



TANJONG PAGAR
TOWN COUNCIL

ANNUAL REPORT

FY 2022/2023



TANJONG PAGAR
TOWN COUNCIL

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Tanjong Pagar Town Council
Audited Financial Statements,
Auditor's Report
and Annual Report
for FY 2022/2023

CHAIRMAN'S MESSAGE

Dear Residents,

Throughout the years, Tanjong Pagar Town Council has strived to enhance the quality of facilities and services provided to you. However, the Town Council has been confronted with mounting cost pressures, arising from the rising cost of raw materials and manpower. As you may know, much of our estate infrastructure is ageing and long-term expenditures are required for constructing, upgrading and maintaining these communal facilities. The electricity tariff has also surged by 30% between June 2018 and March 2023, with electricity costs constituting more than 15% of the Town Council's total expenditure.

Despite the Town Council's commitment to prudent financial practices and the exploration of cost-saving measures, sustaining current rates of charges is no longer viable in the long run, even with Government Grants. The decision made to adjust the Service & Conservancy Charges (S&CC) across all the PAP Town Councils was a reluctant one and made after much careful deliberation. We seek your understanding as we continue to do our best to sustain the Town Council's operations amid the increasing cost pressures. To help our residents and reduce the impact of the revised fees, the S&CC adjustment would be staggered over two years, effective on 1 July 2023 and 1 July 2024 respectively.

I want to assure you that the difficult economic conditions notwithstanding, we will continue to rejuvenate our ageing HDB estates within Tanjong Pagar GRC and Radin Mas SMC with the utmost consideration and prudence. Our key aims would be enhancing the interconnectivity between blocks and amenities with designs that will make it more convenient for our elderly and those with mobility issues, repair areas that have been damaged by years of wear and tear, and redecorate the building façades which have been faded by natural weather conditions. Our cyclical Repairs & Redecoration projects at Tekka Centre, Bukit Merah Central and Jalan Membina are in various stages of progress, and the Town Improvement project at Kampong Tiong Bahru has just received the needed approval from our residents.

We are also taking greater action for green towns this year. Our initiatives to build Our Tanjong Pagar into a zero-waste, energy-efficient, and greener town will serve to enhance the overall liveability and sustainability of our HDB estates. Our residents can enjoy long-term benefits, such as reduced surface temperatures, reduced electricity and water usage, as well as savings on waste management.

We launched the "Plant A Tree @Our Tanjong Pagar" programme, setting a target to plant 1000 trees with residents in 2023. Beyond contributing to the national "One Million Trees" movement, the programme allows residents to play a part in greening our neighbourhoods together with the Town Council.

In our journey towards zero-waste, the successful textile recycling drives in 2021 and 2022 have motivated us to introduce 22 textile recycling bins in collaboration with textile recycler Life Line Clothing and social enterprises Cloop and SusGain. Residents can drop off a variety of textiles including clothes, bags, shoes, and household items such as pillows, and linens in any condition. I am heartened to see the increasing participation from our residents across all our 6 constituencies over the years in recycling their unwanted clothing apparels or household fabrics and reduce our carbon emissions.

We are also progressing well in our installation of solar panels at all our HDB blocks. Installations have commenced at 260 HDB blocks, which will increase our solar energy capacity from 0.56 megawatt-peak (Mwp) to 13.25 Mwp. We will roll out plans to install solar panels on another 267 blocks, which will increase our solar energy capacity to 26.5Mwp, potentially reducing our carbon emissions by 7,000 tonnes annually.

I am pleased to share that Tanjong Pagar Town Council has continued to maintain a high standard of township management, achieving a Green rating for all operational indicators in the Ministry of National Development's Town Council Management Report in 2022. I look forward to your continued support as we do our best to make Tanjong Pagar Town our Home with Heart.

Melvin Yong

Chairman

Tanjong Pagar Town Council



CHAIRMAN'S MESSAGE

尊敬的居民们：

这些年来，丹戎巴葛市镇理事会一直致力于提高为您提供的设施和服务的质量。然而，由于原材料和人力成本不断上升，市镇理事会也面临着越来越大的成本压力。相信大家都知道，我们大部分房屋的基础设施已日渐老化，需要长期开支来兴建、改善和维护这些公用设施。在 2018 年 6 月至 2023 年 3 月期间，电价飙升了 30%，电费占市镇理事会总支出的 15% 以上。尽管市镇理事会承诺采取审慎的财政措施，也会探讨节省开支的措施，但从长远来看，即使有政府拨款，维持现时的收费率也不再可行。尽管我们也不想调整所有 PAP 市镇理事会的服务管理费 (S&CC) 的决定，经过仔细考虑后，我们不得不做出这一决定。在越来越大的成本压力下，我们将继续尽最大努力维持市镇理事会的运作，我们希望能得到您的谅解。为帮助居民及减低调整收费的影响，S&CC 调整将分两年进行，分别于 2023 年 7 月 1 日及 2024 年 7 月 1 日生效。

我想向大家保证，尽管经济状况困难，我们将继续殚精竭虑，以谨慎的作风来振兴丹戎巴葛集选区和拉丁马士的老化组屋。我们的主要目标是通过更方便长者和出行不便人士的设计，加强街区和设施之间的互联互通，修复因多年磨损而受损的取悦，并重新装饰因自然气候条件而褪色的建筑外立面。我们位于竹脚中心 (Tekka Centre)、红山中心 (Bukit Merah Central) 及惹兰孟比那 (Jalan Membina) 的周期性维修及重新装修项目正处于不同的进度阶段，而位于甘榜中峇鲁 (Kampong Tiong Bahru) 的城镇改善项目刚获得居民的批准。

今年，我们还将为打造绿色城市采取更多行动。我们致力于将丹戎巴葛建设成为零废弃物、节能环保的城镇，这将有助于提高我们组屋的整体宜居性和可持续性。我们的居民可以享受长远的益处，例如降低地表温度，减少水电的使用和节省废物管理费用。我们推出了“种下一棵树@我们的丹戎巴葛”计划，目标是在 2023 年与居民一起种植 1000 棵树。除了助力全国的“百万棵树”运动，该计划还让居民与市镇理事会一起参与到我们的社区绿化之中。

在实现零废弃物的过程中，我们在 2021 年和 2022 年成功开展了纺织品回收活动，这促使我们与纺织品回收商 Life Line Clothing 以及社会企业 Cloop 和 SusGain 合作，推出了 22 个纺织品回收箱。居民可以把各种各样的纺织品放在任何地方的回收箱，包括衣服、包、鞋、枕头等家居用品和亚麻制品。这些年来，我很高兴地发现我们六个街区的居民越来越多地参与回收之中，他们把不需要的衣服或家居织物用于回收，减少碳排放。

我们在所有组屋楼宇安装太阳能电池板的工作也进展顺利。我们已在 260 个组屋区开始安装，这将使我们的太阳能容量从 0.56 兆瓦峰值 (Mwp) 增加到 13.25 兆瓦峰值。我们将推出在另外 267 个街区安装太阳能装置的计划，这将使我们的太阳能容量增加到 26.5Mwp，每年大约能减少 7000 吨的碳排放。

我很高兴地告诉大家，丹戎巴葛市镇理事会一直保持高水平的乡镇管理，在国家发展部 2022 年的市镇理事会管理报告中，所有运营指标均获得绿色评级。我期待您的继续支持，我们将尽最大努力使丹戎巴葛镇成为我们的温馨之家。

梅尔文·杨
主席
丹戎巴葛市镇理事会



CHAIRMAN'S MESSAGE

Penduduk yang Dihormati,

Sejak beberapa tahun ini, Majlis Bandaran Tanjong Pagar telah berusaha untuk meningkatkan kualiti kemudahan dan perkhidmatan yang disediakan untuk anda. Namun, Majlis Bandaran telah menghadapi tekanan kos yang semakin meningkat, berikutan peningkatan kos bahan mentah dan tenaga kerja. Seperti yang anda tahu, kebanyakan infrastruktur kawasan ini telah uzur dan perbelanjaan jangka panjang diperlukan bagi membina, meningkat dan menyelenggara kemudahan komuniti. Tarif elektrik juga telah naik mendadak sebanyak 30% antara Jun 2018 dan Mac 2023, dengan kos elektrik membentuk lebih daripada 15% daripada jumlah perbelanjaan Majlis Bandaran.

Di samping komitmen Majlis Bandaran untuk mengamalkan kewangan berhemah dan berusaha mencari langkah-langkah penjimatan kos, mengekalkan kadar caj semasa tidak lagi boleh dilaksanakan dalam jangka masa panjang, walaupun dengan Bantuan Kerajaan. Keputusan yang dibuat untuk melaraskan Caj Perkhidmatan & Pemuliharaan (S&CC) di semua Majlis Bandaran PAP adalah satu keputusan yang berat dan dibuat selepas pertimbangan yang teliti. Kami harap anda memahami dan kami akan terus berusaha sebaik mungkin untuk mengekalkan operasi Majlis Bandaran walaupun berhadapan dengan tekanan kos yang meningkat. Untuk membantu penduduk dan mengurangkan kesan perubahan bayaran, pelarasan S&CC akan dijalankan secara berperingkat selama dua tahun, berkuatkuasa pada 1 Julai 2023 dan 1 Julai 2024.

Saya ingin memastikan bahawa walaupun dalam keadaan ekonomi yang sukar, kami akan terus meningkatkan estet perumahan HDB yang sudah uzur di GRC Tanjong Pagar dan Radin Mas SMC dengan pertimbangan dan secara berhemah. Matlamat utama kami ialah meningkatkan kesalinghubungan antara blok dan kemudahan dengan reka bentuk yang akan memudahkan warga emas kita dan mereka yang mempunyai masalah mobiliti, memperbaiki kawasan yang rosak akibat lusuh selama bertahun-tahun, dan menghias semula hadapan bangunan yang telah pudar akibat cuaca semula jadi. Projek kitaran Pembaikan & Hiasan Semula di Pusat Tekka, Bukit Merah Central dan Jalan Membina sedang dalam proses, dan projek Peningkatan Bandar di Kampong Tiong Bahru baru sahaja menerima kelulusan dari penduduk setempat.

