



Our PRPG, Our Home!



**PASIR RIS - PUNGGOL
TOWN COUNCIL**

PASIR RIS - PUNGGOL TOWN COUNCIL ANNUAL REPORT - FY2023/24

S. 573 of 2024 10 December 2024

CHAIRMAN'S MESSAGE

Pasir Ris-Punggol Town Council remains committed to enhancing the quality of life for our residents by continually improving facilities and services. In 2023, our focus was on renewing and reimagining spaces to cater to multi-generational needs through Neighbourhood Renewal Programmes (NRPs) in Pasir Ris, alongside Repairs and Redecoration (R&R) works throughout the town. A key priority was the creation of more communal and shared spaces to foster stronger community ties.

To maintain a high standard of estate cleanliness, we implemented a results-based assessment framework to incentivise our conservancy contractors to perform at their best. Contractors are evaluated based on a combination of estate site surveys and feedback from residents and the Residents' Network. Their performance scores directly influence their payout, encouraging accountability and consistent service.

Given the rising costs of raw materials and manpower, the Service & Conservancy Charges (S&CC) were adjusted in 2023 to manage these financial pressures. We are grateful for the government's special funding, which has helped ease the impact on residents. Moving forward, we are committed to improving cost savings and productivity while ensuring adequate contributions to the sinking fund and lift replacement fund, securing the future maintenance and improvement of our estate. With the establishment of our Sustainability Committee, we are more dedicated than ever to implementing sustainable solutions and raising environmental awareness within the town. This aligns with Singapore's Green Plan target of achieving net-zero emissions by 2030.

We deeply appreciate the support and understanding of our residents as we navigate these changes.



Mr Sharael Taha

Chairman

Pasir Ris - Punggol Town Council

Fostering a Greener Pasir Ris – Punggol

Pasir Ris – Punggol Town Council formed a Sustainability Committee to strengthen our green initiatives by providing dedicated oversight and focus on environmental issues. The committee will develop and implement sustainability strategies, monitor progress, and ensure that green practices are integrated into all aspects of estate management. By fostering collaboration between residents, stakeholders, and the council, the committee helps to raise awareness, encourage community participation, and align local efforts with broader environmental goals, such as the Action for Green Towns (AGT) initiative to make our towns zero waste, energy efficient and greener by 2025.

Contact Us

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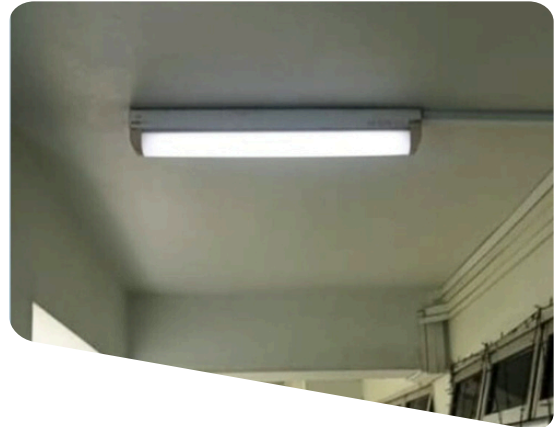


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Integrating New Sustainable Solutions and Initiatives Within the Town

Over the years, the Town Council has consistently worked to reduce electricity costs by replacing existing indoor and outdoor lighting at various Housing Development Board (HDB) blocks, multi-storey carparks, and outdoor areas with energy-efficient Light-Emitting Diode (LED) luminaires.



In 2023, Pasir Ris – Punggol Town Council initiated another phase of this effort by jointly calling for an open tender with other People's Action Party (PAP) Town Councils to upgrade the current LED lighting to Smart LED Lightings, integrated with HDB's Smart Lighting Platform.

These new smart lighting installations are designed to operate at specific luminance levels during set time periods, with the ability to further dim when no movement is detected. This energy-saving approach ensures that lights only turn on automatically when motion is detected, providing sufficient illumination while conserving energy.



