<b>(2,668,243)</b>	(2,182,352)
		<b>6,669,838</b>	6,547,246
<b>Deficit after taxation but before government grants</b>			
GST subvention	3,7	<b>1,859,637</b>	1,785,502
Transfer to sinking fund	3,4,7	<b>(483,507)</b>	(464,234)
Transfer to lift replacement fund	3,5,7	<b>(260,352)</b>	(249,973)
		<b>1,115,778</b>	1,071,295
Surplus for the financial year		<b>5,009,879</b>	2,825,051
Accumulated surplus as at 1 April		<b>4,490,516</b>	4,696,880
Transfer to sinking fund	3,4	-	(1,970,420)
Transfer to lift replacement fund	3,5	-	(1,060,995)
Transfer to town improvement and project fund	3,6	<b>(1,785,000)</b>	-
<b>Accumulated surplus as at 31 March</b>	3	<b>7,715,395</b>	4,490,516

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 2022

	<b>Note</b>	<b><u>2022</u></b> <b>S\$</b>	<b><u>2021</u></b> <b>S\$</b>
<b>Surplus for the financial year</b>			
Accumulated surplus	3	<b>5,009,879</b>	2,825,051
Sinking fund	4	<b>4,000,704</b>	8,633,775
Lift replacement fund	5	<b>8,133,726</b>	6,624,914
Town improvement and project fund	6	<b>(126,549)</b>	(694,429)
Total surplus for the year		<b><u>17,017,760</u></b>	<u>17,389,311</u>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to income and expenditure statement</i>			
Equity investments at FVOCI – net change in fair value	10	<b><u>25,000</u></b>	<u>62,500</u>
<b>Other comprehensive income for the year, net of income tax</b>		<b><u>25,000</u></b>	<u>62,500</u>
<b>Total comprehensive income for the year attributable to town council funds</b>		<b><u><u>17,042,760</u></u></b>	<u><u>17,451,811</u></u>

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



**STATEMENT OF CHANGES IN TOWN COUNCIL FUNDS**

For the Financial year Ended 31 March 2022

	Total		Residential Property		Commercial Property		Carpark		Fair Value Reserve	
	<u>2022</u> S\$	<u>2021</u> S\$	<u>2022</u> S\$	<u>2021</u> S\$	<u>2022</u> S\$	<u>2021</u> S\$	<u>2022</u> S\$	<u>2021</u> S\$	<u>2022</u> S\$	<u>2021</u> S\$
Balance at 1 April	<b>237,853,255</b>	220,401,444	<b>166,305,252</b>	151,093,666	<b>69,085,789</b>	66,203,211	<b>2,034,464</b>	2,739,317	<b>427,750</b>	365,250
Surplus for the year	<b>17,017,760</b>	17,389,311	<b>12,977,290</b>	13,843,657	<b>2,845,436</b>	2,882,578	<b>1,195,034</b>	663,076	-	-
Fair value gain on equity instruments at fair value through other comprehensive income	<b>25,000</b>	62,500	-	-	-	-	-	-	<b>25,000</b>	62,500
Statement of Transferable Surpluses										
Accumulated funds	-	(3,031,415)	-	-	-	(1,663,486)	-	(1,367,929)	-	-
Sinking fund	-	1,970,420	-	889,154	-	1,081,266	-	-	-	-
Lift replacement Fund	-	1,060,995	-	478,775	-	582,220	-	-	-	-
Total comprehensive income/ (loss) for the year	<b>17,042,760</b>	17,451,811	<b>12,977,290</b>	15,211,586	<b>2,845,436</b>	2,882,578	<b>1,195,034</b>	(704,853)	<b>25,000</b>	62,500
Balance at 31 March	<b>254,896,015</b>	237,853,255	<b>179,282,542</b>	166,305,252	<b>71,931,225</b>	69,085,789	<b>3,229,498</b>	2,034,464	<b>452,750</b>	427,750

The surplus for the year comprises the following:

	Note	<u>2022</u> S\$	<u>2021</u> S\$
Accumulated surplus	3	<b>5,009,879</b>	2,825,051
Sinking fund	4	<b>4,000,704</b>	8,633,775
Lift replacement fund	5	<b>8,133,726</b>	6,624,914
Town improvement and project fund	6	<b>(126,549)</b>	(694,429)
Total		<b>17,017,760</b>	17,389,311