Kami juga mengambil langkah besar ke arah bandar hijau tahun ini. Inisiatif kami untuk menjadikan Tanjong Pagar sebagai bandar sifar sisa, cekap tenaga dan bandar lebih hijau akan meningkatkan keseluruhan kebolehdiaman dan kemampunan kawasan HDB kita. Penduduk boleh menikmati manfaat jangka panjang, seperti pengurangan suhu permukaan, mengurangkan penggunaan elektrik dan air, serta menjimatkan pengurusan sisa.

Kami telah melancarkan program "Tanam Pokok @Tanjong Pagar Kita", yang menetapkan sasaran untuk menanam 1000 batang pokok bersama penduduk dalam tahun 2023. Selain menyumbang kepada gerakan "Sejuta Pokok" kebangsaan, program ini membolehkan penduduk memainkan peranan dalam menghijaukan kawasan kejiranan kita bersama dengan Majlis Perbandaran.

Dalam perjalanan kita ke arah sifar sisa, gerakan kitar semula tekstil yang berjaya pada tahun 2021 dan 2022 telah memberi semangat kepada kita untuk memperkenalkan 22 unit tong kitar semula tekstil dalam kolaborasi bersama pengkitar semula tekstil Life Line Clothing dan pengusaha sosial Cloop dan SusGain. Penduduk boleh meninggalkan pelbagai jenis tekstil termasuk pakaian, beg, kasut dan barangan kediaman seperti bantal, dan cadar dalam keadaan apa sekali pun. Saya gembira melihat peningkatan penglibatan dari penduduk kita merentasi semua 6 kawasan undi selama ini dalam mengitar semula pakaian atau fabrik isi rumah yang tidak diingini dan mengurangkan pelepasan karbon.

Pemasangan panel solar juga sedang berjalan dengan baik di semua blok HDB kita. Pemasangan telah bermula di 260 buah blok HDB, yang mana akan meningkatkan keupayaan tenaga dari 0.56 megawatt-peak (Mwp) kepada 13.25 Mwp. Kami akan melancarkan pelan untuk memasang panel solar di 267 buah blok lagi, yang akan meningkatkan keupayaan tenaga solar kita ke 26.5 Mwp, dan berpotensi mengurangkan pelepasan karbon sebanyak 7,000 tan setahun.

Saya berbesar hati untuk berkongsi bahawa Majlis Bandaran Tanjong Pagar terus mengekalkan standard pengurusan perbandaran yang tinggi, mencapai penarafan Hijau untuk semua petunjuk Operasi dalam Laporan Pengurusan Majlis Perbandaran Kementerian Pembangunan Negara pada tahun 2022. Saya mengharapkan sokongan berterusan anda kerana kami sedang melakukan yang terbaik untuk menjadikan Bandar Tanjong Pagar sebagai kawasan Kediaman yang Disayangi.

Melvin Yong
Pengerusi
Majlis Bandaran Tanjong Pagar

CHAIRMAN'S MESSAGE

அன்புள்ள காபியிரப்பாளர்களுக்கு,

உங்களுக்கு வழங்கப்படும் வசதிகள் மற்றும் சசுவகளின் தரத்த தஞ்சாவூர் பகார் நகர மற்றும் பல ண்டுகளாக கபினமாக மயன்று வருகிறது. என்றாலும், மூலப் பாராட்டிகள் மற்றும் மனித வளத்தின் விவல் உயர்வு காரணமாக, நகர மற்றும் பபாருகிவரம் பசலவா பநாக்கபிவய எதிர்ப்படுகிறது. நமது சபட்வயின் உள்கட்வைமப்பா பபரம்பாலும் பவழயதாகிவிட்டதை என்பதும் இத்தவகய பபாது வசதிகவள கட்டுவதற்கும் சமம்படுத்துவதற்கும் பராமரிப்பதற்கும் நீண்ட கால பசலவாகள் சதவவ என்பதும் உங்களுக்குத் பதரியும். ஜூன் 2018-க்கும் மார்ச் 2023- க்கும் இவசைய மின்சார கட்ணை 30 விழுக்காடு திகரித்துள்ளது, இதனால் நகர மன்றத்தின் பமாத்த பசலவில் மின்சார பசலவாகள் 15 விழுக்காடும் அதிகமாக உள்ளது.

நகர மற்றும் விசுவகமான நிதி நவமைவாறகவள வகயாவ்ந்து மற்றும் பசலவாகவளக் மிச்சப்படுத்தும் பபிகவள கண்ணறிந்த பாதிலும், அரசாங்க மானியங்களுணும்கலை தற்சபாவதய கட்ணை விகிதங்கவள நிவலநிறுத்துவது நீண்ட காலத்திற்கு சாத்தியமில்வல். இதனால், PAP நகர மன்றங்கள் அவனத்திலும் சசவவ மற்றும் பராமரிப்பாக் கட்ணைத்தவத (S&CC) ற்றியவமக்க தயக்கத்தாடும் மிக கவனமாக ஆசலாசித்த பிறகும் மாபிவா எடக்கப்பட்டுள்ளது. பபாருகிவரம் பசலவா பநாக்கபிகள் மத்தியிலும் நகர மன்றத்தின் பசயல்பாட்வவை நிவலநிறுத்த எங்களால் இயன்றவத நாங்கள் பதாரைந்து பசய்யும்சபாது உங்களுவயை பாநிதவல் எதிர்பார்க்கிசறாம். காபிமக்களுக்கு உதவாவதற்காகவாம் திருத்தப்பட்டு கட்ணைத்தின் தாக்கத்தவதக் காவறப்பதற்காகவாம் S&CC மாற்றங்கவள ஓசர சமயத்தில் அமல்படுத்தாமல் ஜூவல் 1, 2023 மற்றும் ஜூவல் 1, 2024 என இரண்டு ஆண்டுகளாக அமல்படுத்துசவாம்.

கபினமான பபாருளாதார சமூல் இராந்தாலும், தஞ்சாவூர் பகார் கழாத்தபாகாதி மற்றும் ராபின் மாஸ் தனித்தபாகாதிக்க உட்பட்டு பவழயதாகிவிட்டு நமது வீவக சபட்வகைவள மிகுந்த கவனத்துணும் விசுவகத்துணும் பதாரைந்து பாதுப்பிப்பசபாம் என்பவத நான் உங்களுக்கு உறுதியளிக்க விரும்புகிசறன். பிளாக்களுக்காம் வசதிகளுக்காம் இவசைய உள்ள இவணைப்பவ சமம்படுத்தி மாதிசயாரும் நமைட்டை பிரச்சிவனகள் உள்சளாரும் அவத எளிதாக அணுகும் விதத்தில் வபிவவமப்பது, பல ஆண்டுகளாக பயன்படுத்தப்பட்டதால் சதமவனத்திருக்கும் பகாதிவள பசப்பனிடுவது, இயற்கை வானிலையால் மங்கிப்பசபான கட்டிை மாகப்பாகவள மீண்டும் அலங்கரிப்பது ஆகியவவசய நமது பிரதான லட்சியங்கள். சதக்கா பசன்ரை, பாக்கிட் பமரா பசன்ட்ரல் மற்றும் ஜவல் பமப்பிளா பகாதிகளில் நவபைபபாருகிற நமது சாழற்சி மாவறயிலான பசப்பனிடுதலும் மறு அலங்காரத் திட்டங்களும் மான்சனற்றத்தின் பல்சவறு கட்ணைகளில் உள்ளன, கம்சபாங் திசயாங் பாரா பகாதிக்கான நகர சமம்பாட்டித் திட்டம் தற்சபாதுதான் நமது காபிமக்களின் ஒப்பாதவல் பபற்றுள்ளது.

இந்த ஆண்டு பசாவம நகர்கவள அவமக்க நாங்கள் அதிக நவவபிக்குவ எடக்கிசறாம். நமது தஞ்சாவூர் பகார் பகாதிவய கழிவாகள் அற்ற, ஆற்றல் திறன்வாய்ந்த, பசாவம நகராக உருவாக்க நாங்கள் எடக்காம் மாயற்சிகள் நமது விவக சபட்வகைகளின் ஒட்டுபமாத்த வாழ்வாதாரத்தவதயும் நிவலத்தன்வமவயயாம் சமம்படுத்த உதவாம். காவறந்த சமற்பரப்பா பவப்பநிவல், மின்சாரம் மற்றும் நீரின் காவறவான பயன்பாடு, அசதாடு கழிவா சமலாண்மவயில் சசமிப்பா சபான்ற நீண்ட கால நன்வகவள நமது காபியிரப்பாளர்கள் அளபவிக்கலாம்.

2023-ல் காபிமக்கவளக் பகாண்டு 1000 மரங்கவள நடும் இலக்கவ வவத்து "ஓரா மரம் நடா இதஞ்சாவூர் பகார்" திட்டைத்த நாங்கள் பதானைக்கிசறாம். "ஓரா மில்லியன் மரங்கள்" என்ற சதசிய இயக்கத்திற்கு பங்களிப்பசதாடு, நகர மன்றத்துண் இவணைந்து நமது அக்கம்பக்கத்தவத பசாவமயாக்காவதில் காபிமக்களும் ஓரா பங்காற்ற இந்த திட்டம் அனுமதிக்கிறது.

கழிவாகள் அற்ற நிவல் என்ற நம் பயணத்தில், 2021 மற்றும் 2022 ஆம் ஆண்டுகளில் பவற்றிகரமான ஜவாளி மறுபயனீடு இயக்கங்கள், ஜவாளி மறுபயனீடு பசய்யும் Life Line Clothing மற்றும் சமூக நிறுவனங்களான Cloop மற்றும் SusGain உண் இவணைந்து 22 ஜவாளி மறுபயனீடு பதாட்டிகவள அறிமுகப்படுத்த எங்கவளத் துண்டியது. உவகைகள், வபகள், காலணிகள் உட்பவ பல்சவறு ஜவாளிகளும் தவலயவணகள், சபாற்வககள் சபான்ற வீட்டு உபசயாக பபாருட்களும் எந்த நிவலில் இராந்தாலும் அவற்றவ காபிமக்கள் இந்தத் பதாட்டிகளில் இலலாம். பல ஆண்டுகளாக நமது 6 பதாருகிகளிலும் உள்ள எங்கள் காபியிரப்பாளர்கள் தங்களது சதவவயற்ற உவகைகள் அல்லது வீட்டுத் துணிகவள மறுசாழற்சி பசய்வதிலும் நமது கரிமம் பவளிசயற்றத்தவதக் காவறப்பதிலும் அதிகளவா பங்களிப்பா தராவவதக் கண்டு நான் மகிழ்ச்சி அவகைசறன்.