Additionally, Pasir Ris – Punggol Town Council has collaborated with the 15 PAP Town Councils in an upcycling initiative to repurpose old MRT train parts. This effort not only reduces waste but also transforms MRT seats into benches that are now placed in communal areas like void decks, adding a whimsical charm to our estates. These 2- and 3-seater MRT benches can now be found in various locations across both Pasir Ris and Punggol Town.

Expanding Partnerships with Recycling Agencies

To further encourage residents to recycle and reduce waste, the Town Council has been proactive in partnering with new recycling agencies, expanding access to recycling options for residents. Among our new collaborations is for a Shoe Recycling Programme, which aims to establish a sustainable shoe waste collection system. Parts of the recycled shoes, such as rubber soles, are repurposed into materials for sports infrastructure, including jogging tracks and fitness corner flooring.



Additionally, we introduced Red Packet recycling bins from a specialised vendor at our offices and across the town in the first quarter of 2024. This initiative targets the Chinese New Year festive season when a significant number of red packets are typically discarded. We are pleased to report that Pasir Ris–Punggol Town successfully collected 112kg worth of red packets envelopes during the campaign period.



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Instilling Green Values in the Next Generation

In November 2023, Pasir Ris-Punggol Town Council organised Tree Planting Day, encouraging more than 100 town residents, including students from various primary schools within the town, to plant over 100 trees and shrubs at Block 717 Pasir Ris Street 72. This initiative aimed to instill a sense of environmental responsibility in the next generation, teaching them the importance of sustainability from a young age. The event not only provided an opportunity for families to bond over a meaningful activity but also served as a hands-on lesson in the significance of green practices. By engaging children in the act of planting trees, we hope to inspire a lifelong commitment to caring for the environment and ensuring a greener, more sustainable future for everyone. This effort is a small but significant step toward creating a culture of environmental stewardship that will benefit our community for years to come.





Our Improvement Projects



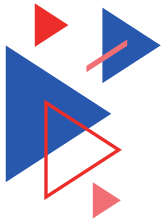
Creating Accessibility and Connectivity

Accessibility and connectivity within the town has been a top priority for us as it directly enhances the quality of life for our residents. By improving mobility features such as ramps, elevators, and well-connected pathways, we ensure that everyone, including the elderly and those with disabilities, can navigate the town with ease. This not only promotes inclusivity but also fosters greater independence.

This year, the Town Council invested significant resources in conducting Lift Enhancement Programmes (LEP) and Lift overhauls in our towns, ensuring smoother, safer, and more reliable lift operations for residents, improving accessibility for those with mobility challenges, and enhancing overall convenience for everyone in the community.

We also placed emphasis on linking estates to amenities, making essential services more accessible through the introduction of new sheltered linkways, awning shelters and footpaths, paving way for more connected neighbourhoods. In example, the proposed high-covered linkway by HDB between Costa Grove and the upcoming Built to Order (BTO) development across Pasir Ris Green will link residents to Pasir Ris MRT station, enhancing convenience and accessibility.





Common Spaces for Healthy Living for All Generations

Fostering common spaces for healthy living across all generations is central to our town's vision of a vibrant and inclusive community. By creating areas where residents of all ages can gather, exercise, and interact, we promote both physical and mental well-being. Through a combination of the Neighbourhood Renewal Programme (NRP), Community Improvement Projects Committee (CIPC) projects and improvement works requested by residents—funded by the Town Council's accumulated surpluses—we have committed to various facilities designed to cater to diverse needs; from playgrounds for children to fitness stations for adults and Senior Citizen Corners for the elderly. These spaces not only encourage active lifestyles but also serve as hubs for social interaction, where neighbours can connect and build lasting relationships. Moreover, by integrating these amenities into the heart of our town, we make it easier for everyone to incorporate healthy habits into their daily routines, ensuring that our community thrives together.



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Engagement and Outreach to Residents

Engagement and outreach to our residents are at the core of the Town Council's mission to create a vibrant, inclusive, and well-maintained community. We believe that fostering open communication and actively seeking residents' input are essential in ensuring that our town evolves in a way that meets the needs of all who live here. By listening to your feedback and understanding your concerns, we can better prioritize projects, allocate resources, and address issues that matter most to you.