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

**STATEMENT OF CASH FLOWS**

For the Financial Year Ended 31 March 2022

		<u><b>2022</b></u>	<u><b>2021</b></u>
		<b>S\$</b>	<b>S\$</b>
<b>Cash flows from operating activities</b>			
Deficit before taxation and government grants		<b>(2,419,023)</b>	(4,438,339)
Adjustments for:			
Interest income		<b>(2,001)</b>	(1,229)
Depreciation of property, plant and equipment	8	<b>124,086</b>	71,585
Depreciation of right-of-use assets	9(a)	<b>224,543</b>	185,432
Interest expense on lease liabilities	9(c)	<b>28,119</b>	23,513
(Reversal of) / impairment loss on receivables	12	<b>(74,959)</b>	368,858
Conservancy and service fees transferred to Sinking Fund and Lift Replacement Fund		<b>22,447,743</b>	21,393,897
Operating surplus before working capital changes		<b>20,328,508</b>	17,603,717
Conservancy and service fee receivables		<b>(149,512)</b>	(28,328)
Other receivables		<b>(634,337)</b>	(874,746)
Trade and other payables		<b>970,356</b>	(756,654)
<b>Net cash generated from operations</b>		<b>20,515,015</b>	15,943,989
Sinking Fund expenditure	4	<b>(15,746,153)</b>	(11,120,263)
Sinking Fund & Lift Replacement Fund other income received	5	<b>44</b>	544
Lift Replacement Fund expenditure	5	<b>(6,537,049)</b>	(7,582,300)
Town Improvement and Project Fund expenditure	6	<b>(2,794,792)</b>	(2,876,781)
Income tax paid		<b>(888,375)</b>	(807,907)
<b>Net cash used in operating activities</b>		<b>(5,451,310)</b>	(6,442,718)
<b>Cash flows from investing activities</b>			
Proceeds from redemption of investments	11	<b>7,802,003</b>	24,582,814
Fixed deposits maturing in more than 3 months		<b>27,500,000</b>	(35,000,000)
Purchase of investments	11	<b>(4,500,000)</b>	(3,250,000)
Purchase of plant and equipment		<b>(16,580)</b>	(464,275)
Interest and investment income received		<b>2,211,474</b>	3,269,880
Net cash generated from / (used in) investing activities		<b>32,996,897</b>	(10,861,581)
<b>Cash flows from financing activities</b>			
Government grants received		<b>17,366,016</b>	18,976,180
GST subvention		<b>1,832,863</b>	1,778,049
Payment of lease principal	9(b)	<b>(181,236)</b>	(258,464)
Payment of lease interest		<b>(28,119)</b>	(23,513)
Net cash generated from financing activities		<b>18,989,524</b>	20,472,252
Net increase in cash and cash equivalents		<b>46,535,111</b>	3,167,953
Cash and cash equivalents at beginning of year		<b>38,240,159</b>	35,072,206
Cash and cash equivalents at end of year	16	<b>84,775,270</b>	38,240,159

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



**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

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

**1 General information**

Tanjong Pagar Town Council was formed on 13 November 2001 under the Town Councils Act 1988. 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 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 drawn up in accordance with the provisions of the Singapore Financial Reporting Standards ("FRSs") including all related interpretations of the FRS ("INT FRS") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

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

**Significant accounting estimates and judgements**

The preparation of the financial statements in conformity with 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.

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

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

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

(a) Critical accounting estimates and assumptions (Cont'd)

(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.

(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 2021. 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.

**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.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Mendments to FRS 37 Provision, Contingent Liabilities and Contingent Assets: 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.



**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**2(c) Summary of significant accounting policies**

**(a) Funds**

**Town Council Funds**

In accordance with Section 47(1) of the Town Councils Act 1988, 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 47(4) of the Town Councils Act 1988, 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 1988, 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").

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% (2021:26%) of conservancy and service fees and grants-in-aid
(ii)	4-room to 5-room	26% (2021:26%) of conservancy and service fees and grants-in-aid
(iii)	Multi-generation	26% (2021:26%) of conservancy and service fees and grants-in-aid
(iv)	Executive	26% (2021:26%) of conservancy and service fees and grants-in-aid
(v)	Shop with living accommodation	26% (2021:26%) of conservancy and service fees and grants-in-aid
(vi)	Commercial property	26% (2021:26%) 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.

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**2(c) Summary of significant accounting policies**

**(a) Funds (Cont'd)**

**Town Council Funds (Cont'd)**

The Sinking Funds are utilized 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 47(5) of the Town Councils Act 1988, 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 1988, 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% (2021:14%) of conservancy and service fees and grants-in-aid
(ii)	Shop with living accommodation	14% (2021:14%) of conservancy and service fees And grants-in-aid
(iii)	Commercial property	14% (2021:14%) 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.

**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.



**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

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

**(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:

<b><u>Property Type</u></b>	<b><u>Equivalent Dwelling Unit(s)</u></b>
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.

**(d) Property, plant and equipment and depreciation**

Property, 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.

Subsequent expenditure relating to property, plant and equipment are added to the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Town Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income and expenditure when incurred.

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

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

**(d) Property, plant and equipment and depreciation (Cont'd)**

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 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 derecognized even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, 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 property, 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.

**(e) Impairment of non-financial assets**

The Town Council assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in income and expenditure.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in income and expenditure.



**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

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

**(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.

**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) Debt 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.

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

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

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

**Subsequent measurement (Cont'd)**

**(i) Debt instruments (Cont'd)**

*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) Equity instruments**

On initial recognition of an investment in equity instrument that is not held for trading, the Town Council may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in income and expenditure when the Town Council's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in income and expenditure.

**(iii) 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.

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 recognizes 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.



**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

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

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

**Subsequent measurement (Cont'd)**

**(iii) Impairment of financial assets (Cont'd)**

For all other financial instruments (including cash at banks, other receivables, receivables for NRP, interest receivables) the Town Council recognizes 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.

**(iv) 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 recognizes 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 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.

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

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

**(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 1988. Conservancy and service fees are recognised as a performance obligation over time.

Agency fees received for routine maintenanc' 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 1947.

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 43E(1A) of the Income Tax Act 1947.

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

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

**(I) 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.

**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.



**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

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

**(l) As Lessee (Cont'd)**

**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 47(12) & Section 57(1)(i) of the Town Councils Act 1988 and Rule 11A of the Town Councils Financial Rules.

**(n) Foreign currency transactions and balances**

Transactions in foreign currencies are measured in the functional currency of the Town Council and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in income and expenditure.

**(o) Borrowing costs**

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in income and expenditure in the period in which they are incurred.

