



Marsiling-Yew Tee

Town Council

Annual Report

2021-2022

MY HOME. MY HEART. MY HOPE

SG Facade Art @ Limbang



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Our Town Councillors

Our MPs



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



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



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



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

Audit and Risk Management Committee

Chairman	Mr Chew Boon Yeow
Co-Chairman	Mr Yeo Swee Khian, PBM
Members	Mr Soh Kien Peng Mr Abdul Ghani Fathli. PBM Ms Jessica Lim Chui Lan Mr Tay Boon Sin, PBM

Community Improvement Project Committee

Chairman	Mr Jacob Wong San Ta
Co-Chairman	Mr N Sivarajan, PBM
Members	Mr Steven Lim Chwee Leong Mr Desmond Tan Peng Yaow Mr Eric Lim Chin Heng, PBM Mr Lim Jun Hui Mr Yong Wee Huat Ms Lee Loo Loo Ms Neo Ah Kwai (Jennifer)

Communications and Service Quality Committee

Chairman	Mr Adrian Liew Chong Boon, PBM
Co-Chairman	Mr Aloysius Kwan Weng Tat
Members	Ms Ann Wee Yoke Leong, PBM
	Ms Jeslin Sin Lay Ping, PBM
	Ms Soh Chu Yen (Jerlynn)
	Ms Celine Ng Mei Ling

Finance Committee

Chairman	Mr Ben Chong Zheng Yean
Co-Chairman	Mr David Neo Watt Heng, BBM
Members	Mr Alvin Tan Choon Hwa, PBM
	Mr Johnny Lim Peng Siah, PBM
	Mr Jerry Toh Si Liang

Tenders and Contracts Committee

Chairman	Mr Lim Tai Sun, BBM(L)
Co-Chairman	Mr Steven Tan Yong Cheng, PBM
Members	Mr Liew Wei Keong
	Mr Ng Si Hiong, PBM
	Ms Rohini Ravichandran

Estate Amenities Committee

Chairman	Mr Corwin Chew Huang Jia, PBM
Co-Chairman	Mr Ng Poh Wah, BBM
Members	Ms Noor Banu Bte Mohamed Elias, PBM
	Ms Noor Rita Bte Mohamad Rajab
	Mr Soh Kok Hui
	Ms Cincelia Tan Chiew Pheng, PBM
	Mr Abdul Wahab Bin Ahmad
	Mr Dave Ong Eng Hwa

Honorary Legal Counsel

Mr Selvarajan Balamurugan

Message from Our Chairman

With the resumption of physical activities and completion of several major and minor improvements to the estates, we welcomed the return to normalcy despite the manpower constraint.

We started the year with an initiative to get our residents more involved with the Town Council, providing an additional platform for valuable feedback and suggestions. Both the Resident Committees (RC) and Resident Networks (RN) were involved, expanding our scope of the various potential upgrading and amenities as a result of the feedback on the ground. It was also heart-warming to see both our community events and scheduled "makan & chit-chat" sessions resuming after such a long hiatus.

We extend our heartfelt appreciation and gratitude to the outgoing Council members who have diligently served and contributed to the overall improvements within our Town. The new team of Town Councillors will continue to guide the Town Council on estate maintenance and detailed planning to execute town improvements with their expertise. By providing checks and balances, the new team would ensure that procurement procedures comply with financial regulations set by MND.

The Lift Replacement Programme (LRP) for 216 lifts has been completed. The next batch of lifts is currently under planning, on-track to commence in 2023. New exciting Neighbourhood Renewal Programmes (NRP) for Woodgrove and Limbang were also unveiled via physical in-person exhibitions for residents to co-create their living environment.

Accessibility and convenience for residents will be further enhanced with the 11 new stations along the Thomson-East Coast Line (TEL) slated to be opened to the public by the end of the year. Residents will have a less time consuming and more direct travelling route to Orchard Road and Gardens by the Bay.

At Marsiling-Yew Tee Town Council, we are guided by the spirit of creating one strong community. As we continue to work closely together to create a more inclusive society while also being mindful to keep our operational costs low, there will be an increase in tapping on our energy-saving programmes such as LRP, greenery intensification, solar panel and smart LED lightings.

Let us continue to embrace the values of "My Home, Heart & Hope" here at Marsiling-Yew Tee.

Yours Sincerely,

Mr Alex Yam Ziming
Chairman

“ At Marsiling-Yew Tee Town Council,
we are guided by the spirit of
creating one strong community ”



Composition and Structure

Having the responsibility of representing the residents of Marsiling-Yew Tee, Town Councillors play an important role in the daily supervision and running of the Town Council. Benchmarking themselves against the highest standards, they must conduct themselves ethically and apply the principles of good governance, sharing best practices while discharging their duties. All these are done in the best interests of the residents and stakeholders.

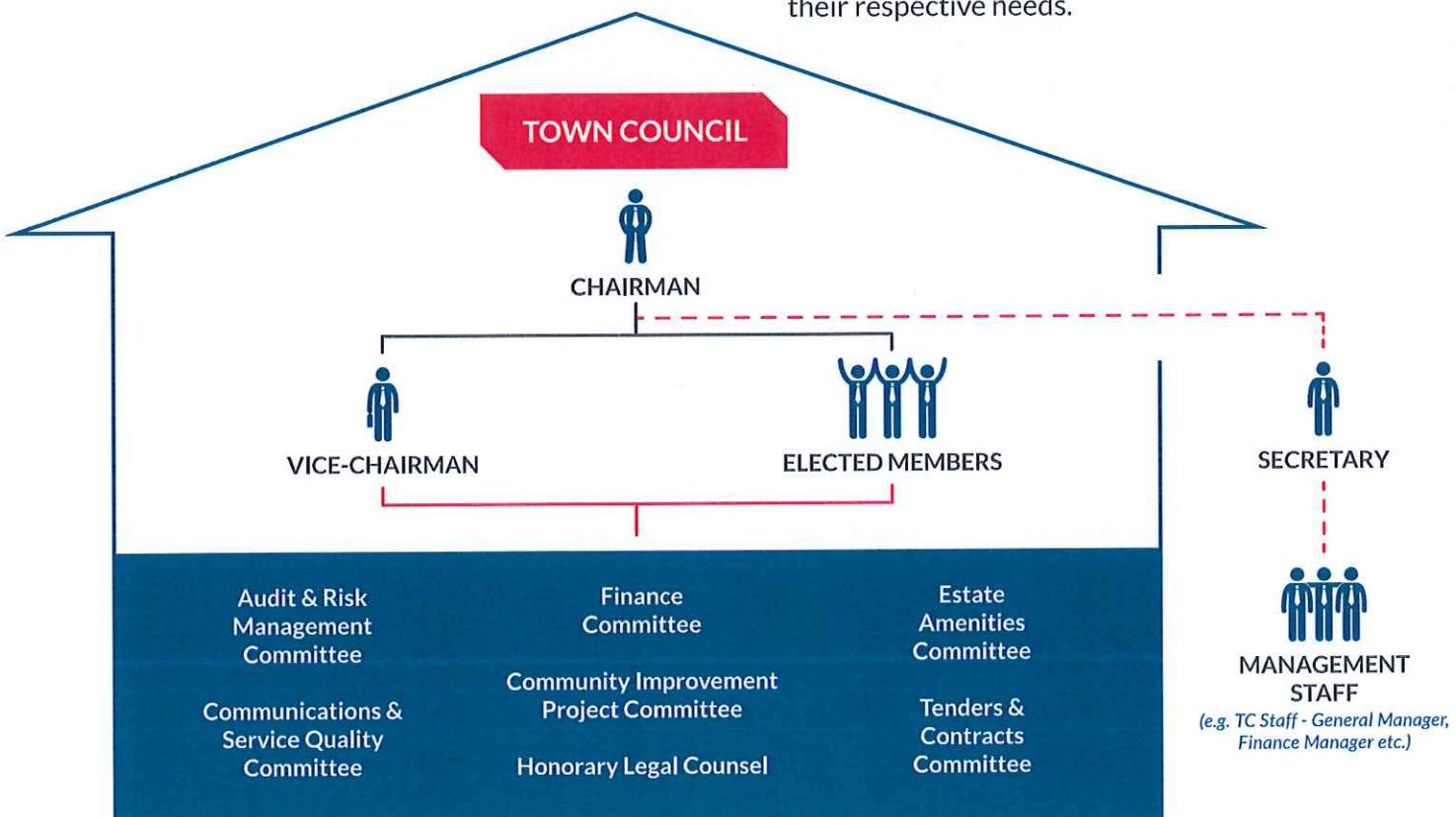
The selection and appointment process of each Town Councillor takes into consideration the holistic composition of the Council and the individual's relevant experience and skills.