As part of our ongoing efforts to enhance engagement, we introduced a new initiative: the installation of wobblers with QR codes to a feedback survey. These wobblers are strategically placed in common areas and public spaces, usually beside the mailbox area in the HDB void deck, making it easy for residents to share their thoughts and suggestions with us at any time. By simply scanning the QR code, residents can provide feedback that will be carefully considered as Pasir Ris – Punggol Town Council continues to improve our town. This initiative represents our promise to being responsive to resident's needs and ensuring that our town remains a place where everyone feels heard and valued.





Checks and Balances

Governance and Risk Management



For FY23/24, we conducted a comprehensive review of the Council's Risk Management Framework and Risk Register. Of the 21 key risks identified in the previous year, three have been re-evaluated and reranked based on current circumstances, and no new or emerging risks have been noted by the Council.

Our Council remains confident that our Risk Management Framework, along with its internal control policies and procedures, is robust enough to effectively manage the identified risks. It upholds the principles of good governance and best practices, while complementing the current legislative framework.



Fiscal Management

In FY2023/24, our Council achieved an operating surplus of S\$5.29M, largely due to Government Grants. We remain committed to exercising financial prudence as part of our long-term, sustainable operational strategy.

For long-term fiscal sustainability, we continued our balanced and strategic investment approach for funds not immediately required. By the end of FY2023/24, we had invested S\$167.5M in fixed deposits and bonds from statutory boards, government-linked companies, and corporations with strong credit ratings. These funds are earmarked for major cyclical works and significant lift replacements, ensuring the continued functionality and value of our buildings.



Town Improvements & Cyclical Works



In the financial year, Pasir Ris-Punggol Town Council allocated a total of S\$1.88 million towards various town improvement projects. A significant portion, S\$0.96 million, was invested in constructing new linkways and drop-off porches, enhancing connectivity and convenience for residents. Additionally, S\$0.76 million was spent on building and upgrading playgrounds and fitness corners, promoting active lifestyles and providing recreational spaces for all ages.

A substantial S\$20.6 million was dedicated to cyclical lift works, ensuring the safe and reliable operation of lifts across the estate. Furthermore, S\$39.5 million was committed to scheduled cyclical works, including Repairs & Redecoration (S\$19.5 million), re-roofing and rooftop safety enhancements (S\$16.2 million), replacing refuse handling equipment (S\$1.4 million), and pump replacements (S\$0.2 million). These efforts underscore our ongoing commitment to maintaining and improving the estate's infrastructure for the benefit of our residents.



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Commitment to Strengthening Data Privacy

With the Town Council handling an increasing amount of personal information from residents, we recognise the importance of safeguarding data privacy, ensuring that sensitive information is protected against unauthorised access and misuse, complying with data protection regulations. Hence, Pasir Ris – Punggol Town Council has engaged an external consultant to coach both staff and councillors on the Personal Data Protection Act (PDPA) to ensure a strong understanding of data security and privacy obligations.



As a body handling sensitive personal information of residents, the Town Council must adhere strictly to data protection regulations to prevent data breaches and misuse. Attending the PDPA courses equipped all Town Council personnel involved with the necessary knowledge to handle data responsibly, implement effective security measures, and uphold residents' trust by ensuring that their personal information is managed with the highest level of integrity and care

On Track to Town Council 5-Year Roadmap



Our Council is pleased to report that we are firmly on track with our Town Council 5-Year Roadmap for FY23/24. The roadmap, which outlines our key strategic priorities, has guided our efforts across various areas including continuous corporate governance, data-driven estate management, sustainability initiatives, quality enhancement of the physical environment, progressive finance and administrative processes, and the digitalisation of communications and engagement. As we advance into the upcoming year, we remain committed to these goals, ensuring that our town continues to thrive, adapting to both emerging challenges and opportunities.



A Council of Diverse Expertise

It has been a rewarding time working alongside the 56 Town Councillors of the 14th Term of Office. The dynamic team of Councillors bring about wonderful insights from their various fields of expertise, allowing the Town Council to stay closely connected with the needs of our residents while delivering informed, effective solutions that draw on the latest industry knowledge in audit, finance, building & construction, property management, and more.