நமது அவனத்து விவக பிளாக்குகளிலும் சூரிய பலகங்கவள நிறுவாவதிலும் நாங்கள் நன்கு மான்சனறி வருகிசறாம். 260 வீவக பிளாக்குகளிலும் நிறுவாதல் பதானைக்கப்பட்டுள்ளது. இது நமது சூரிய ஆற்றல் திறவல் 0.56 பமகாவாட்-உச்சத்தில் (Mwp) இராந்து 13.25 Mwp ஆக அதிகரிக்காம். சமலும் 267 பிளாக்குகளில் சூரிய மின்திட்டைங்கவள நிறுவாவதற்கான திட்டைங்கவள நாங்கள் பவளியிடுசவாம், இது நமது சூரிய ஆற்றல் திறவல் 26.5Mwp ஆக அதிகரிக்காம், இது நமது கரிம பவளியீட்டுவ ஆண்டுகளும் 7,000 ணைகள் காவறக்காம்.

2022-க்கான தேசிய வளர்ச்சி அமைச்சின் நகர மன்ற நிர்வாக அறிக்கையில் தஞ்சாவூர் பகார் நகர மன்றம், நகர நிர்வாகத்தில் உயர்ந்த தரத்தைத் தொடர்ந் காத்திக்கொண்டு அனைத்ற் செயல்பாட்டுக் ட்றிகாட்டிகளுக்கும் பச்சை மதிப்பீட்டை அடைந்ற்ள்ளி என்பதைப் பகிர்ந்ற்கொள்வதில் நான் மகிழ்ச்சியடைகிறேன். தஞ்சாவூர் பகார் நகரை நமர் இதயத்தின் இல்லமாக மாற்ற எங்களால் ட்டிந்த அனைத்தைம் செய்ய உங்களின் தொர்ந்த ஆதரவை எதிர்பார்க்கிறேன்.

பமல்வின் யாங்

தவலவர்

தஞ்சாவூர் பகார் நகர மன்றம்



OUR SUSTAINABILITY PROJECTS

Tanjong Pagar Town Council recognises the importance of aligning with our national goal of a net zero future and aims to play a significant role in driving sustainability and resilience in our local communities. Singapore recently committed to achieve net zero carbon emissions by 2050, as part of its Long-Term Low-Emissions Development Strategy and revised its Nationally Determined Contributions to the United Nations Framework Convention on Climate Change, by aiming to reduce carbon emissions to around 60 million tonnes of carbon dioxide equivalent in 2030 before peaking emission earlier. While a large portion of achieving these targets is dependent on accelerating a low-carbon transition in our industries and economy, our residents can also contribute by adopting more environmentally-friendly practices.

ZERO-WASTE TOWN

EXPANDING TEXTILE WASTE RECYCLING IN OUR TOWN

Leveraging on the success of our textile recycling drives in 2021, Tanjong Pagar Town Council has now expanded the textile recycling culture in Tanjong Pagar Town by introducing a more comprehensive and permanent programme.

In collaboration with textile recycler Life Line Clothing and social enterprises Cloop and SusGain, Tanjong Pagar Town Council introduced 15 new textile recycling bins across our six divisions. As a result, we have collected 61,200 kg of textiles from May 2022 to April 2023.

Residents can drop off a variety of textiles including clothes, bags, shoes, accessories, belts, hats/caps, and household items such as toys, pillows, and linens in any condition. The textiles are sent to a factory to be sorted for usability. Reusable textiles are redistributed to other countries while non-reusable textiles are processed into other types of industrial materials or infrastructure reinforcements.

The past 12 months of the textile recycling programme has reinforced the need for residents to share good habits of recycling their unwanted clothing apparels or other household fabrics because we can redirect them from incinerators or landfills and reduce our carbon emissions.



STEADY RISE IN E-WASTE RECYCLING HIGHLIGHTS PROGRESS

YET, CALLS FOR GREATER ACTION REMAIN

During the period of May 2022 and Apr 2023, we collected 71,300 kg of electronic waste (e-waste). This figure marks a slight increase from the 68,348kg of e-waste collected in the year before. The collection of e-waste is conducted through the 86 e-waste bins in strategic locations, bulky waste removal

services provided by our Town Council staff, the quarterly E-Drive collection programmes across 12 locations in Town, as well the trial programme introducing e-bins under HDB void decks to collect light bulbs and household batteries. Tanjong Pagar Town Council was one of the selected Town Councils to trial this programme at HDB blocks. We introduced the e-bins at the void decks of 14 HDB blocks in Henderson-Dawson and Tanjong Pagar-Tiong Bahru division, between a period of September 2022 and March 2023.

Tanjong Pagar Town Council, along with East Coast Town Council, were the only Town Councils to be recognised for our collaborative efforts with the National Environment Agency and People's Association, to implement an E-waste management system in 2022. We were awarded the Municipal Services Award by the Ministry of National Development.

Recycling our e-waste has never been easier, but concerns with our consumption and wastage remains. It was reported in 2022 that Singapore generates 60,000 tonnes of e-waste annually, but only around 3,500 tonnes of consumer e-waste had been collected under the Extended Producer Responsibility (EPR) scheme, which began in July 2021



GREENER ENVIRONMENT



PLANT A TREE @ OUR TANJONG PAGAR SETS LOFTY 1000-TREE TARGET

Tanjong Pagar Town Council launched the "Plant A Tree @Our Tanjong Pagar" programme, setting a target to plant 1000 trees with residents in 2023. This highlights our Town Council's commitment to contribute more extensively to the national OneMillionTrees movement. We planned 14 tree planting sessions with residents at many different neighbourhoods spread across the Town, so that more participants will be given the opportunity to plant a tree at a

neighbourhood within their division. The first tree planting sessions were conducted in February to April 2023, and hundreds of residents have planted their very own trees.

After the trees are planted, participants receive a certificate containing two unique QR codes. The first QR code directs them to the interactive TreeSG map by the National Parks Board, where they can locate their planted tree. The second QR code provides participants with their own unique Non-Fungible Token (NFT) which is created and hosted on OpenSea, an NFT marketplace. This is the first ever NFT urban tree planting initiative by a Town Council.

These tree planting events also incorporate activities to share a glimpse of our Town Council operations with our residents, young and old, and also provides us an opportunity for us to forge stronger partnerships with sustainability advocates and our grassroots communities.

BOUNTIFUL FRUIT HARVESTS



The confluence of various factors, including the flourishing biodiversity nodes and their role in amplifying natural pollination processes, alongside the abundance of fruit trees in Tanjong Pagar Town, has resulted in bountiful fruit harvests. From 2022 to 2023, we conducted three fruit harvesting sessions in Bukit Purmei, Kim Tian Rise, and Leng Kee Park, which yielded 520kg of rambutans and coconuts for about 80 residents collectively.

ENERGY EFFICIENCY

POWERING OUR BLOCKS THROUGH SOLAR ENERGY

Over the next two years, blocks in Tanjong Pagar Town will be installed with solar panels under the SolarNova programme. This programme, jointly led by HDB and the Singapore Economic Development Board, uses energy generated from solar panels to power common services like lifts, lights and water pumps in the daytime. Excess solar energy is channelled to the electrical grid. Under SolarNova 6, solar panels are planned to be installed at 260 HDB blocks across Tanjong Pagar Town to increase our solar energy capacity from 0.56 megawatt-peak (Mwp) to 13.25 Mwp. Under SolarNova 7, we have already made plans to study for installation of solar PV systems at another 267 blocks. Based on preliminary estimation, after the full commission of SolarNova 7 in 2025, HDB blocks in Tanjong Pagar Town are targeted to achieve net-zero energy consumption on average at common areas and have a total solar capacity of 26.5 Mwp. This is equivalent to powering 6,600 four-room flats and potentially reducing our operational and national carbon emissions by 3,800 and 15,900 tonnes on a yearly basis, respectively.



COMMUNITY & ENGAGEMENT

INDUCTION TO THE UNITED NATIONS GLOBAL COMPACT AS A NON-CORPORATE MEMBER

Tanjong Pagar Town Council was officially inducted into the United Nations Global Compact (UNGC) in 2022, under the Singapore Chapter. Tanjong Pagar Town Council is the first and only Town Council in Singapore thus far, to be inducted as a member of the UNGC.

This demonstrates our commitment to sustainability and social responsibility. The UNGC is a voluntary initiative that encourages companies, NGOs and other non-corporate organisations to adopt sustainable and socially responsible policies and practices.

Being a non-corporate member of the UNGC allows Tanjong Pagar Town Council to enhance our visibility and credibility, gives access to UNGC resources and initiatives, such as guidance on sustainability reporting, best practices, and stakeholder engagement, provides a platform for us to connect with other members through a range of events, possibly leading to new partnerships and collaborations that can support our sustainability goals.



FIRST TOWN COUNCIL IN SINGAPORE TO BE CERTIFIED UNDER THE GREENDNA AND LOW CARBON SG PROGRAMME.

Tanjong Pagar Town Council re-attained the GreenDNA certification for another year in 2022, after being the first Town Council to be GreenDNA-certified in 2021. The GreenDNA certificate is provided to organisations and government agencies who successfully complete the GreenDNA requirements, which encompasses programmes by the Singapore Environment Council (SEC) such as Training & Education, Awards & Outreach and Eco-Certifications which is an integral component of the GreenDNA. TPTC also appointed a green ambassador to participate in the Eco Ambassador Training Programme (EATP) by the SEC. Our ambassador was equipped with the knowledge and expertise to reduce waste, lower the impact of TPTC's carbon footprint, as well as to champion sustainability within and beyond TPTC.

TPTC was also the first Town Council to be registered under the Low Carbon SG programme. The programme helps to guide how we monitor and measure our carbon emissions. From monitoring the efficiency of our pump rooms and our lifts, to reducing the waste generated from our day-to-day maintenance of the estates, we are making our first steps toward net-zero emissions by having a framework to manage our operations. We will continue to fine-tune our operations to become more eco-friendly and reduce our impact on the environment. In addition to being a part of the GreenDNA and Low Carbon SG programmes, TPTC also attained the Elite Tier Eco Office Certification, which is awarded to organisations that demonstrate an unwavering commitment to building an environmentally-friendly workplace.