The Council does the following when appointing its Councillors:

1. Utilises a referral process to kickstart the search for potential candidates.
2. Considers a variety of factors, including audit and financial literacy, ability to commit their time, along with their prior experience.

At least two-thirds of the appointed Town Councillors must also be residents of the HDB housing estates within the Town.

While the typical organisational structure of a Town Council closely matches the diagram shown below, there is also room for flexibility for each Town Council to vary their structure according to their respective needs.



Risk Management Framework

The Town Council has engaged an external consultant to provide professional guidance in the implementation of a comprehensive Risk Management Framework. This framework encompasses identifying the key risks in the various departments – Financial, Operational, Compliance and even Information Technology. Once identified, they are reported to the Council for corrective action in implementing new processes to minimise any potential oversight.

The Risk Management Framework provides a guideline manual to consistently identify, assess, monitor and review these key risks on an annual basis.

Its structure encourages continuous improvement through regular assessment of the established “Operations and Processes”. At the same time, it enables the Town Council to meet its strategic goals and objectives of integrity, objectivity, accountability, transparent and fairness.

For FY21/22, the Council was given confidence through the Risk Management Framework, that its existing internal control policies and procedures are adequate to address the risks, supporting the principles of good governance and allowing the flexibility of enacting best practices that complement existing legislative framework.



FINANCIAL RISK



COMPLIANCE RISK



INFORMATION TECHNOLOGY RISKS



OPERATIONAL RISKS

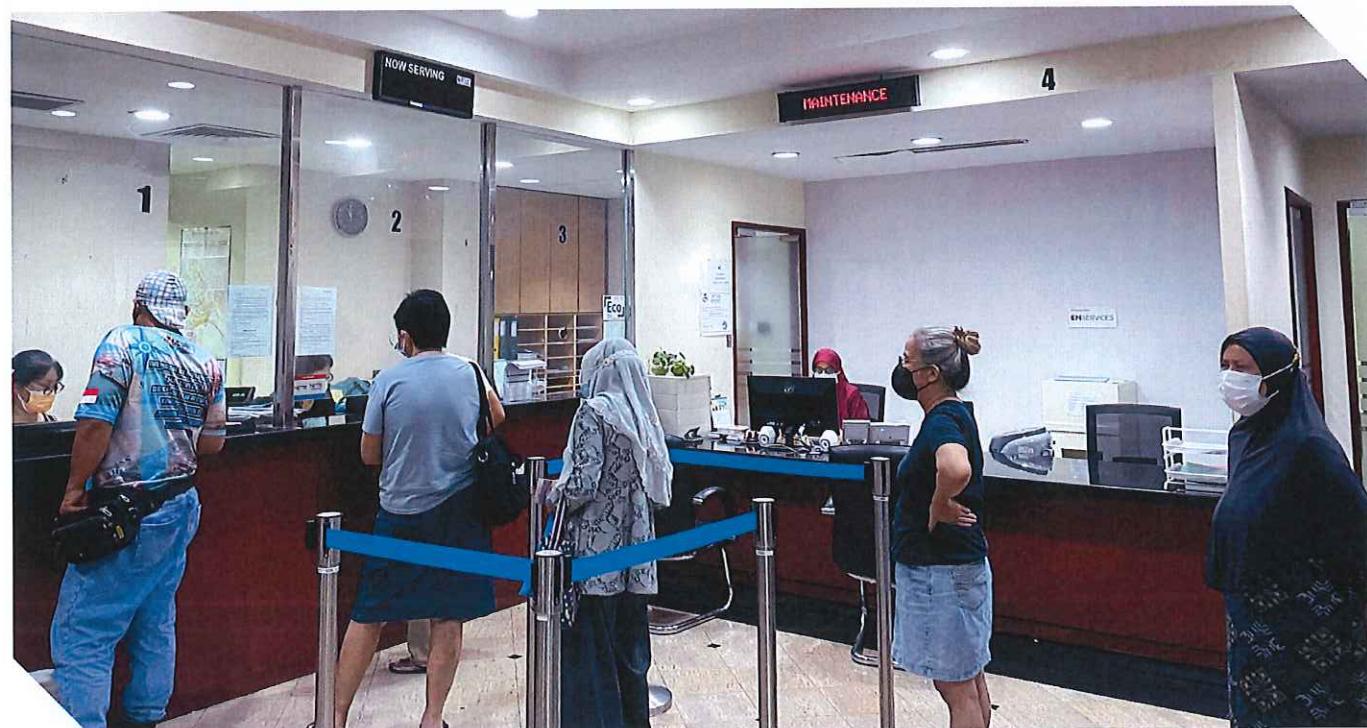
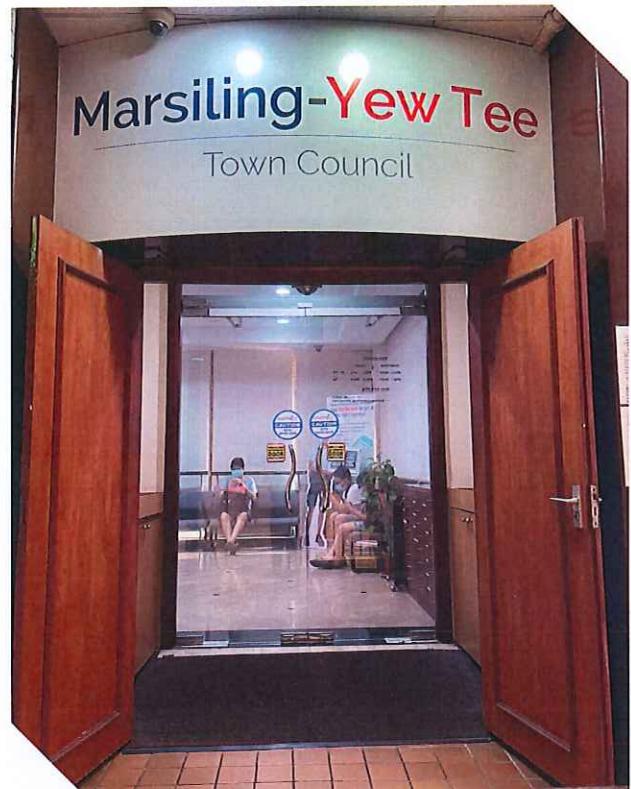
Our Finance

Marsiling-Yew Tee Town Council has demonstrated strong resilience, reporting an operating surplus of \$1.27 million in FY21/22.

With our stringent financial planning, all investments into bonds and fixed deposits adhere strictly to the Town Council Financial Rules (TCFR). In addition, all investments would be reviewed at regular Town Council meetings.

At the end of FY21/22, the Town Council Sinking Funds stood at a total of \$111.40 million, \$32.32 million for Lift Replacement Funds and an accumulated surplus of \$5.55 million.

Our team will continue to help residents with financial difficulties and work towards a stronger community with sufficient safety nets to ensure that nobody gets left behind.



Town Council Management Report



Every Town Council has a vital role in ensuring that the estate is kept clean and well maintained for the residents. Marsiling-Yew Tee Town Council has been making efforts to ensure the fulfilment of this key role, with results reflected in the Town Council Management Report (TCMR).

Marsiling-Yew Tee Town Council has achieved Green Bands across all four categories in the TCMR for FY21/22.

01 LIFT PERFORMANCE

02 ESTATE CLEANLINESS

03 ESTATE MAINTENANCE

04 S&CC ARREARS MANAGEMENT



The Town Council is always looking to improve its service standard and quality. With the professional guidance from the Town Councillors, coupled with technological advancements, new options to improve the estate will be explored.



Estate Maintenance



Enabling residents to live in homes and estates that are both safe and clean is the fundamental priority of our Town Council in ensuring residents have a suitable living environment that caters to their needs.

Even as we begin to settle down post-pandemic, we will ensure that our operational team has sufficient manpower to maintain and upkeep the estate's cleanliness. The team remains committed to regular inspections on-site and working with the relevant Government agencies when it comes to tackling challenging issues.



Cyclical Works

Every year, Marsiling-Yew Tee Town Council sets aside a budget for comprehensive cyclical works, to keep the estate in good working condition.

A total sum of \$31.38 million was spent on cyclical works in FY21/22. To further improve and ensure resident safety when using the lift, the Lift Enhancement Programme (LEP) was implemented. In addition, the Lift Replacement Programme (LRP) incurred a total sum of \$20.15 million. Another \$11.23 million was catered for other miscellaneous repairs such as R&R, re-roofing, replacement of lift parts, water pumps and pipes.