Each Councillor is carefully selected through a referral process, considering their relevant knowledge, skillsets, community involvement, and understanding of residents' needs. They are then appointed to one of our seven Standing Committees: Audit, Investments & Finance, Estates, Projects, Community Affairs, Communications & Engagement, and Sustainability—ensuring they have the necessary skills to fulfill their responsibilities effectively.

As a cohesive unit, we manage the needs of approximately 89,000 residential households within the HDB estates of Pasir Ris and Punggol. I would like to extend my sincere thanks to our Advisor, Senior Minister Mr. Teo Chee Hean, and our Vice-Chairpersons, Senior Minister of State Dr. Janil Puthucheary, and Minister of State Ms. Sun Xueling, for their guidance and support. My gratitude also goes to our Elected Members, Senior Minister of State Mr. Desmond Tan and Ms. Yeo Wan Ling, for their unwavering commitment and contributions.

Yours sincerely,

Sharael Taha

Chairman, Pasir Ris - Punggol Town Council



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PASIR RIS - PUNGGOL TOWN COUNCIL
(Established under the Town Councils Act 1988)

FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 MARCH 2024

FORVIS MAZARS LLP
(FORMERLY KNOWN AS MAZARS LLP)
Public Accountants and
Chartered Accountants
Singapore

PASIR RIS - PUNGGOL TOWN COUNCIL

**FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 MARCH 2024**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PASIR RIS - PUNGGOL TOWN COUNCIL**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pasir Ris – Punggol Town Council (the "Town Council"), which comprise the statement of financial position as at 31 March 2024, and the statements of income and expenditure, comprehensive income, changes in funds and cash flows of the Town Council for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements of the Town Council are properly drawn up in accordance with the provisions of the Town Councils Act 1988 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Town Council as at 31 March 2024, and of 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 Auditors' 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 relates to Chairman's Message included in the Annual Report, which we obtained prior to the date of this 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PASIR RIS - PUNGGOL TOWN COUNCIL

Report on the Audit of the Financial Statements (Continued)

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

Management is responsible for the preparation and fair presentation of 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.

The Town Council is established under the Town Councils Act 1988 and may be dissolved by the Minister's order published in the Gazette. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations.

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PASIR RIS - PUNGGOL TOWN COUNCIL**

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- 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 the management 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, in accordance with the provision of the Act.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditors' 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.

Management's responsibilities for Compliance with Legal and Regulatory Requirements

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

Auditors' 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 conducted our audit in accordance with SSAs. 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PASIR RIS - PUNGGOL TOWN COUNCIL**

Report on Other Legal and Regulatory Requirements (Continued)*Auditors' Responsibilities for the Compliance Audit (Continued)*

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 accounting and internal control system, non-compliances may nevertheless occur and may not be detected.



FORVIS MAZARS LLP
(FORMERLY KNOWN AS MAZARS LLP)
Public Accountants and
Chartered Accountants

Singapore
27 August 2024

PASIR RIS - PUNGGOL TOWN COUNCIL

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	<u>Note</u>	<u>2024</u> S\$	<u>2023</u> S\$
TOWN COUNCIL FUNDS			
Residential Property			
Accumulated Surplus	4	10,784,877	9,815,542
Sinking Fund	5	69,473,416	83,906,225
Lift Replacement Fund	6	80,023,562	70,110,226
Town Improvement and Project Fund	7	11,105,336	9,825,213
		171,387,191	173,657,206
Commercial Property			
Accumulated Surplus	4	1,807,719	1,482,685
Sinking Fund	5	8,692,746	8,684,537
Lift Replacement Fund	6	2,797,772	2,656,429
Town Improvement and Project Fund	7	70,711	81,263
		13,368,948	12,904,914
Total Town Council funds		<u>184,756,139</u>	<u>186,562,120</u>
REPRESENTED BY:			
Non-current assets			
Property, plant and equipment	9	187,534	388,625
Intangible asset	10	310,632	423,588
Investment in bonds	12	34,038,082	54,530,877
Total non-current assets		<u>34,536,248</u>	<u>55,343,090</u>
Current assets			
Conservancy and service fees receivables	13	2,685,687	2,644,885
Other receivables	14	16,097,481	8,446,493
Investment in bonds	12	20,489,245	8,000,000
Interest receivables		1,969,329	1,545,088
Cash and bank balances	15	130,332,609	125,213,355
Total current assets		<u>171,574,351</u>	<u>145,849,821</u>
Total assets		<u>206,110,599</u>	<u>201,192,911</u>