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 the 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.



TANJONG PAGAR TOWN COUNCIL
(Established under the Town Councils Act 1988)

TANJONG PAGAR TOWN COUNCIL
FINANCIAL STATEMENTS
FOR FINANCIAL YEAR 2023

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

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

We have audited the accompanying financial statements of Tanjong Pagar Town Council (the "Town Council"), which comprise the statement of financial position of the Town Council as at 31 March 2023, 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 2023 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)

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)

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)

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

29 August 2023

STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

| | Note | 2023 S\$ | 2022 S\$ |
|---------------------------------------------------------------------|------|-------------|-------------|
| TOWN COUNCIL FUNDS | | | |
| Residential Property | | | |
| Accumulated surplus | 3 | 4,059,057 | 3,866,194 |
| Sinking fund | 4 | 133,200,478 | 130,514,987 |
| Lift replacement fund | 5 | 48,184,154 | 43,078,565 |
| Town improvement and project fund | 6 | 1,822,545 | 1,822,796 |
| | | 187,266,234 | 179,282,542 |
| Commercial Property | | | |
| Accumulated surplus | 3 | 1,083,053 | 619,703 |
| Sinking fund | 4 | 56,517,943 | 55,248,911 |
| Lift replacement fund | 5 | 17,363,543 | 15,800,128 |
| Town improvement and project fund | 6 | 82,685 | 262,483 |
| | | 75,047,224 | 71,931,225 |
| Car Park | | | |
| Accumulated surplus | 3 | 4,585,556 | 3,229,498 |
| Fair Value Reserve | | | |
| | 4 | 407,750 | 452,750 |
| Total Town Council funds | | | |
| | | 267,306,764 | 254,896,015 |
| REPRESENTED BY: | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 8 | 675,645 | 773,814 |
| Equity investments at fair value through other comprehensive income | 10 | 260,000 | 305,000 |
| Debt investments at amortised cost | 11 | 70,147,784 | 52,949,488 |
| | | 71,083,429 | 54,028,302 |
| Current Assets | | | |
| Conservancy and service receivables | 12 | 1,388,276 | 1,206,214 |
| Other receivables | 13 | 13,297,273 | 9,880,197 |
| Interest receivable | | 2,002,621 | 481,766 |
| Debt investments at amortised cost | 11 | 7,750,000 | 10,000,000 |
| Cash and cash equivalents | 16 | 178,857,785 | 186,275,270 |
| | | 203,295,955 | 207,843,447 |
| Total Assets | | | |
| | | 274,379,384 | 261,871,749 |
| Less: | | | |
| Non-Current Liabilities | | | |
| Lease liabilities | 9 | 134,788 | 207,673 |
| Current Liabilities | | | |
| Conservancy and service fees received in advance | | 1,145,744 | 992,956 |
| Payables and accrued expenses | 17 | 4,191,288 | 4,214,434 |
| Lease liabilities | 9 | 72,885 | 190,508 |
| Income tax payable | | 1,527,915 | 1,370,163 |
| | | 6,937,832 | 6,768,061 |
| Total liabilities | | | |
| | | 7,072,620 | 6,975,734 |
| Net assets | | | |
| | | 267,306,764 | 254,896,015 |

Mr Melvin Yong Yik Chye
Chairman

Date: 29 AUG 2023

Dr Chin Kein Hoong, Lawrence
Secretary

Date: 29 AUG 2023

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 2023

| | Note | <u>2023</u> S\$ | <u>2022</u> S\$ |
|-----------------------------------------------------------------------|-------|---------------------|---------------------|
| Operating Income | | | |
| Conservancy and service fees | 3 | 57,459,596 | 56,119,355 |
| Operating transfer to sinking fund (minimum required by law) | 3,4 | (14,939,496) | (14,591,034) |
| Operating transfer to lift replacement fund (minimum required by law) | 3,5 | (8,044,343) | (7,856,709) |
| | | <u>34,475,757</u> | <u>33,671,612</u> |
| Agency fees | 18(a) | 4,266,504 | 4,009,757 |
| Other income | 18(b) | 3,950,912 | 3,714,733 |
| | | <u>42,693,173</u> | <u>41,396,102</u> |
| Operating Expenditure | | | |
| Cleaning works | | (8,306,949) | (8,286,756) |
| Managing agent's fee | 19 | (7,350,781) | (7,000,328) |
| Lift maintenance | | (7,935,533) | (7,364,017) |
| Other works and maintenance | | (8,078,880) | (6,904,714) |
| Water and electricity | | (13,462,774) | (11,912,001) |
| General and administrative expenditure | 21 | (2,937,804) | (2,349,310) |
| | | <u>(48,072,721)</u> | <u>(43,817,126)</u> |
| Operating deficit | | <u>(5,379,548)</u> | <u>(2,421,024)</u> |
| Non-operating Income | | | |
| Interest income on bank balances | | 2,673 | 2,001 |
| Deficit before taxation and government grants | | <u>(5,376,875)</u> | <u>(2,419,023)</u> |
| Taxation | 22 | (362,828) | (356,714) |
| Deficit after taxation but before government grants | | <u>(5,739,703)</u> | <u>(2,775,737)</u> |
| Government grants | 3,7 | 17,441,611 | 18,604,907 |
| Transfer to sinking fund | 3,4,7 | (2,926,252) | (2,890,264) |
| Transfer to lift replacement fund | 3,5,7 | (6,507,056) | (6,376,562) |
| Transfer to town improvement and project fund | 3,6,7 | (1,463,910) | (2,668,243) |
| | | <u>6,544,393</u> | <u>6,669,838</u> |
| GST subvention | 3,7 | 2,012,643 | 1,859,637 |
| Transfer to sinking fund | 3,4,7 | (523,290) | (483,507) |
| Transfer to lift replacement fund | 3,5,7 | (281,772) | (260,352) |
| | | <u>1,207,581</u> | <u>1,115,778</u> |
| Surplus for the financial year | | <u>2,012,271</u> | <u>5,009,879</u> |
| Accumulated surplus as at 1 April | | 7,715,395 | 4,490,516 |
| Transfer to town improvement and project fund | 3,6 | - | (1,785,000) |
| Accumulated surplus as at 31 March | 3 | <u>9,727,666</u> | <u>7,715,395</u> |

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

TANJONG PAGAR TOWN COUNCIL
(Established under the Town Councils Act 1988)

STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2023

| | Note | <u>2023</u> S\$ | <u>2022</u> S\$ |
|---------------------------------------------------------------------------------------|------|--------------------|--------------------|
| Surplus for the financial year | | | |
| Accumulated surplus | 3 | 2,012,271 | 5,009,879 |
| Sinking fund | 4 | 3,954,523 | 4,000,704 |
| Lift replacement fund | 5 | 6,669,004 | 8,133,726 |
| Town improvement and project fund | 6 | (180,049) | (126,549) |
| Total surplus for the year | | <u>12,455,749</u> | <u>17,017,760</u> |
| Other comprehensive (loss)/income | | | |
| <i>Items that will not be reclassified to income and expenditure statement</i> | | | |
| Equity investments at FVOCI – net change in fair value | 10 | <u>(45,000)</u> | <u>25,000</u> |
| Other comprehensive (loss)/ income for the year, net of income tax | | <u>(45,000)</u> | <u>25,000</u> |
| Total comprehensive income for the year attributable to town council funds | | <u>12,410,749</u> | <u>17,042,760</u> |

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

TANJONG PAGAR TOWN COUNCIL
(Established under the Town Councils Act 1988)

STATEMENT OF CHANGES IN TOWN COUNCIL FUNDS
For the Financial year Ended 31 March 2023

| | Total | | Residential Property | | Commercial Property | | Carpark | | Fair Value Reserve | |
|------------------------------------------------------------------------------------------------|--------------------|--------------------|----------------------|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2023</u> S\$ | <u>2022</u> S\$ | <u>2023</u> S\$ | <u>2022</u> S\$ | <u>2023</u> S\$ | <u>2022</u> S\$ | <u>2023</u> S\$ | <u>2022</u> S\$ | <u>2023</u> S\$ | <u>2022</u> S\$ |
| Balance at 1 April | 254,896,015 | 237,853,255 | 179,282,542 | 166,305,252 | 71,931,225 | 69,085,789 | 3,229,498 | 2,034,464 | 452,750 | 427,750 |
| Surplus for the year | 12,455,749 | 17,017,760 | 7,983,692 | 12,977,290 | 3,115,999 | 2,845,436 | 1,356,058 | 1,195,034 | - | - |
| Fair value (loss)/ gain on equity instruments at fair value through other comprehensive income | (45,000) | 25,000 | - | - | - | - | - | - | (45,000) | 25,000 |
| Total comprehensive income/ (loss) for the year | 12,410,749 | 17,042,760 | 7,983,692 | 12,977,290 | 3,115,999 | 2,845,436 | 1,356,058 | 1,195,034 | (45,000) | 25,000 |
| Balance at 31 March | 267,306,764 | 254,896,015 | 187,266,234 | 179,282,542 | 75,047,224 | 71,931,225 | 4,585,556 | 3,229,498 | 407,750 | 452,750 |

The surplus for the year comprises the following:

| | Note | <u>2023</u> S\$ | <u>2022</u> S\$ |
|-----------------------------------|------|--------------------|--------------------|
| Accumulated surplus | 3 | 2,012,271 | 5,009,879 |
| Sinking fund | 4 | 3,954,523 | 4,000,704 |
| Lift replacement fund | 5 | 6,669,004 | 8,133,726 |
| Town improvement and project fund | 6 | (180,049) | (126,549) |
| Total | | 12,455,749 | 17,017,760 |