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**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:

	Note	Total 2022 S\$	2021 S\$	Residential 2022 S\$	2021 S\$	Commercial 2022 S\$	2021 S\$	Carparks 2022 S\$	2021 S\$
<b>Operating Income</b>									
Conservancy & service fees		56,119,355	53,484,493	47,936,257	45,992,719	8,183,098	7,491,774	-	-
Transfer to sinking fund	4	(14,591,034)	(13,906,034)	(12,463,427)	(11,958,173)	(2,127,607)	(1,947,861)	-	-
Transfer to lift replacement fund	5	(7,856,709)	(7,487,863)	(6,711,074)	(6,439,014)	(1,145,635)	(1,048,849)	-	-
		<u>33,671,612</u>	<u>32,090,596</u>	<u>28,761,756</u>	<u>27,595,532</u>	<u>4,909,856</u>	<u>4,495,064</u>	-	-
Other income & agency fees		7,724,490	7,219,244	2,854,240	2,572,805	770,526	1,005,298	4,099,724	3,641,141
		<u>41,396,102</u>	<u>39,309,840</u>	<u>31,615,996</u>	<u>30,168,337</u>	<u>5,680,382</u>	<u>5,500,362</u>	<u>4,099,724</u>	<u>3,641,141</u>
Operating expenditure		(43,817,126)	(43,749,408)	(35,917,432)	(35,622,166)	(5,020,318)	(5,174,198)	(2,879,376)	(2,953,044)
Operating surplus / (deficit)		(2,421,024)	(4,439,568)	(4,301,436)	(5,453,829)	660,064	326,164	1,220,348	688,097
Non-operating income		2,001	1,229	1,686	1,034	170	107	145	88
Surplus / (deficit) before taxation and government grants		(2,419,023)	(4,438,339)	(4,299,750)	(5,452,795)	660,234	326,271	1,220,493	688,185
Taxation	22	(356,714)	(355,151)	(300,678)	(298,658)	(30,577)	(31,384)	(25,459)	(25,109)
Surplus / (deficit) after taxation but before government grants		(2,775,737)	(4,793,490)	(4,600,428)	(5,751,453)	629,657	294,887	1,195,034	663,076
Government grants	7	18,604,907	17,721,518	17,994,042	17,187,841	610,865	533,677	-	-
Transfer to sinking fund	4, 7	(2,890,264)	(2,837,139)	(2,880,177)	(2,834,799)	(10,087)	(2,340)	-	-
Transfer to lift replacement fund	5, 7	(6,376,562)	(6,154,781)	(5,799,066)	(5,628,844)	(577,496)	(525,937)	-	-
Transfer to town improvement and project fund	6, 7	(2,668,243)	(2,182,352)	(2,668,243)	(2,182,352)	-	-	-	-
		<u>6,669,838</u>	<u>6,547,246</u>	<u>6,646,556</u>	<u>6,541,846</u>	<u>23,282</u>	<u>5,400</u>	-	-
GST subvention	7	1,859,637	1,785,502	1,859,637	1,785,502	-	-	-	-
Transfer to sinking fund	4, 7	(483,507)	(464,234)	(483,507)	(464,234)	-	-	-	-
Transfer to lift replacement fund	5, 7	(260,352)	(249,973)	(260,352)	(249,973)	-	-	-	-
		<u>1,115,778</u>	<u>1,071,295</u>	<u>1,115,778</u>	<u>1,071,295</u>	-	-	-	-
Surplus for the year		5,009,879	2,825,051	3,161,906	1,861,688	652,939	300,287	1,195,034	663,076
Accumulated surplus at beginning of year		4,490,516	4,696,880	2,489,288	627,000	(33,326)	1,329,963	2,034,464	2,739,317
Transfer to sinking fund	4	-	(1,970,420)	-	-	-	(1,081,266)	-	(889,154)
Transfer to lift replacement fund	5	-	(1,060,995)	-	-	-	(582,220)	-	(478,775)
Appropriation to town improvement and project fund	6	(1,785,000)	-	(1,785,000)	-	-	-	-	-
Accumulated surplus at end of year		<u>7,715,395</u>	<u>4,490,516</u>	<u>3,866,194</u>	<u>2,489,288</u>	<u>619,703</u>	<u>(33,236)</u>	<u>3,229,498</u>	<u>2,034,464</u>