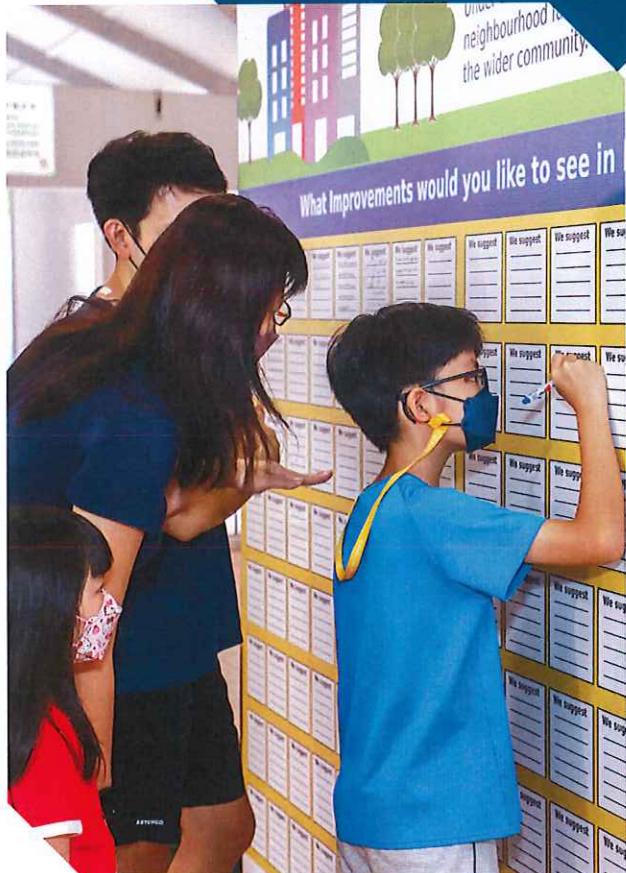
Town Improvement Projects

Marsiling-Yew Tee Town Council garners feedback from meaningful consultations with both residents and grassroots organisations. Their feedback is then further deliberated with our architect consultants on the estimated cost and feasibility. These projects are then prioritised based on their cost-benefit comparison.

Our projects include upgrading of playground and fitness corners, providing families with recreational spaces for both young children and the elderly. Drop-off porches, covered linkways, barrier-free access facilities also enhance the accessibility and convenience of our residents in getting around the Town.



Neighbourhood Renewal Programmes



A nationwide programme, the Neighbourhood Renewal Programme (NRP) is fully funded by the Government to improve the selected residential estates. Residents can look forward to a refurbished estate with new facilities such as children's playgrounds, drop-off points, jogging tracks and more. These improvements help enhance residents' living environment, making it a better place to live in.



Clean & Green Energy

The Town Council is fully dedicated to supporting the Action for Green Town (AGT) initiative – a collaborative effort amongst 15 People Action Party (PAP) Town Councils. This initiative aims to galvanise and partner with residents, while consulting thought leaders in the sustainability industry. Working closely with town management stakeholders and service providers, the goal of achieving a zero-waste town, being energy efficient and greener by 2025 has been set.



Marsiling-Yew Tee Town has likewise demonstrated its commitment in contributing towards this green initiative. We have adopted and implemented e-Waste recycling drives on a quarterly basis, collaborated with SGRecycle to encourage recycling of paper and even worked closely with Land Transport Authority (LTA) to rehome and reuse old MRT parts.

The Green Towns Programme to make HDB towns more sustainable and liveable by focusing on reducing energy consumption is also well underway in Marsiling-Yew Tee. The programme aims for a 15% reduction in energy consumption from 2020's levels by 2030. We will continue to work closely with HDB to install more solar panels on HDB rooftops.

Solar energy that is harnessed is first used to power common services (e.g. lifts, lights and water pumps) during the day. Any excess energy is channeled back to the electrical grid. Smart LED lightings with sensors can save electricity by lighting up only when users are detected and gradually dimming down after. Coupled with remote access functionality and smart analytics, their progressive installation will further reduce energy consumption for lightings by up to 60%.

On the greenery front, we are pushing ahead with the planting of more trees, in support of the OneMillionTrees Movement by NParks. Introduction of drought-resistant plants will also require less maintenance.

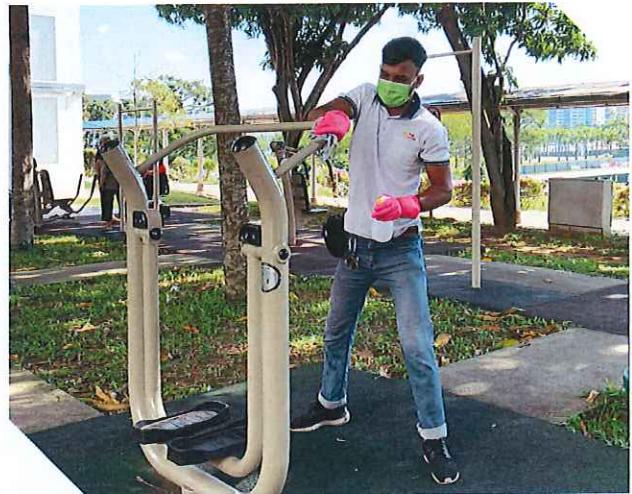
Estate

Cleanliness

Having prioritised regular cleaning and disinfecting of the estate, the Town Council has successfully navigated through the challenging pandemic.

These areas included high-touch points such as lift buttons, tables, sitting areas, letterboxes, playgrounds and fitness corners. Application of anti-microbial coating and placement of hand sanitiser dispensers at the lift lobby areas underpinned the Town Council's effort to keep our residents safe.

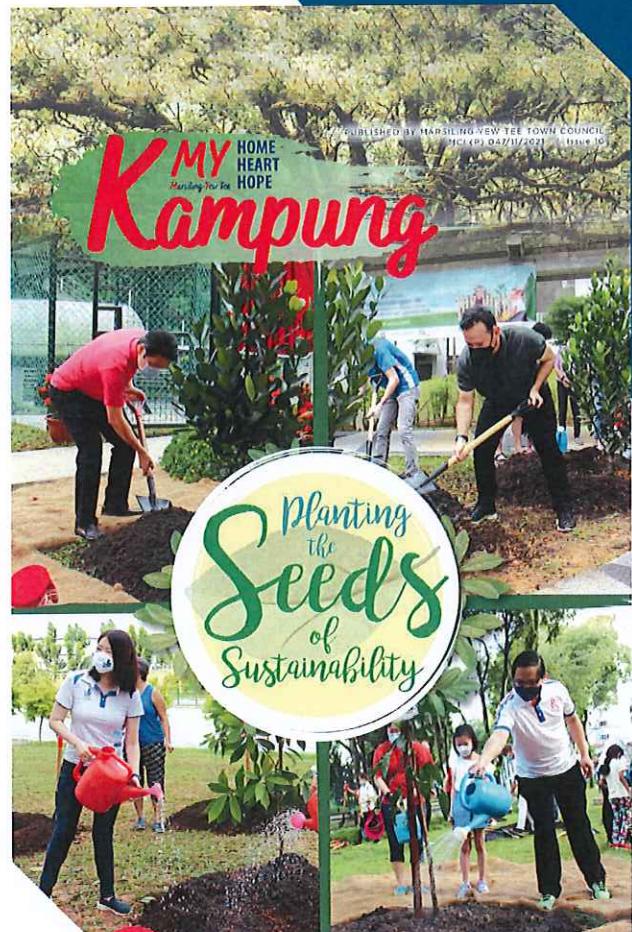
Moving forward, estate cleanliness will remain a top priority. We are thankful for our cleaners' hard work and dedication in their day-to-day cleaning works.



Communication with Residents

Staying engaged with residents is instrumental to our efforts to constantly improve our communication and service delivery. Leveraging on social media and utilising the Digital Display Panels (DDPs) at the lift lobby area, we have enhanced our communication efforts. We consistently share updates and important town news with residents, ensuring they are well informed while also feeling included within the community.

We value every feedback from residents and where possible, we will work with the project team to realise some of these suggestions by constructing and upgrading certain amenities around the estate. Do keep a lookout for more exciting news and updates from the team!



Marsiling-Yew Tee Town Council

Building Limbang's Green Spine

Limbang is getting a facelift with the construction of the Green Spine along the MRT viaduct, offering residents the benefits of exercise & recreational facilities and also a number of covered linkways to enhance connectivity in the town.