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 2023

| | | <u>2023</u> | <u>2022</u> |
|------------------------------------------------------------------------------------|------|---------------------|--------------------|
| | | S\$ | S\$ |
| Cash flows from operating activities | | | |
| Deficit before taxation and government grants | | (5,376,875) | (2,419,023) |
| Adjustments for: | | | |
| Interest income | | (2,673) | (2,001) |
| Depreciation of property, plant and equipment | 21 | 117,652 | 124,086 |
| Depreciation of right-of-use assets | 21 | 224,543 | 224,543 |
| Interest expense on lease liabilities | 21 | 16,968 | 28,119 |
| Provision/ (reversal) of impairment loss on receivables | 12 | 257,115 | (74,959) |
| Conservancy and service fees transferred to sinking fund and lift replacement fund | | <u>22,983,839</u> | <u>22,447,743</u> |
| Operating surplus before working capital changes | | 18,220,569 | 20,328,508 |
| Conservancy and service fee receivables | | (439,177) | (149,512) |
| Other receivables | | (3,832,634) | (634,337) |
| Payables and accrued expenses | | <u>129,642</u> | <u>970,356</u> |
| Net cash generated from operations | | 14,078,400 | 20,515,015 |
| Sinking fund expenditure | 4 | (17,265,834) | (15,746,153) |
| Lift replacement fund other income received | 5 | 45 | 44 |
| Lift replacement fund expenditure | 5 | (8,879,030) | (6,537,049) |
| Town improvement and project fund expenditure | 6 | (1,643,959) | (2,794,792) |
| Income tax paid | | <u>(763,167)</u> | <u>(888,375)</u> |
| Net cash used in operating activities | | <u>(14,473,545)</u> | <u>(5,451,310)</u> |
| Cash flows from investing activities | | | |
| Proceeds from redemption of investments | 11 | 10,301,704 | 7,802,003 |
| Fixed deposits maturing in more than 3 months | | (10,028,779) | 27,500,000 |
| Purchase of investments | 11 | (25,250,000) | (4,500,000) |
| Purchase of property, plant and equipment | 8 | (244,026) | (16,580) |
| Interest and investment income received | | 4,106,901 | 2,211,474 |
| Net cash (used in)/ generated from investing activities | | (21,114,200) | 32,996,897 |
| Cash flows from financing activities | | | |
| Government grants received | | 16,435,137 | 17,366,016 |
| GST subvention | | 1,913,820 | 1,832,863 |
| Payment of lease principal | 9(b) | (190,508) | (181,236) |
| Payment of lease interest | 9(c) | (16,968) | (28,119) |
| Net cash generated from financing activities | | 18,141,481 | 18,989,524 |
| Net (decrease)/ increase in cash and cash equivalents | | (17,446,264) | 46,535,111 |
| Cash and cash equivalents at beginning of year | | <u>84,775,270</u> | <u>38,240,159</u> |
| Cash and cash equivalents at end of year | 16 | <u>67,329,006</u> | <u>84,775,270</u> |

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 2023

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 2023

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 2022. 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 of the Town Council.

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.

| Description | Effective for annual periods beginning on or after |
|-------------------------------------------------------------------------------------|-------------------------------------------------------|
| 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 |
| Amendments to FRS 1: Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to FRS 1: Non-Current Liabilities with Covenants | 1 January 2024 |

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 2023

2(c) Summary of significant accounting policies

(a) Funds

Town Council Funds

In accordance with Section 47(1) of the Town Councils Act, separate funds are established to account for the management of the various types of properties.

The types of properties currently under the management of the Town Council are as follows:

- Residential Property
- Commercial Property
- Car parks 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, 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:

| | Property Type Service | Percentage of Conservancy and Fees and Grant-in-Aid |
|-------|----------------------------------|------------------------------------------------------------------|
| (i) | 1-room to 3-room | 26% (2022:26%) of conservancy and service fees and grants-in-aid |
| (ii) | 4-room to 5-room | 26% (2022:26%) of conservancy and service fees and grants-in-aid |
| (iii) | Multi-generation | 26% (2022:26%) of conservancy and service fees and grants-in-aid |
| (iv) | Executive | 26% (2022:26%) of conservancy and service fees and grants-in-aid |
| (v) | Shop with living accommodation | 26% (2022:26%) of conservancy and service fees and grants-in-aid |
| (vi) | Commercial property | 26% (2022:26%) 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 2023

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

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

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

| | Property Type Service | Percentage of Conservancy and Fees and Grant-in-Aid |
|-------|----------------------------------|------------------------------------------------------------------|
| (i) | Residential property | 14% (2022:14%) of conservancy and service fees and grants-in-aid |
| (ii) | Shop with living accommodation | 14% (2022:14%) of conservancy and service fees And grants-in-aid |
| (iii) | Commercial property | 14% (2022:14%) 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 2023

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:

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

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

(c) Government Grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

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.

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

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

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

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.

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 2023

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 2023

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 2023

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) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Town Council becomes a party to the contractual provisions of the financial instrument. The Town Council determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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

(h) Financial liabilities (Cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(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.

(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 maintenance of HDB's car parks and common property within the town is recognised as a performance obligation over time.

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

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

(k) Income tax

Income tax is provided on the following income

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

The income taxes are accounted using the liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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

(k) Income tax (Cont'd)

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.

(l) 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 lease 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.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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

(l) As lessee (Cont'd)

Short-term leases and lease of low-value assets

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

Variable lease payments

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

(m) Inter-fund transfer

The Town Council may make inter-fund transfer with the criteria as set out in Section 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.

TANJONG PAGAR TOWN COUNCIL
(Established under the Town Councils Act 1988)

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

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 2023 S\$ | 2022 S\$ | Residential 2023 S\$ | 2022 S\$ | Commercial 2023 S\$ | 2022 S\$ | Carparks 2023 S\$ | 2022 S\$ |
|-----------------------------------------------------------------|------|----------------------|--------------|----------------------------|--------------|---------------------------|-------------|-------------------------|-------------|
| Operating Income | | | | | | | | | |
| Conservancy & service fees | | 57,459,596 | 56,119,355 | 48,963,136 | 47,936,257 | 8,496,460 | 8,183,098 | - | - |
| Transfer to sinking fund | 4 | (14,939,496) | (14,591,034) | (12,730,415) | (12,463,427) | (2,209,081) | (2,127,607) | - | - |
| Transfer to lift replacement fund | 5 | (8,044,343) | (7,856,709) | (6,854,837) | (6,711,074) | (1,189,506) | (1,145,635) | - | - |
| | | 34,475,757 | 33,671,612 | 29,377,884 | 28,761,756 | 5,097,873 | 4,909,856 | - | - |
| Other income & agency fees | | 8,217,416 | 7,724,490 | 3,026,300 | 2,854,240 | 820,083 | 770,526 | 4,371,033 | 4,099,724 |
| | | 42,693,173 | 41,396,102 | 32,404,184 | 31,615,996 | 5,917,956 | 5,680,382 | 4,371,033 | 4,099,724 |
| Operating expenditure | | (48,072,721) | (43,817,126) | (39,637,170) | (35,917,432) | (5,446,791) | (5,020,318) | (2,988,760) | (2,879,376) |
| Operating surplus / (deficit) | | (5,379,548) | (2,421,024) | (7,232,986) | (4,301,436) | 471,165 | 660,064 | 1,382,273 | 1,220,348 |
| Non-operating income | | 2,673 | 2,001 | 2,252 | 1,686 | 231 | 170 | 190 | 145 |
| Surplus / (deficit) before taxation and government grants | | (5,376,875) | (2,419,023) | (7,230,734) | (4,299,750) | 471,396 | 660,234 | 1,382,463 | 1,220,493 |
| Taxation | 22 | (362,828) | (356,714) | (305,082) | (300,678) | (31,341) | (30,577) | (26,405) | (25,459) |
| Surplus / (deficit) after taxation but before government grants | | (5,739,703) | (2,775,737) | (7,535,816) | (4,600,428) | 440,055 | 629,657 | 1,356,058 | 1,195,034 |
| Government grants | 7 | 17,441,611 | 18,604,907 | 16,816,899 | 17,994,042 | 624,712 | 610,865 | - | - |
| Transfer to sinking fund | 4, 7 | (2,926,252) | (2,890,264) | (2,916,158) | (2,880,177) | (10,094) | (10,087) | - | - |
| Transfer to lift replacement fund | 5, 7 | (6,507,056) | (6,376,562) | (5,915,733) | (5,799,066) | (591,323) | (577,496) | - | - |
| Transfer to town improvement and project fund | 6, 7 | (1,463,910) | (2,668,243) | (1,463,910) | (2,668,243) | - | - | - | - |
| | | 6,544,393 | 6,669,838 | 6,521,098 | 6,646,556 | 23,295 | 23,282 | - | - |
| GST subvention | 7 | 2,012,643 | 1,859,637 | 2,012,643 | 1,859,637 | - | - | - | - |
| Transfer to sinking fund | 4, 7 | (523,290) | (483,507) | (523,290) | (483,507) | - | - | - | - |
| Transfer to lift replacement fund | 5, 7 | (281,772) | (260,352) | (281,772) | (260,352) | - | - | - | - |
| | | 1,207,581 | 1,115,778 | 1,207,581 | 1,115,778 | - | - | - | - |
| Surplus for the year | | 2,012,271 | 5,009,879 | 192,863 | 3,161,906 | 463,350 | 652,939 | 1,356,058 | 1,195,034 |
| Accumulated surplus at beginning of year | | 7,715,395 | 4,490,516 | 3,866,194 | 2,489,288 | 619,703 | (33,326) | 3,229,498 | 2,034,464 |
| Appropriation to town improvement and project fund | 6 | - | (1,785,000) | - | (1,785,000) | - | - | - | - |
| Accumulated surplus at end of year | | 9,727,666 | 7,715,395 | 4,059,057 | 3,866,194 | 1,083,053 | 619,703 | 4,585,556 | 3,229,498 |