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

PASIR RIS - PUNGGOL TOWN COUNCIL

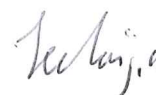
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	<u>Note</u>	<u>2024</u> S\$	<u>2023</u> S\$
Less: Liabilities			
Non-current liability			
Lease liabilities	11	14,902	176,487
Total non-current liability		<u>14,902</u>	<u>176,487</u>
Current liabilities			
Conservancy and service fees received in advance		1,577,059	1,236,600
Payables and accrued expenses	16	16,709,291	8,876,553
Special funding support grant received in advance	29	974,153	-
Selective Lift Replacement Programme received in advance		-	1,384,313
Lease liabilities	11	161,585	177,642
Advances received for Neighbourhood Renewal Programme	8	37,593	1,549,894
Provision for taxation		1,879,877	1,229,302
Total current liabilities		<u>21,339,558</u>	<u>14,454,304</u>
Total liabilities		<u>21,354,460</u>	<u>14,630,791</u>
Net assets		<u>184,756,139</u>	<u>186,562,120</u>



Sharael Taha (Mr)
Chairman

Singapore
27 August 2024



Lee Nai Jia (Dr)
Secretary

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

PASIR RIS - PUNGGOL TOWN COUNCIL

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	Note	2024 S\$	2023 S\$
Operating income			
Conservancy and service fees	4	71,784,257	68,369,833
Less: Operating income transfer to Sinking Fund (minimum required by law)	5	(18,663,914)	(17,776,168)
Less: Operating income transfer to Lift Replacement Fund (minimum required by law)	6	(10,049,801)	(9,571,775)
		43,070,542	41,021,890
Agency fees	17	7,137,352	6,825,073
Other income	18	3,011,861	3,254,077
		53,219,755	51,101,040
Less: Operating expenditure			
Cleaning works	19	(10,048,085)	(8,859,213)
Managing agent's fees		(9,102,645)	(8,404,963)
Lift maintenance		(10,230,355)	(9,744,126)
Other works and maintenance		(11,534,136)	(8,772,909)
Water and electricity		(13,729,520)	(15,108,605)
General and administrative expenditure	20	(3,120,199)	(2,710,690)
		(57,764,940)	(53,600,506)
Operating deficit		(4,545,185)	(2,499,466)
Add: Interest income		973,700	580,780
Deficit before government grants and income tax		(3,571,485)	(1,918,686)
Less: Income tax	21	(340,398)	(280,484)
Deficit before government grants		(3,911,883)	(2,199,170)
Government grants	22	22,940,096	17,367,358
Special Funding Support Grant	22	2,922,469	-
Less: Transfer to			
- Sinking Fund – Grants & GST subvention	5 & 22	(3,989,380)	(2,902,170)
- Lift Replacement Fund – Grants & GST subvention	6 & 22	(2,148,127)	(1,562,706)
- Lift Replacement Fund Matching Grant	6 & 22	(8,159,946)	(5,557,481)
- Town Improvement and Project Fund	7 & 22	(2,358,860)	(647,707)
		(16,656,313)	(10,670,064)
SURPLUS FOR THE FINANCIAL YEAR		5,294,369	4,498,124
Add: Accumulated Surplus as at 1 April	4	11,298,227	12,619,853
Less: Lift Replacement Fund – voluntary contribution	6	(4,000,000)	-
Less: Town Improvement Project Fund	7	-	(5,819,750)
Accumulated Surplus as at 31 March		12,592,596	11,298,227