Children's playground along the Green Spine

Fitness facilities and jogging track

The Green Spine entrance court

Marsiling-Yew Tee Town Council

R&R Colour Selection in Yew Tee

Blk 662-668
Choa Chu Kang Crescent

Marsiling-Yew Tee Town Council

(Established under the Town Councils Act 1988)

Financial Statements

(For the period of 1 April 2021 to 31 March 2022)



Financial statements

MARSILING-YEW TEE TOWN COUNCIL

(Established under the Town Councils Act 1988)

For the year ended 31 March 2022

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

(Established under the Town Councils Act 1988)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Marsiling-Yew Tee Town Council ("the Town Council"), which comprise the statement of financial position as at 31 March 2022, and the statement of income and expenditure and other comprehensive income, the statement of changes in Town Council funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Town Councils Act 1988 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Town Council as at 31 March 2022 and the financial performance, changes in funds and cash flows of the Town Council for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town Council in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information refers to the Chairman's Review included in the Annual Report, but does not include the financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

(Established under the Town Councils Act 1988)

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

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

A Town Council is established under the Act and may dissolved by the Minister's order published in the Gazette. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

(Established under the Town Councils Act 1988)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion,

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

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Compliance Audit section of our report. We are independent of the Town Council in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

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

(Established under the Town Councils Act 1988)

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditor's Responsibilities for the Compliance Audit

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

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



Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

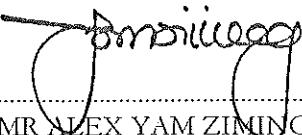
Singapore,
14 September 2022

Statement of financial position
as at 31 March 2022

	Note	2022	2021
		\$	\$
TOWN COUNCIL FUNDS			
Residential property			
Accumulated surplus	3	2,499,721	3,603,221
Sinking Funds	4	87,555,320	86,090,579
Lift Replacement Funds	5	27,043,204	35,801,323
Town Improvement and Project Funds	6	2,024,097	1,442,575
		119,122,342	126,937,698
Commercial property			
Accumulated surplus	3	1,352,614	909,328
Sinking Funds	4	23,845,939	23,695,191
Lift Replacement Funds	5	5,281,081	5,303,615
Town Improvement and Project Funds	6	6,362	26,125
		30,485,996	29,934,259
Carpark			
Accumulated surplus	3	1,695,696	825,582
		151,304,034	157,697,539

REPRESENTED BY:

Non-current assets			
Plant and equipment	7	115,538	221,477
Right-of-use assets	8	340,669	554,217
Investments at amortised cost	9	20,000,000	30,000,000
		20,456,207	30,775,694
Current assets			
Investments at amortised cost	9	10,000,000	-
Conservancy and service fees receivables	10	1,007,728	1,262,152
Receivables for Neighbourhood Renewal Programme	11	242,194	1,345,192
Other receivables	12	10,078,082	6,947,468
Cash and bank balances	13	127,926,948	142,896,504
		149,254,952	152,451,316
Total assets		169,711,159	183,227,010
Less:			
Non-current liabilities			
Lease Liabilities	14	-	202,910
Current liabilities			
Lease liabilities	14	202,910	213,779
Conservancy and service fees received in advance	15	937,336	850,816
Other payables	16	16,369,000	23,149,487
Income tax payable	21	897,879	1,112,479
		18,407,125	25,326,561
Total liabilities		18,407,125	25,529,471
NET ASSETS		151,304,034	157,697,539


MR ALEX YAM ZIMING

Chairman

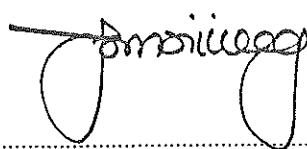

MR LIM TAI SUN
Secretary

Dated: 14 September 2022

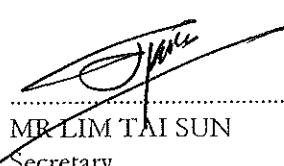
The accompanying notes form an integral part of and should be read in conjunction with the financial statements.

Statement of income and expenditure and other comprehensive income
for the financial year ended 31 March 2022

	Note	2022	2021
		\$	\$
Operating income			
Conservancy and service fees	3	39,169,994	38,280,468
Less:			
Operating income transfer to Sinking Funds (26% transferred to Sinking Funds)	3, 4	(10,184,211)	(9,952,945)
Operating income transfer to Lift Replacement Funds (14% transferred to Lift Replacement Funds)	3, 5	(5,483,817)	(5,359,288)
		23,501,966	22,968,235
Agency fees	3, 17	3,416,017	3,149,425
Other income	3, 18	2,325,744	1,984,930
		29,243,727	28,102,590
Less:			
Operating expenditure			
Cleaning works	20	(5,997,831)	(5,648,180)
Managing agent's fees		(4,674,139)	(4,173,115)
Lift maintenance		(6,190,386)	(6,562,608)
Other works and maintenance		(4,271,265)	(4,046,432)
Water and electricity		(7,875,091)	(7,277,080)
General and administrative expenditure	19	(2,773,455)	(1,920,112)
		(31,782,167)	(29,627,527)
Operating deficit		(2,538,440)	(1,524,937)
Add: Interest income	3	46,462	89,099
Deficit before taxation and government grants		(2,491,978)	(1,435,838)
Less: Income tax	3, 21	(240,563)	(234,368)
Deficit before government grants		(2,732,541)	(1,670,206)
Add: Government grants	3, 26	11,846,794	11,193,771
Less: Transfer to			
- Sinking Funds	3, 4	(1,732,711)	(1,639,507)
- Lift Replacement Funds	3, 5	(4,138,693)	(3,984,976)
- Town Improvement and Project Funds	3, 6	(1,976,834)	(1,785,820)
		3,998,556	3,783,468
SURPLUS FOR THE YEAR UNDER ACCUMULATED SURPLUS		1,266,015	2,113,262
Add:			
Surplus/(Deficit) for the year from:			
- Sinking Funds	4	1,615,489	9,126,767
- Lift Replacement Funds	5	(8,780,653)	2,082,979
- Town Improvement and Project Funds	6	(494,356)	(409,347)
TOTAL COMPREHENSIVE (EXPENDITURE)/INCOME FOR THE YEAR		(6,393,505)	12,913,661



MR ALEX YAM ZIMING
Chairman



MR LIM TAI SUN
Secretary

Dated: 14 September 2022

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

Statement of changes in Town Council funds
for the financial year ended 31 March 2022

	Note	Residential property \$	Commercial property \$	Carpark \$	Total \$
Balance at 1 April 2020		104,615,969	29,545,294	696,879	134,858,142
Accumulated Surplus	3	1,773,105	(65,135)	405,292	2,113,262
Sinking Funds	4	8,877,148	249,619	-	9,126,767
Lift Replacement Funds	5	2,025,393	57,586	-	2,082,979
Town Improvement and Project Funds	6	(367,241)	(42,106)	-	(409,347)
Surplus for the year, representing total comprehensive income for the year		12,308,405	199,964	405,292	12,913,661
Appropriation to Sinking Fund		180,170	1,502,448	-	1,682,618
Appropriation to Lift Replacement Fund		97,015	809,010	-	906,025
Appropriation to Town Improvement and Project Funds		859,390	21,403	-	880,793
Appropriation from Accumulated Surplus		(859,390)	(2,332,861)	(277,185)	(3,469,436)
Fund transfer from Sembawang Town Council		9,736,139	189,001	596	9,925,736
Balance at 31 March 2021		126,937,698	29,934,259	825,582	157,697,539
Accumulated Surplus	3	(73,049)	468,950	870,114	1,266,015
Sinking Funds	4	1,464,741	150,748	-	1,615,489
Lift Replacement Funds	5	(8,758,119)	(22,534)	-	(8,780,653)
Town Improvement and Project Funds	6	(448,929)	(45,427)	-	(494,356)
Surplus/(deficit) for the year, representing total comprehensive income/(expenditure) for the year		(7,815,356)	551,737	870,114	(6,393,505)
Appropriation to Town Improvement and Project Funds		1,030,451	25,664	-	1,056,115
Appropriation from Accumulated Surplus		(1,030,451)	(25,664)	-	(1,056,115)
Balance at 31 March 2022		119,122,342	30,485,996	1,695,696	151,304,034