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

4 Sinking fund

| | Note | 2023 S\$ | Total 2022 S\$ | 2023 S\$ | Residential 2022 S\$ | 2023 S\$ | Commercial 2022 S\$ |
|------------------------------------------------------|--------|---------------------|----------------------|---------------------|----------------------------|--------------------|---------------------------|
| Balance at beginning of year | | 185,763,898 | 181,763,194 | 130,514,987 | 127,528,066 | 55,248,911 | 54,235,128 |
| Investment and interest income | 20 | 3,248,421 | 2,000,901 | 2,947,344 | 1,814,914 | 301,077 | 185,987 |
| Operating transfer from conservancy and service fees | 3 | 14,939,496 | 14,591,034 | 12,730,415 | 12,463,427 | 2,209,081 | 2,127,607 |
| Government grants | 3, 7 | 2,702,703 | 2,673,424 | 2,702,703 | 2,673,424 | - | - |
| Lift maintenance grant | 3, 7 | 223,549 | 216,840 | 213,455 | 206,753 | 10,094 | 10,087 |
| GST subvention | 3, 7 | 523,290 | 483,507 | 523,290 | 483,507 | - | - |
| | | 21,637,459 | 19,965,706 | 19,117,207 | 17,642,025 | 2,520,252 | 2,323,681 |
| Expenditure | | (17,265,834) | (15,746,153) | (16,053,471) | (14,456,456) | (1,212,363) | (1,289,697) |
| Surplus before income tax | | 4,371,625 | 4,219,553 | 3,063,736 | 3,185,569 | 1,307,889 | 1,033,984 |
| Taxation | 22 | (417,102) | (218,849) | (378,245) | (198,648) | (38,857) | (20,201) |
| Surplus for the financial year | | 3,954,523 | 4,000,704 | 2,685,491 | 2,986,921 | 1,269,032 | 1,013,783 |
| Balance at the end of year | | 189,718,421 | 185,763,898 | 133,200,478 | 130,514,987 | 56,517,943 | 55,248,911 |
| Add: Fair value reserve | | 407,750 | 452,750 | - | - | - | - |
| | | 190,126,171 | 186,216,648 | 133,200,478 | 130,514,987 | 56,517,943 | 55,248,911 |
| Represented by: | | | | | | | |
| Non-current assets | | | | | | | |
| Equity investments | 10 | 260,000 | 305,000 | | | | |
| Debt investments | 11 | 70,147,784 | 47,949,488 | | | | |
| | | 70,407,784 | 48,254,488 | | | | |
| Current assets | | | | | | | |
| Conservancy and service and other receivables | 12, 13 | 83,315 | (46,904) | | | | |
| Debt investments | 11 | 7,750,000 | 10,000,000 | | | | |
| Interest receivable | | 1,579,544 | 457,422 | | | | |
| Amount due from accumulated surplus | | 4,526,788 | 4,128,827 | | | | |
| Cash and cash equivalents | 16 | 107,392,234 | 125,118,769 | | | | |
| | | 121,331,881 | 139,658,114 | | | | |
| Total assets | | 191,739,665 | 187,912,602 | | | | |
| Less: Current liabilities | | | | | | | |
| Payables and accrued expenses | 17 | 977,543 | 1,128,201 | | | | |
| Income tax payable | | 635,951 | 567,753 | | | | |
| | | 1,613,494 | 1,695,954 | | | | |
| Net assets | | 190,126,171 | 186,216,648 | | | | |
| Expenditure | | 2023 S\$ | 2022 S\$ | | | | |
| Re-roofing works | | 1,717,756 | 1,096,727 | | | | |
| Redecoration and repainting | | 7,389,329 | 7,809,901 | | | | |
| Project management fee | | 634,519 | 518,194 | | | | |
| Replacement of water tank, pipes and booster pump | | 984,714 | 741,934 | | | | |
| Electrical rewiring | | 3,658,437 | 4,221,215 | | | | |
| Fire protection system | | 1,355,700 | - | | | | |
| Others | | 1,525,379 | 1,358,182 | | | | |
| | | 17,265,834 | 15,746,153 | | | | |

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

5 Lift replacement fund

| | Note | 2023 S\$ | 2022 S\$ | 2023 S\$ | 2022 S\$ | 2023 S\$ | 2022 S\$ |
|------------------------------------------------------|--------|---------------------|---------------------|-------------|-------------|-------------|-------------|
| | | Total | | Residential | | Commercial | |
| Balance at beginning of year | | 58,878,693 | 50,744,967 | 43,078,565 | 36,440,074 | 15,800,128 | 14,304,893 |
| Investment and interest income | 20 | 855,807 | 208,572 | 776,424 | 189,215 | 79,383 | 19,357 |
| Other income | | 45 | 44 | 45 | 44 | - | - |
| Operating transfer from conservancy and service fees | 3 | 8,044,343 | 7,856,709 | 6,854,837 | 6,711,074 | 1,189,506 | 1,145,635 |
| Government grants | 3, 7 | 1,455,301 | 1,439,535 | 1,455,301 | 1,439,535 | - | - |
| Lift maintenance grant | 3, 7 | 120,372 | 116,761 | 114,936 | 111,328 | 5,436 | 5,433 |
| Lift matching grant | 3, 7 | 4,931,383 | 4,820,267 | 4,345,496 | 4,248,203 | 585,887 | 572,064 |
| GST subvention | 3, 7 | 281,772 | 260,352 | 281,772 | 260,352 | - | - |
| | | 15,689,023 | 14,702,240 | 13,828,811 | 12,959,751 | 1,860,212 | 1,742,489 |
| Expenditure | | (8,879,030) | (6,537,049) | (8,595,367) | (6,292,700) | (283,663) | (244,349) |
| Surplus / (deficit) before income tax | | 6,809,993 | 8,165,191 | 5,233,444 | 6,667,051 | 1,576,549 | 1,498,140 |
| Taxation | 22 | (140,989) | (31,465) | (127,855) | (28,560) | (13,134) | (2,905) |
| Surplus / (deficit) for the financial year | | 6,669,004 | 8,133,726 | 5,105,589 | 6,638,491 | 1,563,415 | 1,495,235 |
| Balance at the end of year | | 65,547,697 | 58,878,693 | 48,184,154 | 43,078,565 | 17,363,543 | 15,800,128 |
| Represented by: | | | | | | | |
| Non-current assets | | | | | | | |
| Debt investments | 11 | - | 5,000,000 | | | | |
| Current assets | | | | | | | |
| Conservancy and service and other receivables | 12, 13 | 1,722,124 | 939,145 | | | | |
| Interest receivable | | 423,077 | 24,344 | | | | |
| Amount due from accumulated surplus | | 2,240,646 | 1,747,233 | | | | |
| Cash and cash equivalents | 16 | 61,472,276 | 51,310,262 | | | | |
| | | 65,858,123 | 54,020,984 | | | | |
| Total assets | | 65,858,123 | 59,020,984 | | | | |
| Less: Current liabilities | | | | | | | |
| Payables and accrued expenses | 17 | 137,975 | 51,781 | | | | |
| Income tax payable | | 172,451 | 90,510 | | | | |
| | | 310,426 | 142,291 | | | | |
| Net assets | | 65,547,697 | 58,878,693 | | | | |
| Expenditure | | 2023 S\$ | 2022 S\$ | | | | |
| Lift position display panel | | 314,449 | 224,631 | | | | |
| Replacement of main sheaves / ropes | | 1,024,948 | 2,204,241 | | | | |
| Lift enhancement work | | 863,341 | 129,441 | | | | |
| Lift overhauls / replacements | | 4,926,377 | 2,442,227 | | | | |
| Replacement of ARD / EBOPS batteries | | 474,954 | 276,713 | | | | |
| Replacement of inverter units | | 592,192 | 542,371 | | | | |
| Others | | 682,769 | 717,426 | | | | |
| | | 8,879,030 | 6,537,050 | | | | |

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

6 Town improvement and project fund

| | Note | Total 2023 S\$ | 2022 S\$ | Residential 2023 S\$ | 2022 S\$ | Commercial 2023 S\$ | 2022 S\$ |
|--------------------------------------------|------|----------------------|---------------------|----------------------------|-------------|---------------------------|-------------|
| Balance at beginning of year | | 2,085,279 | 426,828 | 1,822,796 | (152,176) | 262,483 | 579,004 |
| Government grants | 3, 7 | 1,463,910 | 2,668,243 | 1,463,910 | 2,668,243 | - | - |
| Expenditure | | (1,643,959) | (2,794,792) | (1,464,161) | (2,478,271) | (179,798) | (316,521) |
| Surplus / (deficit) for the financial year | | (180,049) | (126,549) | (251) | 189,972 | (179,798) | (316,521) |
| Appropriation from accumulated surplus | 3 | - | 1,785,000 | - | 1,785,000 | - | - |
| Balance at the end of year | | 1,905,230 | 2,085,279 | 1,822,545 | 1,822,796 | 82,685 | 262,483 |
| Represented by: | | | | | | | |
| Current assets | | | | | | | |
| Other receivables | 13 | 4,767,969 | 3,496,627 | | | | |
| Amount due from accumulated surplus | | (2,862,763) | (1,404,107) | | | | |
| | | 1,905,206 | 2,092,520 | | | | |
| Less: Current liabilities | | | | | | | |
| Payables and accrued expenses | 17 | (24) | 7,241 | | | | |
| Net assets | | 1,905,230 | 2,085,279 | | | | |
| Expenditure | | 2023 S\$ | 2022 S\$ | | | | |
| Construction of covered linkways | | 496,423 | 969,483 | | | | |
| Maintenance works | | 415,165 | 818,187 | | | | |
| Others | | 732,371 | 1,007,122 | | | | |
| | | 1,643,959 | 2,794,792 | | | | |

TANJONG PAGAR TOWN COUNCIL
(Established under the Town Councils Act 1988)

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

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 | |
|-------------------------------------------------------------------|------|------------------|------------------|-------------------------------|------------------|-----------------------------------------------|-------------|------------------|------------------|--------------------|-------------|------------------------|----------------|
| | | 2023 S\$ | 2022 S\$ | 2023 S\$ | 2022 S\$ | 2023 S\$ | 2022 S\$ | 2023 S\$ | 2022 S\$ | 2023 S\$ | 2022 S\$ | 2023 S\$ | 2022 S\$ |
| Government grants received / receivable during the financial year | 3 | 17,441,611 | 18,604,907 | 10,186,518 | 10,282,397 | 1,463,910 | 2,668,243 | - | - | 4,931,383 | 4,820,267 | 859,800 | 834,000 |
| GST subvention received / receivable during the financial year | 3 | 2,012,643 | 1,859,637 | - | - | - | - | 2,012,643 | 1,859,637 | - | - | - | - |
| Less: | | | | | | | | | | | | | |
| Transfer to sinking fund | 3, 4 | (3,449,542) | (3,373,771) | (2,702,703) | (2,673,424) | - | - | (523,290) | (483,507) | - | - | (223,549) | (216,840) |
| Transfer to lift replacement fund | 3, 5 | (6,788,828) | (6,636,914) | (1,455,301) | (1,439,534) | - | - | (281,772) | (260,352) | (4,931,383) | (4,820,267) | (120,372) | (116,761) |
| Transfer to town improvement and project fund | 3, 6 | (1,463,910) | (2,668,243) | - | - | (1,463,910) | (2,668,243) | - | - | - | - | - | - |
| | | <u>7,751,974</u> | <u>7,785,616</u> | <u>6,028,514</u> | <u>6,169,439</u> | <u>-</u> | <u>-</u> | <u>1,207,581</u> | <u>1,115,778</u> | <u>-</u> | <u>-</u> | <u>515,879</u> | <u>500,399</u> |