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

PASIR RIS - PUNGGOL TOWN COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u> S\$	<u>2023</u> S\$
Surplus/(Deficit) for the financial year			
- Accumulated Surplus	4	5,294,369	4,498,124
- Sinking Fund	5	(14,424,600)	4,703,269
- Lift Replacement Fund	6	6,054,679	814,233
- Town Improvement and Project Fund	7	<u>1,269,571</u>	<u>(1,407,152)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR ATTRIBUTABLE TO TOWN COUNCIL FUNDS		<u>(1,805,981)</u>	<u>8,608,474</u>

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

PASIR RIS - PUNGGOL TOWN COUNCIL

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	<u>Residential Property S\$</u>	<u>Commercial Property S\$</u>	<u>Carpark S\$</u>	<u>Total S\$</u>
Balance at 1 April 2022	165,677,457	12,276,189	-	177,953,646
Surplus for the financial year, representing total comprehensive income for the financial year	5,569,096	628,725	2,410,653	8,608,474
Transfer of surplus from Carpark to Residential Property	2,410,653	-	(2,410,653)	-
Balance at 31 March 2023	173,657,206	12,904,914	-	186,562,120
(Deficit)/Surplus for the financial year, representing total comprehensive income for the financial year	(4,449,850)	464,034	2,179,835	(1,805,981)
Transfer of surplus from Carpark to Residential Property	2,179,835	-	(2,179,835)	-
Balance at 31 March 2024	171,387,191	13,368,948	-	184,756,139

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

PASIR RIS - PUNGGOL TOWN COUNCIL

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	Note	2024 S\$	2023 S\$
Operating activities			
Deficit before government grants and income tax		(3,571,485)	(1,918,686)
Adjustments for:			
Depreciation of plant and equipment	9	201,091	209,826
Amortisation of intangible asset	10	112,956	112,956
Lease interest expenses	11(c)	14,358	21,257
Reversal allowance on financial assets	20	(1,401)	(21,741)
Bad debts written off	20	1,132	36,001
Interest income	4	(973,700)	(580,780)
Amortisation of bonds		3,550	3,324
Conservancy and service fees transferred to Sinking Fund	4 & 5	18,663,914	17,776,168
Conservancy and service fees transferred to Lift Replacement Fund	4 & 6	10,049,801	9,571,775
Operating cash flows before movements in working capital		24,500,216	25,210,100
Receivables		(8,115,762)	(1,353,739)
Payables and accrued expenses		6,788,884	449,100
Cash generated from operations		23,173,338	24,305,461
Income tax paid		(470,322)	(676,465)
Sinking Fund income and expenditure, net	5	(39,490,834)	(17,608,982)
Lift Replacement Fund income and expenditure, net	6	(20,580,091)	(20,794,040)
Neighbourhood Renewal Programme income and expenditure, net	8	(5,111,480)	(9,514,281)
Town Improvement and Project Fund income and expenditure, net	7	(1,089,289)	(2,054,859)
Net cash used in operating activities		(43,568,678)	(26,343,166)
Investing activities			
Purchase of plant and equipment	9	-	(7,220)
Interest income received		6,236,848	4,108,570
Placement of fixed deposits		(7,000,000)	(11,000,000)
Redemption of bonds		8,000,000	10,000,000
Net cash generated from investing activities		7,236,848	3,101,350
Financing activities			
Repayment of lease liability		(192,000)	(192,000)
Government grants received	4	22,940,096	17,367,358
Special Funding Support grants received	29	2,922,469	-
Special Funding Support grants received in advances	29	974,153	-
Advances received for Neighbourhood Renewal Programme	8	3,599,179	10,357,605
Selective Lift Replacement Programme disbursement	6	2,768,625	162,813
Lift Enhancement Programme advances from HDB	6	1,438,562	3,338,117
Net cash generated from financing activities		34,451,084	31,033,893
Net (decrease)/increase in cash and cash equivalents		(1,880,746)	7,792,077
Cash and cash equivalents at beginning of the financial year		19,213,355	11,421,278
Cash and cash equivalents at end of the financial year	15	17,332,609	19,213,355

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

PASIR RIS - PUNGGOL TOWN COUNCIL

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Reconciliation of liabilities arising from financing activities

	1 April 2023 S\$	Financing cash flows S\$	Non-cash movements		31 March 2024 S\$
			Addition S\$	Expenditure S\$	
Liabilities					
Lease liability	354,129	(192,000)	-	14,358	176,487

	1 April 2022 S\$	Financing cash flows S\$	Non-cash movements		31 March 2023 S\$
			Addition S\$	Expenditure S\$	
Liabilities					
Lease liability	275,564	(192,000)	249,308	21,257	354,129

Other financing cash flows relate to movements in funds of the Town Council.