Statement of cash flows
for the financial year ended 31 March 2022

	Note	2022	2021
		\$	\$
Cash Flows from Operating Activities			
Deficit before taxation and government grants	3	(2,491,978)	(1,435,838)
Adjustments for:			
Allowance for impairment of conservancy and service fees receivables	10, 19	325,300	47,402
Depreciation of plant and equipment	7, 19	137,919	122,997
Depreciation of right-of-use asset	8, 19	213,548	177,956
Interest expense	14, 19	11,821	19,286
Interest income	3	(46,462)	(89,099)
Operating income transfer to Sinking Funds	4	10,184,211	9,952,945
Operating income transfer to Lift Replacement Funds	5	5,483,817	5,359,288
Operating surplus before working capital changes		13,818,176	14,154,937
Changes in conservancy and service fees receivables		15,644	(62,022)
Changes in other receivables		(2,062,158)	(2,386,587)
Changes in other payables		(6,781,043)	12,281,045
Cash generated from operations before income tax		4,990,619	23,987,373
Government grants received	26(ii)	10,998,424	11,656,487
Funding received for Neighbourhood Renewal Programme	11	3,765,308	314,077
Funding received for Lift Enhancement Programme	24	1,500,119	2,361,233
Sinking Funds expenditure	23	(11,227,604)	(3,624,052)
Lift Replacement Funds expenditure	24	(20,149,953)	(9,979,061)
Town Improvement and Project Funds expenditure	25	(2,471,190)	(2,195,167)
Neighbourhood Renewal Programme Funds expenditure	11	(2,662,310)	(2,158,031)
Goods and services tax paid		(186,348)	(481,636)
Income tax paid	21	(631,840)	(624,960)
Net cash (used in)/generated from operating activities		(16,074,775)	19,256,263
Cash Flows from Investing Activities			
Purchase of plant and equipment	7	(31,980)	(147,987)
Maturity/(Placement) of fixed deposits		5,168,303	(24,061,483)
Interest and investment income received		1,362,798	2,410,116
Net cash generated from/(used in) investing activities		6,499,121	(21,799,354)
Cash Flows from Financing Activities			
Principal repayment of lease liabilities (Note A)		(213,779)	(168,714)
Interest expense paid (Note A)		(11,821)	(19,286)
Net cash used in financing activities		(225,600)	(188,000)
Net (decrease)/increase in cash and cash equivalents		(9,801,254)	(2,731,091)
Add: Fund transferred from Sembawang Town Councils		-	9,925,736
Cash and cash equivalents at beginning of year		20,625,043	13,430,398
Cash and cash equivalents at end of year	13	10,823,789	20,625,043

Statement of cash flows

for the financial year ended 31 March 2022 (Cont'd)

Note A

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

	Note	Cash flows			Non-cash flows			At 31 March \$		
		At 1 April \$	Principal repayment \$	Interest paid \$	Lease modification \$	New leases \$	Interest expenses \$			
2022										
Liabilities										
Lease liabilities	14	416,689	(213,779)	(11,821)	-	-	11,821	202,910		
2021										
Liabilities										
Lease liabilities	14	622,830	(168,714)	(19,286)	(37,427)	-	19,286	416,689		

Notes to the financial statements

for the financial year ended 31 March 2022

1 General

Marsiling-Yew Tee Town Council (the “Town Council”) was formed on 1 October 2015 under the Town Councils Act 1988 (2020 Revised Edition). The principal functions of the Town Council are to control, manage, maintain and improve the common areas of residential units, other commercial properties and market and food centres in the housing estates of the Housing & Development Board (“HDB”) within the Town.

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

The financial statements of the Town Council for the financial year ended 31 March 2022 were authorised for issue by the Town Council on the date of this report.

2(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore (“FRS”) as issued by the Singapore Accounting Standards Council as well as all related interpretations to FRS (“INT FRS”) and the Town Councils Act 1988 (2020 Revised Edition). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

Significant accounting estimates and judgements

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

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

(a) Significant judgements in applying accounting policies

(i) Income tax (Note 21)

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

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

Significant accounting estimates and judgements (Cont'd)

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

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

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

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

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

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

The Town Council assesses at the end of each reporting period whether there is any expected credit loss of conservancy and service fees and other receivables based on assumptions about risk of default and expected loss rates. The Town Council considers factors such as past collection history, existing market conditions as well as forward looking estimates a teach reporting period. The assessment of the correlation between historical observed default, economic conditions and expected credit loss is a significant estimate. Notwithstanding the above, the Town Council evaluates the expected credit loss on receivables in financial difficulties separately. The carrying amount of the Town Council's conservancy and service fees receivables and other receivables as at 31 March 2022 were \$1,007,728 (2021 - \$1,262,152) and \$10,078,082 (2021 - \$6,947,468) respectively. The decrease of 10% in the estimated future cash flows will not lead to further allowance for impairment on the Town Council's conservancy and service fees receivables and other receivables.

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

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

The carrying amount of the Town Council's plant and equipment as at 31 March 2022 was \$115,538 (2021 - \$221,477). If depreciation on plant and equipment increase/decrease by 10% from management's estimate, the Town Council's deficit for the year will increase/decrease by approximately \$13,792 (2021 - \$12,300).

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

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

An increase/decrease of 100 basis points in the estimated IBR will decrease/increase the Town Council's right-of-use assets and lease liabilities by approximately \$1,125 (2021 - \$4,252) respectively.

2(b) Adoption of new and revised standards

On 1 April 2021, the Town Council has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2021. The adoption of these new or amended FRSs and INT FRS did not result in substantial changes to the Town Council's accounting policies and had no material effect on the amounts reported for the current or prior financial years, except as discussed below:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 116	<i>Covid-19 Related Rent Concessions</i>	1 June 2020
Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116	<i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to FRS 116	<i>Covid-19 Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

2(c) FRS issued but not yet effective

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

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 103	<i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to FRS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
<i>Annual Improvements to FRS Standards 2018-2020</i>		
Amendments to FRS 109	<i>Fees in the '10 per cent' Test for Derecognition of Financial Liabilities</i>	1 January 2022
Amendments to FRS 116	<i>Lease Incentives</i>	1 January 2022
Amendments to FRS 1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to FRS 117	<i>Insurance Contracts</i>	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8	<i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

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

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

In accordance with section 47(1) of the Town Councils Act, separate funds are established to account for the management of the various types of properties. The types of properties under the management of the Town Council are as follows:

- Residential property
- Commercial property

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

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

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

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

Sinking Funds

In accordance with section 47(4) of the Town Councils Act, separate Sinking Funds are established for the improvement to, management and maintenance of residential property and commercial property. The Sinking Funds are maintained as part of the Town Council funds.

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

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

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

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

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

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

Lift Replacement Funds

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

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

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

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

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

Town Improvement and Project Funds

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

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

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

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

Under Section 47(12) of the Town Councils Act and Rule 11A(1) of the Town Council Financial Rules, if there is a surplus in an operating fund or a surplus in an ordinary sinking fund of the Town Council at the end of the financial year, the Town Council may transfer the whole or part of the surplus in the operating fund to a lift replacement fund or an ordinary sinking fund, or transfer the whole or part of the surplus in an ordinary sinking fund to a lift replacement fund, but only to make good any deficit in the lift replacement fund.

Under Section 57(1)(i) of the Town Councils Act, the Minister may make rules for the circumstances under which a surplus in an operating fund, sinking fund or lift replacement fund established for residential property, may be transferred to the same fund established for commercial property, and vice versa.

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

(c) Neighbourhood Renewal Programme

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

(d) Allocation of General Overheads

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

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

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

(e) Government grants

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

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

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

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

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

(f) Plant and equipment and depreciation

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

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

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

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

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

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

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

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

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

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

(h) Financial instruments

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

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

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

Disclosures on financial risk management are provided in Note 30.

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

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

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income and expenditure when the assets are derecognised or impaired, and through the amortisation process.

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

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

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

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

(h) Financial instruments (Cont'd)

(i) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

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

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

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

Financial assets at fair value through profit or loss

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

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

Financial liabilities

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

(i) Cash and cash equivalents

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

(j) Provisions

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

(k) Contract liabilities

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

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

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

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

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

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

(i) Conservancy and service fees

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

(ii) Agency fees

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

(iii) Interest and investment income

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

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

(iv) Other income

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

(n) Income tax

Income tax is provided on the following income:

(i) Income derived from investments and bank deposits;

(ii) Agency fees derived from acting as agents for HDB;

(iii) Fees, rents and other charges received from non-residents or non-owners of properties in the Town; and

(iv) Donations from non-residents or non-owners of properties in the Town.