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**4 Sinking fund**

Note	Total		Residential		Commercial	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Balance at beginning of year	<b>181,763,194</b>	171,158,999	<b>127,528,066</b>	119,433,445	<b>54,235,128</b>	51,725,554
Transfer from accumulated surplus	3	-	-	889,154	-	1,081,266
	<b>181,763,194</b>	173,129,419	<b>127,528,066</b>	120,322,599	<b>54,235,128</b>	52,806,820
Investment and interest income	20	<b>2,000,901</b>	2,894,990	<b>1,814,914</b>	2,618,238	185,987
Other income		-	544	-	539	-
Operating transfer from conservancy and service fees	3	<b>14,591,034</b>	13,906,034	<b>12,463,427</b>	11,958,173	2,127,607
Government grants	3, 7	<b>2,673,424</b>	2,623,419	<b>2,673,424</b>	2,623,419	-
Lift maintenance grant	3, 7	<b>216,840</b>	213,720	<b>206,753</b>	211,380	10,087
GST subvention	3, 7	<b>483,507</b>	464,234	<b>483,507</b>	464,234	-
		<b>19,965,706</b>	20,102,941	<b>17,642,025</b>	17,875,983	2,323,681
Expenditure		<b>(15,746,153)</b>	(11,120,263)	<b>(14,456,456)</b>	(10,354,790)	(1,289,697)
Surplus before income tax		<b>4,219,553</b>	8,982,678	<b>3,185,569</b>	7,521,193	1,033,984
Taxation	22	<b>(218,849)</b>	(348,903)	<b>(198,648)</b>	(315,726)	(20,201)
Surplus for the financial year		<b>4,000,704</b>	8,633,775	<b>2,986,921</b>	7,205,467	1,013,783
Balance at the end of year		<b>185,763,898</b>	181,763,194	<b>130,514,987</b>	127,528,066	55,248,911
Add: Fair value reserve		<b>452,750</b>	427,750	-	-	-
		<b>186,216,648</b>	182,190,944	<b>130,514,987</b>	127,528,066	55,248,911
Represented by:						
Non-current assets						
Equity investments	10	<b>305,000</b>	280,000			
Debt investments	11	<b>47,949,488</b>	53,499,879			
		<b>48,254,488</b>	53,779,879			
Current assets						
Conservancy and service and other receivables	12, 13	<b>(46,904)</b>	81,255			
Debt investments	11	<b>10,000,000</b>	7,751,612			
Interest receivable		<b>457,422</b>	546,311			
Amount due from accumulated surplus		<b>4,128,827</b>	4,183,673			
Cash and cash equivalents	16	<b>125,118,769</b>	117,472,719			
		<b>139,658,114</b>	130,035,570			
Total assets		<b>187,912,602</b>	183,815,449			
Less: Current liabilities						
Payables and accrued expenses	17	<b>1,128,201</b>	815,843			
Income tax payable		<b>567,753</b>	808,662			
		<b>1,695,954</b>	1,624,505			
Net assets		<b>186,216,648</b>	182,190,944			
<b>Expenditure</b>		<b>2022 S\$</b>	<b>2021 S\$</b>			
Re-roofing works		<b>1,096,727</b>	1,278,220			
Redecoration and repainting		<b>7,809,901</b>	5,912,230			
Project management fee		<b>518,194</b>	375,394			
Replacement of water tank, pipes and booster pump		<b>741,934</b>	517,890			
Others		<b>5,579,397</b>	3,036,529			
		<b>15,746,153</b>	11,120,263			



**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**5 Lift replacement fund**

Note	Total		Residential		Commercial	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Balance at beginning of year	<b>50,744,967</b>	43,059,058	<b>36,440,074</b>	30,614,730	<b>14,304,893</b>	12,444,328
Transfer from accumulated surplus	3	-	-	478,775	-	582,220
	<b>50,744,967</b>	44,120,053	<b>36,440,074</b>	31,093,505	<b>14,304,893</b>	13,026,548
Investment and interest income	20	<b>208,572</b>	373,661	<b>189,215</b>	337,938	35,723
Other income		<b>45</b>	-	<b>45</b>	-	-
Operating transfer from conservancy and service fees	3	<b>7,856,709</b>	7,487,863	<b>6,711,074</b>	6,439,014	1,048,849
Government grants	3, 7	<b>1,439,534</b>	1,412,611	<b>1,439,534</b>	1,412,611	-
Lift maintenance grant	3, 7	<b>116,761</b>	115,080	<b>111,328</b>	113,820	1,260
LRF matching grant	3, 7	<b>4,820,267</b>	4,627,090	<b>4,248,203</b>	4,102,413	524,677
GST subvention	3, 7	<b>260,352</b>	249,973	<b>260,352</b>	249,973	-
		<b>14,702,240</b>	14,266,278	<b>12,959,751</b>	12,655,769	1,610,509
Expenditure		<b>(6,537,049)</b>	(7,582,300)	<b>(6,292,700)</b>	(7,255,752)	(326,548)
Surplus / (deficit) before income tax		<b>8,165,191</b>	6,683,978	<b>6,667,051</b>	5,400,017	1,283,961
Taxation	22	<b>(31,465)</b>	(59,064)	<b>(28,560)</b>	(53,448)	(5,616)
Surplus / (deficit) for the financial year		<b>8,133,726</b>	6,624,914	<b>6,638,491</b>	5,346,569	1,278,345
Balance at the end of year		<b>58,878,693</b>	50,744,967	<b>43,078,565</b>	36,440,074	14,304,893
Represented by:						
Non-current assets						
Debt investments	11	<b>5,000,000</b>	5,000,000			
Current assets						
Conservancy and service and other receivables	12, 13	<b>939,145</b>	3,114,591			
Interest receivable		<b>24,344</b>	26,370			
Amount due from accumulated surplus		<b>1,747,233</b>	2,178,270			
Cash and cash equivalents	16	<b>51,310,262</b>	40,564,398			
		<b>54,020,984</b>	45,883,629			
Total assets		<b>59,020,984</b>	50,883,629			
Less: Current liabilities						
Payables and accrued expenses	17	<b>51,781</b>	-			
Income tax payable		<b>90,510</b>	138,662			
		<b>142,291</b>	138,662			
Net assets		<b>58,878,693</b>	50,744,967			
<b>Expenditure</b>		<b>2022 S\$</b>	<b>2021 S\$</b>			
Lift position display panel		<b>224,631</b>	1,934,590			
Replacement of main sheaves / ropes		<b>2,204,241</b>	1,265,881			
Lift enhancement work		<b>129,441</b>	364,947			
Lift overhauls / replacements		<b>2,442,227</b>	1,827,446			
Replacement of ARD / EBOPS batteries		<b>276,713</b>	298,099			
Replacement of inverter units		<b>542,370</b>	1,177,850			
Others		<b>717,426</b>	713,487			
		<b>6,537,049</b>	7,582,300			