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

PASIR RIS - PUNGGOL TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

1. General information

Pasir Ris - Punggol Town Council ("the Town Council") was formed on 13 November 2001 under the Town Councils Act 1988. The registered office of the Town Council is located at Block 577 Pasir Ris Street 53, #01-88, Singapore 510577.

The principal functions of the Town Council are to control, manage, maintain and improve the common property of residential and other commercial property in the housing estates of the Housing and Development Board ("HDB") within the Town.

The financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Town Council on 26 August 2024.

2. Summary of material accounting policies

2.1 Basis of preparation

The financial statements have been drawn up in accordance with the provisions of the Financial Reporting Standards in Singapore ("FRSs") including all related Interpretations of the FRSs ("INT FRSs") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements of the Town Council are measured and presented in the currency of the primary economic environment in which the Town Council operates (its functional currency). The financial statements of the Town Council are presented in Singapore dollars ("S\$ or SGD"), which is also the functional currency of the Town Council.

In the current financial year, the Town Council has adopted all the new and revised FRSs and INT FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 April 2022. The adoption of these new or revised FRSs and INT FRSs did not result in changes to the Town Council's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

The Town Council adopted the amendments to FRSs 1 and FRSs Practice Statement 2: Disclosure of Accounting Policies in the current financial year. The amendments require the disclosure of "material" instead of "significant" accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users' understanding of the financial statements. Accordingly, management reviewed the accounting policies and updated the information disclosed in Note 2 Summary of material accounting policies in line with the amendments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRSs and INT FRSs issued but not yet effective.

At the date of authorisation of these financial statements, the following FRSs and INT FRSs that were issued but not yet effective:

FRSs	Title	Effective date (annual periods beginning on or after)
FRS 1	Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
FRS 116	Amendments to FRS 116: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
FRS 7, FRS 107	Amendments to FRS 7 and FRS 107: <i>Supplier Finance Arrangements</i>	1 January 2024
Various	Amendments to FRS 1: <i>Non-current liabilities with Covenants</i>	1 January 2024
FRS 21, FRS 101	Amendment to FRS-21: <i>Lack of Exchangeability</i>	1 January 2025
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Town Council does not intend to early adopt any of the above new or revised standards, interpretations and amendments to the existing standards. Other than the following standards, management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the financial statements of the Town Council in the period of their initial adoption.

2.2 Town Council funds

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

Residential Property
Commercial Property

Car parks are managed by the Town Council for the HDB on an agency basis.

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

All moneys received by the Town Council are paid into and related expenditure is met out of the appropriate funds set up for each property type managed.

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

2. Summary of material accounting policies (Continued)

2.2 Town Council funds (Continued)

Sinking Fund

In accordance with Section 47(4) of the Act, Sinking Fund ("SF") is established for improvement to, management and maintenance of residential and commercial properties. This fund is maintained as part of the Town Council funds.

Under the 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 SF.

With effect from 1 April 2017, the amounts to be paid into the SF were revised and the minimum amounts to be paid, by property type, into the SF are as follows:

Property Type	Percentage
(i) 1-room to Executive	26% of the conservancy and service fees and grants-in-aid
(ii) Shop with living accommodation	26% of the conservancy and service fees and grants-in-aid
(iii) Commercial property	26% of the conservancy and service fees and grants-in-aid

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.

The Lift Replacement Fund Matching Grant is not subject to the minimum contribution rates to SF, even though it is a grants-in-aid.