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

| | 2023 S\$ | 2022 S\$ |
|----------------------------------------|--------------------|--------------------|
| Balance at beginning of year | 298,349,426 | 279,150,547 |
| Add: | | |
| Grants received for the financial year | 18,348,957 | 19,198,879 |
| Balance at end of year | <u>316,698,383</u> | <u>298,349,426</u> |

The transfers to the funds from government grants comprises of:

| | 2023 S\$ | 2022 S\$ |
|-------------------------------------------|--------------------|--------------------|
| <u>Transfers to sinking fund</u> | | |
| Government grants | (2,926,252) | (2,890,264) |
| GST subvention | (523,290) | (483,507) |
| | <u>(3,449,542)</u> | <u>(3,373,771)</u> |
| <u>Transfers to lift replacement fund</u> | | |
| Government grants | (6,507,056) | (6,376,562) |
| GST subvention | (281,772) | (260,352) |
| | <u>(6,788,828)</u> | <u>(6,636,914)</u> |

TANJONG PAGAR TOWN COUNCIL
(Established under the Town Councils Act 1988)

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

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\$ |
| Cost | | | | | | | |
| 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> |
| Accumulated depreciation | | | | | | | |
| 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> |
| Net book value | | | | | | | |
| 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> |
| Cost | | | | | | | |
| Balance as at 1 April 2022 | 121,761 | 830,959 | 244,662 | 15,579 | 697,941 | 519,715 | 2,430,617 |
| Additions | 4,800 | - | 17,616 | - | - | 221,610 | 244,026 |
| Balance as at 31 March 2023 | <u>126,561</u> | <u>830,959</u> | <u>262,278</u> | <u>15,579</u> | <u>697,941</u> | <u>741,325</u> | <u>2,674,643</u> |
| Accumulated depreciation | | | | | | | |
| Balance as at 1 April 2022 | 119,042 | 282,360 | 244,365 | 9,348 | 492,495 | 509,193 | 1,656,803 |
| Charge for the financial year | 1,927 | 152,584 | 1,765 | 3,116 | 176,097 | 6,706 | 342,195 |
| Balance as at 31 March 2023 | <u>120,969</u> | <u>434,944</u> | <u>246,130</u> | <u>12,464</u> | <u>668,592</u> | <u>515,899</u> | <u>1,998,998</u> |
| Net book value | | | | | | | |
| Balance as at 31 March 2023 | <u>5,592</u> | <u>396,015</u> | <u>16,148</u> | <u>3,115</u> | <u>29,349</u> | <u>225,426</u> | <u>675,645</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 2023

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% (2022: 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 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> |
| Balance as at 1 April 2022 | 215,318 | 6,231 | 205,446 | 426,995 |
| Depreciation | (45,330) | (3,116) | (176,097) | (224,543) |
| Balance as at 31 March 2023 | <u>169,988</u> | <u>3,115</u> | <u>29,349</u> | <u>202,452</u> |

The total cash outflow for all leases (including short-term leases) in the financial year ended 31 March 2023 was \$210,824 (2022: \$294,319).

(b) Lease liabilities

| | 2023 S\$ | 2022 S\$ |
|---------------------------------|----------------|----------------|
| Lease liabilities – non-current | 134,788 | 207,673 |
| Lease liabilities – current | <u>72,885</u> | <u>190,508</u> |
| | <u>207,673</u> | <u>398,181</u> |

Reconciliation of liabilities arising from financing activities:

| | 1 April 2022 | Financing Cash flows | <u>Non-Cash Changes</u> Accretion of interest | 31 March 2023 |
|-------------------|----------------|-------------------------|---------------------------------------------------------|----------------|
| | S\$ | S\$ | S\$ | S\$ |
| Lease liabilities | <u>398,181</u> | <u>(207,476)</u> | <u>16,968</u> | <u>207,673</u> |
| | 1 April 2021 | Financing Cash flows | <u>Non-Cash Changes</u> Accretion of interest | 31 March 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Lease liabilities | <u>579,417</u> | <u>(209,355)</u> | <u>28,119</u> | <u>398,181</u> |

(c) Amounts recognised in Income and Expenditure Statement

| | 2023 S\$ | 2022 S\$ |
|---------------------------------------|----------------|----------------|
| Depreciation of right-of-use assets | 224,543 | 224,543 |
| Interest expense on lease liabilities | 16,968 | 28,119 |
| Expense relating to short-term leases | <u>3,348</u> | <u>2,988</u> |
| | <u>244,859</u> | <u>255,650</u> |

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

10 Equity investments at fair value through other comprehensive income

| | 2023 S\$ | 2022 S\$ |
|------------------------------------------|----------------|----------------|
| Movements during the year - at FVOCI: | | |
| Equity investments, 1 April | 305,000 | 280,000 |
| Fair value movement | (45,000) | 25,000 |
| Equity investments, 31 March | <u>260,000</u> | <u>305,000</u> |
| Balance is made up of: | | |
| Quoted unit trusts as equity instruments | <u>260,000</u> | <u>305,000</u> |

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 at amortised cost

| | 2023 S\$ | 2022 S\$ |
|---------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Movements during the year - at amortised cost: | | |
| Amortised cost at beginning of year | 62,949,488 | 66,251,491 |
| Additions for the year | 25,250,000 | 4,500,000 |
| Redemption on maturity | (10,301,704) | (7,802,003) |
| Amortised cost at end of year | <u>77,897,784</u> | <u>62,949,488</u> |
| Balance is made up of: | | |
| <u>Current</u> | | |
| Quoted bonds with maturity less than 1 year - nominal interest 2.900% to 3.160% (2022: 1.825% to 2.303%) | 7,750,000 | 10,000,000 |
| <u>Non-Current</u> | | |
| Quoted bonds with maturity within 2 to 5 years - nominal interest 1.800% to 5.000% (2022: 1.800% to 3.593%) p.a. | 51,147,784 | 37,449,375 |
| Quoted bonds with maturity over 5 years - nominal interest 1.971% to 4.600% (2022: 1.971% to 3.650%) p.a. | 19,000,000 | 15,500,113 |
| | <u>70,147,784</u> | <u>52,949,488</u> |
| Total | <u>77,897,784</u> | <u>62,949,488</u> |
| Fair value at end of year: | | |
| <u>Current</u> | | |
| Quoted bonds with maturity less than 1 year - nominal interest 2.900% to 3.160% (2022: 1.825% to 2.303%) | 7,708,000 | 10,048,050 |
| <u>Non-Current</u> | | |
| Quoted bonds with maturity within 2 to 5 years - nominal interest 1.800% to 5.000% (2022: 1.800% to 3.593%) p.a. | 50,184,950 | 37,673,995 |
| Quoted bonds with maturity over 5 years - nominal interest 1.971% to 4.600% (2022: 1.971% to 3.650%) p.a. | 18,333,600 | 15,182,290 |
| | <u>68,518,550</u> | <u>52,856,285</u> |
| Total | <u>76,226,550</u> | <u>62,904,335</u> |

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

Effective interest rate of quoted bonds with maturity less than 1 year is between 2.900% to 3.160% (2022: 1.825% to 2.303%).

Effective interest rate of quoted bonds with maturity within 2 to 5 years between 1.800% to 5.000% (2022: 1.800% to 3.593%).

Effective interest rate of quoted bonds with maturity over 5 years is between 1.971% to 4.600% (2022: 1.971% to 3.650%).

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

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:

| | | 2023 S\$ | 2022 S\$ |
|---------------------------------------------------|-------------------|--------------------|--------------------|
| Conservancy and service receivables | | 2,151,622 | 1,758,797 |
| Interest receivable on late payments | | 824,857 | 778,505 |
| | | <u>2,976,479</u> | <u>2,537,302</u> |
| | Rate of provision | | |
| Live accounts with arrears in excess of 12 months | 100% | (1,413,116) | (1,211,894) |
| Terminated accounts with arrears | 100% | (175,087) | (119,194) |
| Expected credit loss as at 31 March 2023 | | <u>(1,588,203)</u> | <u>(1,331,088)</u> |
| | | <u>1,388,276</u> | <u>1,206,214</u> |
| Movement in above provision: | | | |
| | | 2023 S\$ | 2022 S\$ |
| Balance at beginning of year | | 1,331,088 | 1,406,047 |
| Net provision / (write back) for the year | | 257,115 | (74,959) |
| Balance at end of year | | <u>1,588,203</u> | <u>1,331,088</u> |

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

13 Other receivables

| | 2023 S\$ | 2022 S\$ |
|-----------------------------------------------------------|-------------------|------------------|
| Citizens' consultative committee grant receivables | 4,767,969 | 3,496,627 |
| Deposits | 1,427,858 | 686,398 |
| Prepayments | 246,116 | 235,312 |
| Other sundry debtors | 1,491,966 | 774,394 |
| Recoverable from contractors | 389,529 | 1,752,532 |
| GST subvention grant | 577,540 | 478,717 |
| Neighbourhood renewal programme receivables (Note 14) | 2,954,262 | 1,018,806 |
| Sport-in-precinct programme funding receivables (Note 15) | 426,284 | 404,642 |
| LRF matching grant | 1,015,749 | 1,032,769 |
| | <u>13,297,273</u> | <u>9,880,197</u> |

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 2023

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.

| | 2023 S\$ | 2022 S\$ |
|-------------------------------|------------------|------------------|
| Balance at 1 April | 1,018,806 | (333,043) |
| Funding from government | (112,610) | (164,220) |
| Payment to contractors | 2,048,066 | 1,516,069 |
| Balance at 31 March (Note 13) | <u>2,954,262</u> | <u>1,018,806</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.

| | 2023 S\$ | 2022 S\$ |
|-------------------------------|----------------|----------------|
| Balance at 1 April | 404,642 | 829,098 |
| Funding from Sport Singapore | - | (774,000) |
| Payment to contractors | 21,642 | 349,544 |
| Balance at 31 March (Note 13) | <u>426,284</u> | <u>404,642</u> |

16 Cash and cash equivalents

| | 2023 S\$ | 2022 S\$ |
|----------------------------------------------------------------------|--------------------|--------------------|
| Cash and bank balances | 67,329,006 | 84,775,270 |
| Fixed deposits maturing in less than 3 months | 20,000,000 | - |
| Fixed deposits maturing in more than 3 months but less than one year | 91,528,779 | 101,500,000 |
| | <u>178,857,785</u> | <u>186,275,270</u> |

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

| | 2023 S\$ | 2022 S\$ |
|----------------------------------------------------------------------|-------------------|-------------------|
| Cash and bank balances | 178,857,785 | 186,275,270 |
| Less: | | |
| Fixed deposits maturing in less than 3 months | (20,000,000) | - |
| Fixed deposits maturing in more than 3 months but less than one year | (91,528,779) | (101,500,000) |
| | <u>67,329,006</u> | <u>84,775,270</u> |

The rate of interest for fixed deposits is between 3.350% to 4.400% (2022: 0.200% to 0.620%) per annum receivable within 12 months depending on the terms of the fixed deposits. The effective interest rate is 3.390% (2022: 0.300%) per annum.