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**6 Town improvement and project fund**

	Not e	2022 S\$	Total 2021 S\$	2022 S\$	Residential 2021 S\$	2022 S\$	Commercial 2021 S\$
Balance at beginning of year		<b>426,828</b>	1,121,257	<b>(152,176)</b>	417,891	<b>579,004</b>	703,366
Government grants	3, 7	<b>2,668,243</b>	2,182,352	<b>2,668,243</b>	2,182,352	-	-
Expenditure		<b>(2,794,792)</b>	(2,876,781)	<b>(2,478,271)</b>	(2,752,419)	<b>(316,521)</b>	(124,362)
		<b>(126,549)</b>	(694,429)	<b>189,972</b>	(570,067)	<b>(316,521)</b>	(124,362)
Appropriation from accumulated surplus	3	<b>1,785,000</b>	-	<b>1,785,000</b>	-	-	-
Balance at the end of year		<b>2,085,279</b>	426,828	<b>1,822,796</b>	(152,176)	<b>262,483</b>	579,004
Represented by:							
Current assets							
Other receivables	13	<b>3,496,627</b>	2,265,647				
Amount due from accumulated surplus		<b>(1,404,107)</b>	(1,756,852)				
		<b>2,092,520</b>	508,795				
Less: Current liabilities							
Payables and accrued expenses	17	<b>7,241</b>	81,967				
Net assets		<b>2,085,279</b>	426,828				
<b>Expenditure</b>		<b>2022 S\$</b>	<b>2021 S\$</b>				
Construction of covered linkways		<b>969,483</b>	629,924				
Maintenance works		<b>818,187</b>	879,010				
Others		<b>1,007,122</b>	1,367,848				
		<b>2,794,792</b>	2,876,782				

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**7 Government grants**

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

	Note	Total		Conservancy and Service Grant		Payments from Citizens Consultative Committee		GST Subvention		LRF Matching Grant		Lift Maintenance Grant	
		2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Government grants received / receivable during the financial year	3	<b>18,604,907</b>	17,721,518	<b>10,282,397</b>	10,090,076	<b>2,668,243</b>	2,182,352	-	-	<b>4,820,267</b>	4,627,090	<b>834,000</b>	822,000
GST subvention received / receivable during the financial year	3	<b>1,859,637</b>	1,785,502	-	-	-	-	<b>1,859,637</b>	1,785,502	-	-	-	-
Less:													
Transfer to sinking fund	3, 4	<b>(3,373,771)</b>	(3,301,373)	<b>(2,673,424)</b>	(2,623,419)	-	-	<b>(483,507)</b>	(464,234)	-	-	<b>(216,840)</b>	(213,720)
Transfer to lift replacement fund	3, 5	<b>(6,636,914)</b>	(6,404,754)	<b>(1,439,534)</b>	(1,412,611)	-	-	<b>(260,352)</b>	(249,973)	<b>(4,820,267)</b>	(4,627,090)	<b>(116,761)</b>	(115,080)
Transfer to town improvement and project fund	3, 6	<b>(2,668,243)</b>	(2,182,352)	-	-	<b>(2,668,243)</b>	(2,182,352)	-	-	-	-	-	-
		<b>7,785,616</b>	7,618,541	<b>6,169,439</b>	6,054,046	-	-	<b>1,115,778</b>	1,071,295	-	-	<b>500,399</b>	493,200

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

	2022 S\$	2021 S\$
Balance at beginning of year	<b>279,150,547</b>	258,396,319
Add:		
Grants received for the financial year	<b>19,198,879</b>	20,754,228
Balance at end of year	<b>298,349,426</b>	279,150,547

The transfers to the funds from government grants comprises of:

	2022 S\$	2021 S\$
<u>Transfers to sinking fund</u>		
Government grants	<b>(2,890,264)</b>	(2,837,139)
GST subvention	<b>(483,507)</b>	(464,234)
	<b>(3,373,771)</b>	(3,301,373)
<u>Transfers to lift replacement fund</u>		
Government grants	<b>(6,376,562)</b>	(6,154,781)
GST subvention	<b>(260,352)</b>	(249,973)
	<b>(6,636,914)</b>	(6,404,754)



**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**8 Property, plant and equipment**

	Office Equipment	Data Processing Equipment	Furniture and Fittings	Machinery and Other Equipment	Leasehold Office	Leasehold Improvements	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<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>
<b>Cost</b>							
Balance as at 1 April 2021	121,761	814,379	244,662	15,579	697,941	519,715	2,414,037
Additions	-	16,580	-	-	-	-	16,580
Balance as at 31 March 2022	<u>121,761</u>	<u>830,959</u>	<u>244,662</u>	<u>15,579</u>	<u>697,941</u>	<u>519,715</u>	<u>2,430,617</u>
<b>Accumulated depreciation</b>							
Balance as at 1 April 2021	117,055	130,672	240,805	6,232	316,398	497,012	1,308,174
Charge for the financial year	1,987	151,688	3,560	3,116	176,097	12,181	348,629
Balance as at 31 March 2022	<u>119,042</u>	<u>282,360</u>	<u>244,365</u>	<u>9,348</u>	<u>492,495</u>	<u>509,193</u>	<u>1,656,803</u>
<b>Net book value</b>							
Balance as at 31 March 2022	<u>2,719</u>	<u>548,599</u>	<u>297</u>	<u>6,231</u>	<u>205,446</u>	<u>10,522</u>	<u>773,814</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).