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

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

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

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

(o) Functional currency

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

(p) Contingencies

A contingent liability is:

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

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

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

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

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

(a) Lease liability

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

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

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

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

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

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

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

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

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

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

(a) Lease liability (Cont'd)

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

(b) Right-of-use asset

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

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

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

Office premises	over lease term of 3 years
-----------------	----------------------------

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

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

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

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3 Accumulated surplus

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

	Note	Residential property		Commercial property		Carparks		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
OPERATING INCOME									
Conservancy and service fees									
Less:									
Operating income transfer to Sinking Funds	4	(9,808,088)	36,916,936	1,446,622	1,363,532	-	-	39,169,994	38,280,468
Operating income transfer to Lift Replacement Funds	5	(5,281,289)	(5,168,389)	(376,123)	(354,526)	-	-	(10,184,211)	(9,952,945)
Agency fees									
Other income									
1,854,502		1,664,749	22,150,128	867,971	245,558	3,416,017	3,149,425	3,416,017	3,149,425
Less: Operating expenditure									
24,488,497		23,814,877	359,538	1,227,509	1,063,665	3,527,721	3,224,048	29,243,727	28,102,590
(28,379,749)		(25,697,105)	(763,845)	(1,125,990)	(2,638,573)	(2,804,432)	(31,782,167)	(29,627,527)	(29,627,527)
OPERATING (DEFICIT)/SURPLUS									
(3,891,1252)		(1,882,228)	463,664	(62,325)	889,148	419,616	(2,538,440)	(1,524,937)	(1,524,937)
40,883		78,347	1,021	1,968	4,558	8,784	46,462	89,099	89,099
(DEFICIT)/SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS									
Less: Income tax									
(3,850,369)		(1,803,881)	464,685	(60,357)	893,706	428,400	(2,491,978)	(1,435,838)	(1,435,838)
(211,692)		(205,121)	(5,279)	(5,139)	(23,592)	(23,108)	(240,563)	(234,368)	(234,368)
(DEFICIT)/SURPLUS AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS									
(4,062,061)		(2,010,002)	459,406	(65,496)	870,114	405,292	(2,732,541)	(1,670,206)	(1,670,206)
26	11,728,809	11,098,533	117,985	95,238	-	-	11,846,794	11,193,771	11,193,771
Add: Government grants									
Less: Transfer to Sinking Funds									
Lift Replacement Funds	4, 26	(1,728,576)	(1,639,351)	(4,135)	(156)	-	(1,732,711)	(1,639,507)	(1,639,507)
Town Improvement and Project Funds	5, 26	(4,034,387)	(3,890,254)	(104,306)	(94,722)	-	(4,138,693)	(3,984,976)	(3,984,976)
	6, 26	(1,976,834)	(1,785,820)	-	-	-	(1,976,834)	(1,785,820)	(1,785,820)
(DEFICIT)/SURPLUS FOR THE YEAR									
3,603,221		2,283,307	909,328	3,281,105	825,582	696,879	5,338,131	6,261,291	6,261,291
ACCUMULATED SURPLUS AT 1 APRIL									
Add/(less):									
Transfer from Sembawang Town Council	4	-	406,198	-	26,220	596	-	433,014	433,014
Appropriation to Sinking Fund	5	-	-	-	(1,502,448)	(180,170)	-	(1,682,618)	(1,682,618)
Appropriation to Lift Replacement Fund					(809,010)	(97,015)	-	(906,025)	(906,025)
Appropriation to Town Improvement and Project Funds	6	(1,030,451)	(859,390)	(25,664)	(21,403)	-	(1,056,115)	(880,793)	(880,793)
Accumulated surplus at end of year		2,499,721	3,603,221	1,352,614	909,328	1,695,696	825,582	5,548,031	5,338,131

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4 Sinking Funds		Residential property 2022 \$	Residential property 2021 \$	Commercial property 2022 \$	Commercial property 2021 \$	Total 2022 \$	Total 2021 \$
	Note	86,090,579	69,953,811	23,695,191	21,825,294	109,785,770	91,779,105
Balance at 1 April							
Add:							
Appropriation from Accumulated Surplus Fund transferred from Sembawang Town Council	3	-	180,170	-	1,502,448	-	1,682,618
			7,079,450	-	1,117,830	-	7,197,280
			-	7,259,620	-		8,879,898
Add:							
Other income	23	1,064,307	1,344,296	-	-	1,064,307	1,344,296
Operating income transfer from conservancy and service fees (minimum required by law)	3	9,808,088	9,598,419	376,123	354,526	10,184,211	9,952,945
	3,26	1,728,576	1,639,351	4,135	156	1,732,711	1,639,507
Transfer from government grants			12,582,066	380,258	354,682	12,981,229	12,936,748
Less:							
Expenditure	23	(11,027,572)	(3,558,982)	(200,032)	(65,070)	(11,227,604)	(3,624,052)
Income tax	21	(108,656)	(145,936)	(29,478)	(39,993)	(138,136)	(185,929)
Surplus for the year		1,464,741	8,877,148	150,748	249,619	1,615,489	9,126,767
Balance at 31 March		87,555,320	86,090,579	23,845,939	23,695,191	111,401,259	109,785,770
Represented by:							
Non-Current assets						16,000,000	24,000,000
Investments at amortised cost							
Current assets						8,000,000	306,692
Investments at amortised cost						244,869	
Conservancy and service fees receivables						483,403	259,690
Other receivables						191,711	156,822
Accrued interest						675,114	416,512
Amount due from accumulated surplus						3,278,391	3,029,740
Cash and bank balances						86,367,772	84,235,690
Total assets						98,566,146	87,988,634
Less:						114,566,146	111,988,634
Current liabilities						227,764	206,740
Conservancy and service fees received in advance						2,613,488	1,536,876
Other payables						323,635	459,248
Income tax payable						3,164,887	2,202,864
Total liabilities						111,401,259	109,785,770
NET ASSETS							

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6 Town Improvement and Project Funds

	Residential property	Commercial property	Total
	2022	2021	2022
	\$	\$	\$
Balance at 1 April	1,442,575	917,769	26,125
Add: Fund transferred from Sembawang Town Council			46,417
	32,657	-	
			411
Add/(Less):			
Transfer from government grants	3,26	1,976,834	1,976,834
Expenditure	25	(2,425,763)	(2,471,190)
Deficit for the year		(448,929)	(494,356)
	993,646	583,185	(19,302)
Add: Appropriation from Accumulated Surplus	3	1,030,451	859,390
Balance at 31 March		2,024,097	1,442,575
			25,664
			6,362
			21,403
			26,125
			1,056,115
			2,030,459
			2734,915
Represented by:			
Current assets			2,598,474
Other receivables			12
Amount due from accumulated surplus			136,441
Total assets			2,734,915
Less:			
Current liabilities			704,456
Other payables			704,456
Total liabilities			2,030,459
NET ASSETS			2,558,241
			1,468,700
			1,089,541
			846,229
			1,089,541
			1,712,012

7 Plant and equipment

	<u>Office equipment</u> \$	<u>Furniture, fixtures and fittings</u> \$	<u>Data processing equipment</u> \$	<u>Office renovation</u> \$	<u>Total</u> \$
<u>Cost</u>					
At 1 April 2020	235,957	612,954	112,022	413,795	1,374,728
Additions	-	-	147,987	-	147,987
At 31 March 2021	235,957	612,954	260,009	413,795	1,522,715
Additions	1,189	-	30,791	-	31,980
At 31 March 2022	237,146	612,954	290,800	413,795	1,554,695
<u>Accumulated depreciation</u>					
At 1 April 2020	228,772	598,969	101,235	249,265	1,178,241
Depreciation for the year (Note 19)	4,488	4,720	31,030	82,759	122,997
At 31 March 2021	233,260	603,689	132,265	332,024	1,301,238
Depreciation for the year (Note 19)	2,829	4,243	54,816	76,031	137,919
At 31 March 2022	236,089	607,932	187,081	408,055	1,439,157
<u>Net book value</u>					
At 31 March 2022	1,057	5,022	103,719	5,740	115,538
At 31 March 2021	2,697	9,265	127,744	81,771	221,477

8 Right-of-use assets

The Town Council has lease contracts for office premises.

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

	<u>Office premises</u> \$	<u>Total</u> \$
<u>Cost</u>		
At 1 April 2020	642,364	642,364
Additions	145,080	145,080
Lease modification	(37,427)	(37,427)
At 31 March 2021	750,017	750,017
Additions	-	-
At 31 March 2022	750,017	750,017
<u>Accumulated depreciation</u>		
At 1 April 2020	17,844	17,844
Depreciation for the year (Note 19)	177,956	177,956
At 31 March 2021	195,800	195,800
Depreciation for the year (Note 19)	213,548	213,548
At 31 March 2022	409,348	409,348
<u>Net book value</u>		
At 31 March 2022	340,669	340,669
At 31 March 2021	554,217	554,217

9 Investments at amortised cost

	Note	2022	2021
		\$	\$
Investments in bonds classified as financial assets at amortised cost:			
- Quoted bonds issued by statutory boards		30,000,000	30,000,000
Maturing:			
Within 1 year		10,000,000	-
After one year but within five years		20,000,000	30,000,000
		30,000,000	30,000,000
Recorded in:			
Sinking Funds	4	24,000,000	24,000,000
Lift Replacement Funds	5	6,000,000	6,000,000
		30,000,000	30,000,000

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

	2022	2021
	\$	\$
Quoted bonds	29,594,000	29,960,000

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

The investments are denominated in Singapore Dollar. These funds are invested in accordance with The Town Councils Act 1988.