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

17 Payables and accrued expenses

| | 2023 | 2022 |
|-----------------------------------|-------------------------|-------------------------|
| | S\$ | S\$ |
| Accruals for completed works | 706,833 | 1,558,608 |
| Amount due to managing agent | 99,510 | 97,424 |
| Accrued operating expenses | 2,484,709 | 1,946,620 |
| Refundable deposits | 77,814 | 68,026 |
| Provision for rectification works | 343,871 | 382,818 |
| Other creditors | 478,551 | 160,938 |
| | <u>4,191,288</u> | <u>4,214,434</u> |

The average credit period taken to settle trade payable is about 30 days (2022: 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

| | 2023 | 2022 |
|---------------------------------------|-------------------------|-------------------------|
| | S\$ | S\$ |
| Temporary occupational licence income | 2,747,983 | 2,706,337 |
| Use of water and electricity | 41,176 | 23,850 |
| Use of void deck and common property | 55,390 | 4,420 |
| Liquidated damages | 340,332 | 286,815 |
| Late payment penalty | 321,874 | 295,085 |
| Sundry fines and income | 231,025 | 149,668 |
| Others | 213,132 | 248,558 |
| | <u>3,950,912</u> | <u>3,714,733</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:

| | 2023 | 2022 |
|-------------------------|------------------|-------------|
| | S\$ | S\$ |
| Managing agent fee | 7,350,781 | 7,000,328 |
| Electrical works | 805,102 | 2,957,730 |
| Lift works | 5,591,216 | 3,302,689 |
| Project management fees | 916,479 | 992,527 |
| Other expenditures | 221,467 | 238,195 |

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

20 Investment and interest income

| Sinking Fund | 2023 S\$ | 2022 S\$ |
|--------------------------------------|-------------------------|-------------------------|
| Income – bonds and other investments | 1,940,888 | 1,741,217 |
| Interest income – fixed bank deposit | 1,307,533 | 259,684 |
| | <u>3,248,421</u> | <u>2,000,901</u> |

Lift Replacement Fund

| | | |
|--------------------------------------|-----------------------|-----------------------|
| Income – bonds and other investments | 109,470 | 115,465 |
| Interest income – fixed bank deposit | 746,337 | 93,107 |
| | <u>855,807</u> | <u>208,572</u> |

21 General and administrative expenditure

| | 2023 S\$ | 2022 S\$ |
|---------------------------------------------------------|-------------------------|-------------------------|
| Advertising and public relations | 196,091 | 219,060 |
| Provision/ (reversal) of impairment loss on receivables | 327,182 | (158,009) |
| Computer services | 373,759 | 386,726 |
| Depreciation of property, plant and equipment (Note 8) | 117,652 | 124,086 |
| Depreciation of right-of-use assets (Note 9) | 224,543 | 224,543 |
| Upkeep of office equipment | 28,941 | 30,884 |
| Office supplies and stationery | 113,686 | 115,976 |
| Lease interest expenses (Note 9(c)) | 16,968 | 28,119 |
| Leasing of equipment – short term (Note 9(c)) | 3,348 | 2,988 |
| Property tax | 283,163 | 260,232 |
| Telephone | 72,393 | 67,311 |
| Town councillors' allowance | 269,700 | 262,000 |
| Office water and electricity | 30,875 | 24,715 |
| Insurance premium | 64,816 | 74,203 |
| Goods and services tax | 320,801 | 311,088 |
| Legal fee and professional fee | 105,070 | 90,408 |
| Others | 388,816 | 284,980 |
| | <u>2,937,804</u> | <u>2,349,310</u> |

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

22 Income tax

| | 2023 S\$ | 2022 S\$ |
|-------------------------------------------|----------------|----------------|
| Current income tax provision | 920,695 | 606,996 |
| Under-provision in respect of prior years | 224 | 32 |
| | <u>920,919</u> | <u>607,028</u> |
| Taken up in: | | |
| Accumulated surplus | 362,828 | 356,714 |
| Sinking fund | 417,102 | 218,849 |
| Lift replacement fund | 140,989 | 31,465 |
| | <u>920,919</u> | <u>607,028</u> |

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

| | 2023 S\$ | 2022 S\$ |
|-------------------------------------------|------------------|------------------|
| Investment and interest income | 4,103,304 | 2,205,318 |
| Other income | 2,167,086 | 2,132,682 |
| | <u>6,270,390</u> | <u>4,338,000</u> |
| Tax at the statutory rate 17% (2022: 17%) | 1,065,966 | 737,460 |
| Concessionary tax relief | (145,271) | (130,464) |
| Under-provision in respect of prior years | 224 | 32 |
| | <u>920,919</u> | <u>607,028</u> |

23 Goods and services tax

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore. The unclaimed portion is charged to the Income and Expenditure Statement/Sinking Fund Statement during the financial year.

24 Commitments for capital expenditure

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

| | 2023 S\$ | 2022 S\$ |
|----------------------------------------|--------------------|--------------------|
| Amount approved and contracted for | 34,584,740 | 15,916,956 |
| Amount approved but not contracted for | 122,497,980 | 125,473,195 |
| | <u>157,082,720</u> | <u>141,390,151</u> |
| Grant receivable / received | (13,271,800) | (16,164,633) |
| Total net of any government grant | <u>143,810,920</u> | <u>125,225,518</u> |

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

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\$ | Total S\$ |
|-------------------------------|----------------------------|------------------------------------------------|------------------|
| <u>2023</u> | | | |
| <u>Financial liabilities</u> | | | |
| Payables and accrued expenses | 4,191,288 | - | 4,191,288 |
| Lease liabilities | 81,091 | 144,547 | 225,638 |
| | <u>4,272,379</u> | <u>144,547</u> | <u>4,416,926</u> |
| <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>4,646,163</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 \$26,000 (2022: \$30,500). This analysis assumes that all other variables remain constant.

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

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 5 (2022: 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 good credit rating. 57% (2022: 62%) 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:

| | 2023 | 2022 |
|------------------------------------------------------------------|-------------------------|------------------|
| | S\$ | S\$ |
| With less than 3 months of fees past due | 762,295 | 659,338 |
| With more than 3 months but less than 6 months of fees past due | 294,662 | 230,813 |
| With more than 6 months but less than 9 months of fees past due | 189,654 | 157,837 |
| With more than 9 months but less than 12 months of fees past due | 141,665 | 158,226 |
| | <u>1,388,276</u> | <u>1,206,214</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.

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

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:

| | 2023 S\$ | 2022 S\$ |
|--------------------|---------------------------|---------------------------|
| Equity investments | <u>260,000</u> | <u>305,000</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:

| | 2023 | | 2022 |
|-------------------|------------------------------------|---------------------------|------------------------------------|
| | Carrying amount S\$ | Fair value S\$ | Carrying amount S\$ |
| Debt investments | <u>77,897,784</u> | <u>76,226,550</u> | <u>62,949,488</u> |
| Unrecognised loss | | <u>(1,671,234)</u> | <u>(45,153)</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 other financial assets and financial liabilities at amortised cost approximates their carrying amounts.

NOTES TO FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

28 Financial instruments by category

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

| | 2023 S\$ | 2022 S\$ |
|--------------------------------------------------------------------------|---------------------------|--------------------|
| Financial assets at fair value through other comprehensive income | 260,000 | 305,000 |
| Financial assets measured at amortised cost | | |
| Debt investments | 77,897,784 | 62,949,488 |
| Conservancy and service receivables | 1,388,276 | 1,206,214 |
| Other receivables | 13,297,273 | 9,880,197 |
| Interest receivable | 2,002,621 | 481,766 |
| Cash and cash equivalents | 178,857,785 | 186,275,270 |
| Total financial assets measured at amortised cost | <u>273,443,739</u> | <u>260,792,935</u> |
| Financial liabilities measured at amortised cost | | |
| Payables and accrued expenses | 4,191,288 | 4,214,434 |
| Lease liabilities | 207,673 | 398,181 |
| Total financial liabilities measured at amortised cost | <u>4,398,961</u> | <u>4,612,615</u> |

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 \$267,306,764 (2022: \$254,896,015).

30 Events occurring after the reporting period

To manage the price hikes relating to manpower, materials and energy, which were driven partly by COVID disruptions and other external factors, the Town Council revised its conservancy & service charges for residential flats, commercial premises, and market/food stalls on 1 July 2023. The increase ranged from S\$0.90 - S\$4.60 for one-room flats to S\$7.10 - S\$11.20 per month for executive flats. For shops and offices, the increase ranged from S\$0.15 to S\$0.40 per sqm per month. Market and food stalls will pay an increase of S\$5.10 to S\$31.50 per month.

The Government stepped in to cushion the full impact of the rising maintenance costs on residents by providing the Town Council with a Special Funding Support equivalent to the additional conservancy & service charges income generated from the increase from 1 July 2023, subject to a cap of 13% conservancy & service charges increase for the financial year 2024. The amount was received on 22 August 2023.

31 Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2023 were authorised for issue by members of the Town Council on 29 August 2023.