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**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% (2021: 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\$
Balance as 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)
Balance as at 31 March 2021	<u>260,648</u>	<u>9,347</u>	<u>381,543</u>	<u>651,538</u>
Balance as at 1 April 2021	260,648	9,347	381,543	651,538
Depreciation	(45,330)	(3,116)	(176,097)	(224,543)
Balance as at 31 March 2022	<u>215,318</u>	<u>6,231</u>	<u>205,446</u>	<u>426,995</u>

The total cash outflow for all leases in the financial year ended 31 March 2022 was \$212,343 (2021: \$284,965).

(b) Lease liabilities

	2022 S\$	2021 S\$
Lease liabilities – non-current	207,673	398,181
Lease liabilities – current	<u>190,508</u>	<u>181,236</u>
	<u>398,181</u>	<u>579,417</u>

Reconciliation of liabilities arising from financing activities:

	1 April 2021	Financing Cash flows	Non-Cash Changes		31 March 2022
	S\$	S\$	Additions S\$	Accretion of interest S\$	S\$
Lease liabilities	579,417	(209,355)	-	28,119	398,181

  

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

(c) Amounts recognised in Income and Expenditure Statement

	2022 S\$	2021 S\$
Interest expense on lease liabilities	28,119	23,513
Expense relating to short-term leases	<u>2,988</u>	<u>2,988</u>
	<u>31,107</u>	<u>26,501</u>

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**10 Equity investments**

	<b>2022</b>	2021
	<b>S\$</b>	S\$
Movements during the year - at FVOCI:		
Equity investments	<b>280,000</b>	217,500
Fair value movement	<b>25,000</b>	62,500
	<b>305,000</b>	280,000
Balance is made up of:		
Quoted unit trusts as equity instruments	<b>305,000</b>	280,000

The fair value of quoted unit trust is based on quoted market prices at the end of reporting period.

The Town Council has elected to measure these quoted equity investments at fair value through other comprehensive income due to the Town Council's intention to hold these equity investments for long-term appreciation.

**11 Debt investments**

	<b>2022</b>	2021
	<b>S\$</b>	S\$
Movements during the year - at amortised cost:		
Amortised cost at beginning of year	<b>66,251,491</b>	87,584,305
Additions for the year	<b>4,500,000</b>	3,250,000
Redemption on maturity	<b>(7,802,003)</b>	(24,582,814)
Amortised cost at end of year	<b>62,949,488</b>	66,251,491
Balance is made up of:		
<u>Current</u>		
Quoted bonds with maturity less than 1 year - nominal interest 1.825% to 2.303% (2021: 2.720% to 3.145%)	<b>10,000,000</b>	7,751,612
<u>Non-Current</u>		
Quoted bonds with maturity within 2 to 5 years - nominal interest 1.800% to 3.593% (2021: 1.825% to 3.327%) p.a.	<b>37,449,375</b>	43,999,750
Quoted bonds with maturity over 5 years - nominal interest 1.971% to 3.650% (2021: 2.350% to 3.650%) p.a.	<b>15,500,113</b>	14,500,129
	<b>52,949,488</b>	58,499,879
Total	<b>62,949,488</b>	66,251,491
Fair value at end of year:		
<u>Current</u>		
Quoted bonds with maturity less than 1 year - nominal interest 1.825% to 2.303% (2021: 2.720% to 3.145%)	<b>10,048,050</b>	7,856,287
<u>Non-Current</u>		
Quoted bonds with maturity within 2 to 5 years - nominal interest 1.800% to 3.593% (2021: 1.825% to 3.327%) p.a.	<b>37,673,995</b>	45,816,988
Quoted bonds with maturity over 5 years - nominal interest 1.971% to 3.650% (2021: 2.350% to 3.650%) p.a.	<b>15,182,290</b>	15,080,220
	<b>52,856,285</b>	60,897,208
Total	<b>62,904,335</b>	68,753,495

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 1.825% to 2.303% (2021: 2.720% to 3.145%).

Effective interest rate of quoted bonds with maturity within 2 to 5 years between 1.800% to 3.593% (2021: 1.825% to 3.327%).

Effective interest rate of quoted bonds with maturity over 5 years is between 1.971% to 3.650% (2021: 2.350% to 3.650%).



**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**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:

		<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Conservancy and service receivables		<b>1,758,797</b>	1,647,029
Interest receivable on late payments		<b>778,505</b>	740,761
		<b>2,537,302</b>	2,387,790
	Rate of provision		
Live accounts with arrears in excess of 12 months	100%	<b>(1,211,894)</b>	(1,309,363)
Terminated accounts with arrears	100%	<b>(119,194)</b>	(96,684)
Expected credit loss as at 31 March 2022		<b>(1,331,088)</b>	(1,406,047)
		<b>1,206,214</b>	981,743
Movement in above provision:			
		<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Balance at beginning of year		<b>1,406,047</b>	1,037,189
Net (write back) / provision for the year		<b>(74,959)</b>	368,858
Balance as at 31 March		<b>1,331,088</b>	1,406,047

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

**13 Other receivables**

	Note	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Citizens' consultative committee grant receivables		<b>3,496,627</b>	2,265,647
Deposits		<b>686,398</b>	433,730
Prepayments		<b>235,312</b>	203,756
Other sundry debtors		<b>774,394</b>	1,907,643
Recoverable from contractors		<b>1,752,532</b>	821,478
GST subvention grant		<b>478,717</b>	451,943
Neighbourhood renewal programme receivables	14	<b>1,018,806</b>	-
Sport-in-precinct programme funding receivables	15	<b>404,642</b>	829,098
LRF matching grant		<b>1,032,769</b>	975,984
		<b>9,880,197</b>	7,889,279

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

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**14 Neighbourhood renewal programme funding receivables (payables)**

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.