Investments in quoted bonds issued by statutory boards, with a fixed interest rate of 2.30% to 2.63% (2021: 2.30% to 2.63%) per annum and maturity date of March 2023 to September 2025 (2021: March 2023 to September 2025) as at reporting date.

10 Conservancy and service fees receivables

	Note	2022	2021
		\$	\$
Conservancy and service fees receivables			
Less: Allowance for impairment		2,207,143	2,186,196
		(1,199,415)	(924,044)
		1,007,728	1,262,152
Recorded in:			
Accumulated surplus		631,007	790,319
Sinking Funds	4	244,869	306,692
Lift Replacement Funds	5	131,852	165,141
		1,007,728	1,262,152

Conservancy and service fees receivables are denominated in Singapore Dollar.

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

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

	Note	2022	2021
		\$	\$
Balance at 1 April		924,044	849,691
Provision transferred from Sembawang Town Council		-	34,760
Allowance provided for the year	19	325,300	47,402
Allowance written off		(49,929)	(7,809)
Balance at 31 March		1,199,415	924,044

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

11 (Receivables)/advances received for Neighbourhood Renewal Programme

		2022	2021
		\$	\$
Balance at 1 April		(1,345,192)	498,762
Add/(Less):			
Funding from Government		3,765,308	314,077
Payments to contractors		(2,662,310)	(2,158,031)
		1,102,998	(1,843,954)
Balance at 31 March		(242,194)	(1,345,192)

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

12 Other receivables

		2022	2021
		\$	\$
GST subvention receivable		365,983	367,413
Lift Replacement Funds Matching Grant		706,849	714,585
Receivables from Citizens' Consultative Committees		2,511,244	1,653,153
		3,584,076	2,735,151
Recoverable from contractors		2,823,291	210,371
Deposits		268,115	260,465
Accrued interest on investments at amortised cost		64,554	64,017
Accrued interest on fixed deposits		188,328	155,683
Lift enhancement receivable		1,788,561	2,344,961
Others .		25,793	20,383
At amortised cost		8,742,718	5,791,031
GST receivables		1,079,498	893,151
Prepayments		255,866	263,286
		10,078,082	6,947,468

12 Other receivables (Cont'd)

	Note	2022	2021
		\$	\$
Recorded in:			
Accumulated surplus		3,646,163	1,285,030
Sinking Funds	4	675,114	416,511
Lift Replacement Funds	5	3,158,331	3,533,915
Town Improvement and Project Funds	6	2,598,474	1,712,012
		10,078,082	6,947,468

Other receivables are denominated in Singapore Dollar.

13 Cash and bank balances

	Note	2022	2021
		\$	\$
Cash and bank balances		10,823,789	16,621,098
Fixed deposits		117,103,159	126,275,406
		127,926,948	142,896,504

Recorded in:

Accumulated surplus:

Cash and bank balances	6,047,176	5,587,224
Fixed deposits	8,022,266	14,048,871
	14,069,442	19,636,095

Sinking Funds:

Cash and bank balances	2,884,127	6,576,144
Fixed deposits	83,483,645	77,659,546
	86,367,772	84,235,690

Lift Replacement Funds:

Cash and bank balances	1,892,486	4,457,730
Fixed deposits	25,597,248	34,566,989
	27,489,734	39,024,719
	127,926,948	142,896,504

Cash and bank balances are denominated in Singapore Dollar.

The interest rate for the fixed deposits ranges between 0.47% and 0.70% (2021 - 0.22% and 1.21%) per annum, receivable one year in arrears. The effective interest rate is 0.34% (2021 - 0.49%) per annum.

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

		2022	2021
		\$	\$
Cash and bank balances		127,926,948	142,896,504
Less:			
Short term fixed deposits with maturity more than 3 months		(117,103,159)	(122,271,461)
Cash and cash equivalents as per statement of cash flows		10,823,789	20,625,043

14 Lease Liabilities

	2022 \$	2021 \$
Undiscounted lease payments due:		
- Year 1	206,800	225,600
- Year 2	-	206,800
	<u>206,800</u>	<u>432,400</u>
Less: Unearned interest cost	(3,890)	(15,711)
Lease liabilities	202,910	416,689
<hr/>		
Presented as:		
- Non-current	-	202,910
- Current	202,910	213,779
	<u>202,910</u>	<u>416,689</u>

Interest expense on lease liabilities of \$11,821 (2021: \$19,286) is recognised within general and administrative expenditure in the statement of income and expenditure (Note 19).

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

	2022 \$	2021 \$
Variable lease payments not dependent on an index or rate	33,596	31,752

Total cash outflows for all leases (including interest paid) in the year amount to \$225,600 (2021: \$188,000).

As at 31 March 2022, the Town Council’s short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Town Council’s short-term lease expense for the year.

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

The lease liabilities are denominated in Singapore Dollar.

15 Conservancy and service fees received in advance

	Note	2022 \$	2021 \$
Contract liabilities		937,336	850,816
Recorded in:			
Accumulated surplus		586,930	532,754
Sinking Funds	4	227,764	206,740
Lift Replacement Funds	5	122,642	111,322
		<u>937,336</u>	<u>850,816</u>

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

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

	2022 \$	2021 \$
Revenue recognised that was included in contract liabilities at beginning of year	177,086	587,617
Increase due to cash received, excluding amounts recognised as revenue during the year	(263,606)	(742,670)

Contract liabilities are denominated in Singapore Dollar.

16 Other payables

	Note	2022 \$	2021 \$
Payables to contractors		11,631,695	15,516,485
Other creditors		1,349,006	952,139
Accrued operating expenses		3,311,793	6,608,723
Refundable deposits		74,860	71,048
At amortised cost		16,367,354	23,148,395
Conservancy and service grant received-in-advance		1,646	1,092
		16,369,000	23,149,487
Recorded in:			
Accumulated surplus		6,933,987	11,558,776
Sinking Funds	4	2,613,488	1,536,876
Lift Replacement Funds	5	6,117,069	8,964,294
Town Improvement and Project Funds	6	704,456	1,089,541
		16,369,000	23,149,487

Included in payables to contractors is an amount of \$4,493,165 (2021 - \$7,056,760) due to managing agent of the Town Council.

Included in accrued operating expenses is an amount of \$145,080 (2021 - \$145,080) which is restoration costs of office leases.

Other payables are generally on 30 to 90 (2021: 30 to 90) days' credit terms.

Other payables are denominated in Singapore Dollar.

17 Agency fees

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

18 Other income

	2022	2021
	\$	\$
Jobs Growth Incentive	25,500	-
Late payment penalty	145,635	33,901
Liquidated damages	181,975	198,935
Sale of tender documents	12,527	18,624
Sundry fines	23,000	15,600
Sundry income	229,239	140,075
Temporary Occupational Licence ("TOL") income	1,359,094	1,294,593
Use of common property income	4,710	589
Use of void decks	100	(3,550)
Use of water and electricity at void decks	235,225	210,958
Others	108,739	75,205
	2,325,744	1,984,930

19 General and administrative expenditure

	2022	2021
Note	\$	\$
Advertising and public relations	316,973	152,809
Audit fee	104,644	67,473
Bad debts written back	-	(21,167)
Computer service	336,326	427,741
Depreciation of plant and equipment	7	137,919
Depreciation of right-of-use asset	8	213,548
Fees and charges	630,130	417,056
Interest expenses – lease liabilities	14	11,821
Impairment of conservancy and service fees receivables	10	325,300
Office rental and upkeep expenditure	140,070	99,312
Office supplies and stationery	136,418	123,045
Plant and equipment not capitalised	2,900	4,498
Property tax	122,551	143,623
Penalty fee written off	17,835	14,469
Staff cost and related costs (Key Management Personnel)	28	200,983
Town Councillors' allowance	28	97,669
Unclaimable goods and services tax	22	192,925
Others	51,263	28,398
	3,039,275	2,030,837
Expenses allocated to Sinking Funds		
- Provision for impairment of receivables and bad debts written-off	23	(84,579)
- General and administrative expenses	23	(88,204)
Expenses allocated to Lift Replacement Funds		
- Provision for impairment of receivables and bad debts written-off	24	(45,542)
- General and administrative expenses	24	(47,495)
	2,773,455	1,920,112

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

20 Managing agent's fees

Daily operations of Town Council has been outsourced to a managing agent for a fee of \$4,674,139 (2021 - \$4,173,115) for the financial year ended 31 March 2022.