Note	2022 S\$	2021 S\$
Balance at 1 April	(333,043)	(457,971)
Funding from government	(164,220)	(1,878,771)
Payment to contractors	1,516,069	2,003,699
Balance at 31 March	<u>1,018,806</u>	<u>(333,043)</u>

**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.

	2022 S\$	2021 S\$
Balance at 1 April	829,098	375,137
Funding from Sport Singapore	(774,000)	(723,364)
Payment to contractors	349,544	1,177,325
Balance at 31 March	<u>404,642</u>	<u>829,098</u>

**16 Cash and cash equivalents**

	2022 S\$	2021 S\$
Cash and bank balances	84,775,270	38,240,159
Fixed deposits maturing in more than 3 months but less than one year	<u>101,500,000</u>	<u>129,000,000</u>
	<u>186,275,270</u>	<u>167,240,159</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	2022 S\$	2021 S\$
Cash and bank balances	186,275,270	167,240,159
Less: Fixed deposits maturing in more than 3 months	<u>(101,500,000)</u>	<u>(129,000,000)</u>
	<u>84,775,270</u>	<u>38,240,159</u>

The rate of interest for fixed deposits is between 0.2000% to 0.6200% (2021: 0.2500% to 0.5300%) per annum receivable within 12 months depending on the terms of the fixed deposits. The effective interest rate is 0.30% (2021: 0.34%) per annum.

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**17 Payables and accrued expenses**

	Note	2022 S\$	2021 S\$
Accruals for completed works		1,558,608	886,952
Amount due to managing agent		97,424	31,173
Accrued operating expenses		1,946,620	1,322,619
Refundable deposits		68,026	92,833
Provision for rectification works		382,818	382,818
Neighbourhood renewal programme payables	14	-	333,043
Other creditors		160,938	168,204
		<u>4,214,434</u>	<u>3,217,642</u>

The average credit period taken to settle trade payable is about 30 days (2021: 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.

**18(b) Other income**

	2022 S\$	2021 S\$
Temporary occupational licence income	2,706,337	2,652,407
Use of water and electricity	23,850	6,552
Use of void deck and common property	4,420	7,360
Liquidated damages	286,815	271,900
Late payment penalty	295,085	280,704
Sundry fines and income	149,668	135,201
Others	248,558	278,197
	<u>3,714,733</u>	<u>3,632,321</u>

**19 Significant related party transactions**

In accordance with FRS 24 *Related Party Disclosures*, 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 to related party information disclosed elsewhere in the financial statements, significant transactions with MND and Citizens' Consultative Committee has been disclosed in Note 7 of the financial statements.

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:

	2022 S\$	2021 S\$
Managing agent fee	7,000,328	6,835,542
Electrical works	2,957,730	2,974,536
Lift works	3,302,689	3,191,555
Water pump works	-	9,812
Project management fees	992,527	885,709
Other expenditures	238,195	92,001



**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**20 Investment and interest income**

**Sinking Fund**

	<b>2022 S\$</b>	<b>2021 S\$</b>
Income – bonds and other investments	<b>1,741,217</b>	2,036,745
Interest income – fixed bank deposit	<b>259,684</b>	858,245
	<b><u>2,000,901</u></b>	<b><u>2,894,990</u></b>

**Lift Replacement Fund**

Income – bonds and other investments	<b>115,465</b>	114,519
Interest income – fixed bank deposit	<b>93,107</b>	259,142
	<b><u>208,572</u></b>	<b><u>373,661</u></b>

**21 General and administrative expenditure**

	Note	<b>2022 S\$</b>	<b>2021 S\$</b>
Advertising and public relations		<b>219,059</b>	213,401
(Reversal of) / impairment loss on receivables		<b>(158,009)</b>	492,484
Computer services		<b>386,726</b>	454,600
Depreciation of plant and equipment	8	<b>124,086</b>	71,585
Depreciation of right-of-use assets	8, 9	<b>224,543</b>	185,432
Upkeep of office equipment		<b>30,884</b>	29,784
Office supplies and stationery		<b>115,976</b>	95,292
Lease interest expenses	9(c)	<b>28,119</b>	23,513
Leasing of equipment – short term	9(c)	<b>2,988</b>	2,988
Property tax		<b>260,232</b>	282,045
Telephone		<b>67,311</b>	72,541
Town councillors' allowance		<b>262,000</b>	208,600
Office water and electricity		<b>24,715</b>	19,131
Insurance premium		<b>74,203</b>	69,561
Goods and services tax		<b>311,088</b>	273,972
Legal fee and professional fee		<b>90,408</b>	74,787
Others		<b>284,981</b>	282,664
		<b><u>2,349,310</u></b>	<b><u>2,852,380</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**22 Income tax**