21 Income tax

	Note	2022	2021
		\$	\$
Current tax expense		417,296	480,582
(Over)/Under-provision of tax in previous financial years		(56)	815
		417,240	481,397

Recorded in:

Accumulated surplus	3	240,563	234,368
Sinking Funds	4	138,136	185,929
Lift Replacement Funds	5	38,541	61,100
		417,240	481,397

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

	Note	2022	2021
		\$	\$
Investment and interest income		1,396,241	1,851,174
Government grants and other income		13,352,867	12,636,417
Allowable expenses		(129,802)	(146,871)
		14,619,306	14,340,720
Tax calculated at a tax rate of 17% (2021 - 17%)		2,485,282	2,437,922
Tax effect of certain income taxed at concessionary tax rate		(51,473)	(51,308)
Tax remission of government grants under section 92(2) of Singapore Income Tax Act		(1,999,089)	(1,888,607)
Tax exempt income		(17,424)	(17,425)
(Over)/Under-provision of tax in previous financial years		(56)	815
		417,240	481,397

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

Movements in provision for income taxes are as follows:

	Note	2022	2021
		\$	\$
Balance as at 1 April		1,112,479	1,256,042
Current financial year's income tax expense		417,296	480,582
(Over)/Under-provision of tax in previous financial years		(56)	815
		417,240	481,397
Payments during the year		(631,840)	(624,960)
Balance as at 31 March		897,879	1,112,479
Recorded in:			
Accumulated surplus		474,730	514,782
Sinking Funds	4	323,635	459,248
Lift Replacement Funds	5	99,514	138,449
		897,879	1,112,479

22 Goods and Services Tax ("GST")

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

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

23 Sinking Funds income and expenditure

(a) Other income

	2022	2021
	\$	\$
Interest income	1,064,307	1,344,296

(b) Expenditure

	2022	2021
Note	\$	\$
Reroofing works	557,448	810,352
Repairs and redecoration works	2,156,563	831,154
Replacement of water pipes	337,081	22,818
Project management Fees	428,078	139,617
Unclaimable GST	22	143,440
Electrical rewiring	4,844,973	1,462,382
Replacement of water pumpsets	401,024	-
Replacement of booster pumpsets	229,600	92,875
Replacement of refuse handling equipment	239,395	-
Replacement of pressure tank	15,147	-
Replacement of alert alarm system	1,675,000	-
Safety provision at rooftop of HDB blocks	27,072	-
Modification of rooftop water tank overflow pipes	-	102,627
<u>Expenses allocated from Accumulated Surplus</u>		
- Provision for impairment of receivables and bad debts written off	19	84,579
- General and administrative expenses	19	88,204
	11,227,604	3,624,052

24 Lift Replacement Funds income and expenditure

(a) Other income

	2022	2021
	\$	\$
Funding from Lift Enhancement programme	1,500,119	2,361,233
Interest income	285,212	417,643
	<u>1,785,331</u>	<u>2,778,876</u>

(b) Expenditure

	2022	2021
Note	\$	\$
Replacement of main sheaves/ropes	1,850,949	707,614
Replacement of ARD battery	156,433	165,268
Replacement of EBOPS battery	26,331	65,107
Lift overhauls/total replacement works	14,119,037	4,926,482
Replacement of lift position display panel	1,107,527	577,747
Replacement of inverter units	387,851	552,006
Replacement of Lift Lobby Fire Detector	7,680	4,800
Project management fees	507,331	325,177
Unclaimable GST	22	250,440
Lift Enhancement Programme expenses	<u>1,643,337</u>	<u>2,470,857</u>
<u>Expenses allocated from Accumulated Surplus</u>		
- Provision for impairment of receivables and bad debts written off	19	45,542
- General and administrative expenses	19	47,495
	<u>20,149,953</u>	<u>9,979,061</u>

25 Town Improvement and Project Funds expenditure

	2022	2021
	\$	\$
Construction of covered linkway	754,229	925,863
Large-scale town wide improvement	512,949	-
Minor improvements	409,508	635,223
Construction/upgrading of playgrounds/fitness corners	415,649	320,900
Consultancy fees and project management fees	357,432	312,937
General and administrative expenses	21,423	244
	<u>2,471,190</u>	<u>2,195,167</u>

MARSILING-YEW TEE TOWN COUNCIL
(Established under the Town Councils Act 1988)
Notes to the financial statements for the financial year ended 31 December 2018

26 Government grants

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

27 Capital commitments

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

	2022 \$	2021 \$
Amount approved and contracted for	31,908,518	40,139,670
Amount approved but not contracted for	86,980,158	43,631,148
	118,888,676	83,770,818

28 Key management personnel

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

29 Significant related party transactions

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

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

	2022 \$	2021 \$
Managing Agent Fees	4,674,139	4,173,115
Energy Saving Project	1,368,172	1,358,845
Upgrading and Construction of Playground/Fitness Equipment	66,700	202,900
Project Management Fees	812,272	591,708
Lift Repairs, Servicing and Upgrading	14,337,573	4,925,951
Others	147,512	71,786

30 Financial instruments and financial risks

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

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

30.1 Credit risk

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

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

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

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

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

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

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

	Note	2022	2021
		\$	\$
Not past due (Less than 30 days)		66,219	181,117
Past due 30 to 90 days		286,488	96,351
Past due 91 to 180 days		132,666	80,622
Past due 181 to 360 days		205,735	1,077,422
Past due over 360 days		1,516,035	750,684
		2,207,143	2,186,196
Less: Impairment losses		(1,199,415)	(924,044)
	10	1,007,728	1,262,152

Conservancy and service fees receivables amounting to \$941,509 (2021 - \$1,081,035) are past due at the financial year end but not impaired, as the management believes that it will be collectible in the foreseeable future as a result of recovery efforts and historical experience.

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

		2022	2021
		\$	\$
Not past due (Less than 30 days)		8,742,718	5,780,569
- Other receivables		242,194	1,345,192
- Receivables for Neighbourhood Renewal Programme			
Past due 30 to 90 days – other receivables		-	6,200
Past due 91 to 180 days – other receivables		-	4,262
		8,984,912	7,136,223

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

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

	Internal credit rating	12-month / Lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2022					
Conservancy and service fee receivables	(1)	Lifetime ECL	2,207,143	(1,199,415)	1,007,728
Receivables for Neighbourhood Renewal Programme	(2)	12-month ECL	242,194	-	242,194
Other receivables*	(3)	12-month ECL	8,742,718	-	8,742,718
2021					
Conservancy and service fee receivables	(1)	Lifetime ECL	2,186,196	(924,044)	1,262,152
Receivables for Neighbourhood Renewal Programme	(2)	12-month ECL	1,345,191	-	1,345,191
Other receivables*	(3)	12-month ECL	5,791,031	-	5,791,031

* Exclude prepayments and GST receivables

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

(1) Conservancy and service fee receivables

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

(2) Receivables for Neighbourhood Renewal Programme

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

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

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

30 Financial instruments and financial risks (Cont'd)**30.2 Market risk**Interest rate risk

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

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

30.3 Liquidity risk

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

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

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

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

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

	-----Contractual undiscounted cash flows-----				
	Carrying amount	Total	Less than 1 year	Between 2 and 5 years	Over 5 years
	\$	\$	\$	\$	\$
At 31 Mar 2022					
Lease liabilities (Note 14)	202,910	206,800	206,800	-	-
Other payables (Note 16)	16,369,000	16,369,000	16,369,000	-	-
	16,571,910	16,575,800	16,575,800	-	-
At 31 Mar 2021					
Lease liabilities (Note 14)	416,689	432,400	225,600	206,800	-
Other payables (Note 16)	23,149,487	23,149,487	23,149,487	-	-
	23,566,176	23,581,887	23,375,087	206,800	-

30 Financial instruments and financial risks (Cont'd)**30.4 Accounting classifications of financial assets and financial liabilities**

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

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

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

* Exclude prepayments and GST receivables

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

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

	Note	Financial assets at amortised cost \$	Total \$
2021			
Financial assets			
Investments at amortised cost	9	30,000,000	30,000,000
Conservancy and service fees receivables	10	1,262,152	1,262,152
Other receivables*	12	5,791,031	5,791,031
Cash and bank balances	13	142,896,504	142,896,504
		179,949,687	179,949,687

	Note	Financial liabilities at amortised cost \$	Total \$
Financial liabilities			
Lease liabilities			
Lease liabilities	14	416,689	416,689
Other payables**	16	23,148,395	23,148,395
		23,565,084	23,565,084

* Exclude prepayments and GST receivables

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

31 Funds management

The Town Council's objectives when managing funds are:

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

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

There were no changes in the Town Council's approach to funds management during the year. The Town Council is not subject to externally imposed capital requirements. As at the end of the reporting period, the Town Council's total funds amounted to \$151,304,034 (2021 - \$157,697,539).

32 Fair value measurements

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

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

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

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

Marsiling-Yew Tee

Town Council

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