	<b>2022</b> <b>S\$</b>	2021 S\$
Current income tax provision	<b>606,996</b>	763,134
Under / (over) provision in respect of prior years	<b>32</b>	(16)
	<b><u>607,028</u></b>	<b><u>763,118</u></b>
Taken up in:		
Accumulated surplus	<b>356,714</b>	355,151
Sinking fund	<b>218,849</b>	348,903
Lift replacement fund	<b>31,465</b>	59,064
	<b><u>607,028</u></b>	<b><u>763,118</u></b>

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:

	<b>2022</b> <b>S\$</b>	2021 S\$
Investment and interest income	<b>2,205,318</b>	3,254,436
Other income	<b>2,132,682</b>	2,123,563
	<b><u>4,338,000</u></b>	<b><u>5,377,999</u></b>
Tax at the statutory rate 17% (2021: 17%)	<b>737,460</b>	914,260
Concessionary tax relief	<b>(130,464)</b>	(151,126)
Under / (over) provision in respect of prior years	<b>32</b>	(16)
	<b><u>607,028</u></b>	<b><u>763,118</u></b>

**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**

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

	<b>2022</b> <b>S\$</b>	2021 S\$
Capital commitments approved by the Town Council		
Amount approved and contracted for	<b>15,916,956</b>	40,053,417
Amount approved but not contracted for	<b>125,473,195</b>	77,047,330
	<b><u>141,390,151</u></b>	<b><u>117,100,747</u></b>
Grant receivable / received	<b>(16,164,633)</b>	(8,244,431)
Total net of any government grant	<b><u>125,225,518</u></b>	<b><u>108,856,316</u></b>

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**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 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.

**25.2 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.

The table below summarises the maturity profile of the Town Council's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Less than 1 year S\$	More than 1 and less than 5 years S\$	More than 5 years S\$	Total S\$
<u>2022</u>				
<u>Financial liabilities</u>				
Payables and accrued expenses	4,214,434	-	-	4,214,434
Lease liabilities	206,091	225,638	-	431,729
	<u>4,420,525</u>	<u>225,638</u>	<u>-</u>	<u>4,646,163</u>
<u>2021</u>				
<u>Financial liabilities</u>				
Payables and accrued expenses	3,217,642	-	-	3,217,642
Lease liabilities	206,091	392,307	39,422	637,820
	<u>3,423,733</u>	<u>392,307</u>	<u>39,422</u>	<u>3,855,462</u>

**25.3 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 \$30,500 (2021: \$28,000). This analysis assumes that all other variables remain constant.

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For the Financial Year Ended 31 March 2022

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

**25.4 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. Investments in fixed deposits are with 6 (2021: 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. 62% (2021: 54%) 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.

**Conservancy and service receivables (Note 12)**

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.

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:

	<b>2022</b>	2021
	<b>S\$</b>	S\$
With less than 3 months of fees past due	<b>659,338</b>	483,789
With more than 3 months but less than 6 months of fees past due	<b>230,813</b>	297,230
With more than 6 months but less than 9 months of fees past due	<b>157,837</b>	113,279
With more than 9 months but less than 12 months of fees past due	<b>158,226</b>	87,445
	<b><u>1,206,214</u></b>	<u>981,743</u>

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 at its estimated recoverable value.

**Debt investments (Note 11)**

The Town Council's investments in bonds at amortised cost are considered to be low risk investments as the Town Council's surplus funds are placed with reputable financial institutions or invested in Singapore government bonds. Accordingly, the loss allowance recognised is based on 12-months ECL. The Town Council did not recognise a loss allowance for the debt instruments as the Town Council does not expect the credit loss to be material.



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For the Financial Year Ended 31 March 2022

**26 Financial instruments carried at fair value**

(a) Fair value hierarchy

The Town Council categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Town Council can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets measured 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:

	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Equity investments	<u><b>305,000</b></u>	<u><b>280,000</b></u>

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:

	<b>2022</b>		<b>2021</b>
	<b>Carrying amount S\$</b>	<b>Fair value S\$</b>	<b>Carrying amount S\$</b>
Debt investments	<u><b>62,949,488</b></u>	<u><b>62,904,335</b></u>	<u><b>66,251,491</b></u>
Unrecognised (loss) / gain		<u><b>(45,153)</b></u>	<u><b>2,502,004</b></u>

The fair value 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.

The fair value of financial assets and financial liabilities at amortised cost approximates their carrying amounts.

**NOTES TO FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2022

**28 Financial instruments by category**

At the reporting date, the carrying amount of the different categories of financial instruments are as follows:

	<b>2022</b>	2021
	<b>S\$</b>	S\$
<b>Financial assets at fair value through other comprehensive income</b>	<b>305,000</b>	280,000
<b>Financial assets measured at amortised cost</b>		
Debt investments	<b>62,949,488</b>	66,251,491
Conservancy and service receivables	<b>1,206,214</b>	981,743
Other receivables	<b>9,880,197</b>	7,889,279
Interest receivable	<b>481,766</b>	572,681
Cash and cash equivalents	<b>186,275,270</b>	167,240,159
Total financial assets measured at amortised cost	<b>260,792,935</b>	242,935,353
<b>Financial liabilities measured at amortised cost</b>		
Payables and accrued expenses	<b>4,214,434</b>	3,217,642
Lease liabilities	<b>398,181</b>	579,417
Total financial liabilities measured at amortised cost	<b>5,605,571</b>	4,816,451

**29 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 \$254,896,015 (2021: \$237,853,255).

**30 Authorisation of financial statements for issue**

The financial statements for the financial year ended 31 March 2022 were authorised for issue by members of the Town Council on 23 August 2022.