The SF is utilised for cyclical major repainting, renewal or replacement of roofing system, water tanks, pumps and water supply system, lightning protection system, installation of any sensor and starter controller to the time-controlled booster pumping 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 Fund

In accordance to Section 47(5) of the Act, Lift Replacement Fund ("LRF") is established from 1 April 2017, to meet the cost of lift replacements and lift-related replacement works. This fund is maintained as part of the Town Council funds.

Under the Act, the Minister of 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 LRF.

The minimum amounts to be paid, by property type, into the LRF are as follows:

Property Types	Percentage
(i) 1-room to Executive	14% of the conservancy and service fees and grants-in-aid
(ii) Shop with living accommodation	14% of the conservancy and service fees and grants-in-aid
(iii) Commercial property	14% of the conservancy and service fees and grants-in-aid

2. Summary of material accounting policies (Continued)

2.2 Town Council funds (Continued)

Lift Replacement Fund (Continued)

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.

The LRF is utilised for cyclical works, including major lift upgrading and lift renewal, installation or replacement of any video monitoring devices in lifts, major lift replacements and lift-related replacement works. To help Town Councils to cope with the operating need and long-term capital expenditure requirement for lift replacements and lift-related works, the Ministry of National Development ("MND") provides two additional grants-in-aids, namely Lift Maintenance Grant ("LMG") and LRF Matching Grant, from 1 April 2017. The LRF Matching Grant is not subject to the minimum contribution rates to LRF, even though it is a grants-in-aid.

Town Improvement and Project Fund

Town Improvement and Project Fund ("TIPF") is established and maintained as part of the Town Council funds. This fund is utilised for improvement and development works in the Town.

TIPF comprises 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 fund is set up by transfer of funds 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").

2.3 Inter-funds transfers

The Town Councils may make inter-fund transfers with the criteria set out/when needed in accordance to Sections 47(12) and 57(1)(i) of the Town Councils Act 1988 and Rule 11A of the Town Councils Financial Rules.

2.4 Allocation of general overheads

Expenditure not specifically related to any property type managed, for example, administrative overheads, tree planting and pruning are allocated to the various property types using equivalent dwelling units as follows:

<u>Property Types</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

2. Summary of material accounting policies (Continued)

2.4 Allocation of general overheads (Continued)

The general overheads for operating expenditure are allocated to SF and LRF at end of financial year as follows:

- (i) 3% to the SF (2023: 3%)
- (ii) 2% to the LRF (2023: 2%)
- (iii) No overheads are allocated to TIPF

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Office renovation	5 years
Furniture and fittings	5 years
Office equipment	1 year to 5 years
Leasehold premises	3 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Town Council by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease period is disclosed in Note 11.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in income and expenditure.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2.6 Intangible asset

Acquired computer software is initially capitalised on the basis of the costs incurred to acquire and prepare the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications, and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

2. Summary of material accounting policies (Continued)

2.6 Intangible asset (Continued)

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to income and expenditure over their estimated useful lives of 6 years.

The amortisation charge is recognised in income and expenditure and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in income and expenditure.

2.7 Impairment of non-financial assets

The Town Council reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Town Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or 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.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined which has no impairment loss recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8 Financial instruments

The Town Council recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Town Council becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of conservancy and service fees receivables that do not contain a significant financing component or for which the Town Council applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through income and expenditure, which are initially measured at fair value.

2. Summary of material accounting policies (Continued)

2.8 Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") depends on the Town Council's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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

The Town Council determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost is measured using the effective interest method and is subject to impairment. Gains or losses are recognised in income and expenditure when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at FVTPL.

Impairment of financial assets

The Town Council recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Town Council assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Town Council assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Town Council uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

2. Summary of material accounting policies (Continued)

2.8 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Town Council measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Town Council measures the loss allowance for that financial instrument at an amount equal to 12-months ECL.

The Town Council uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for conservancy and service fees receivables, where the loss allowance is equal to lifetime ECL. The ECL for conservancy and service fees receivables are estimated using an allowance matrix with fixed provision rates depending on the number of months that conservancy and service fees are past due with reference to the recommended guidelines by MND that are assessed by property type and household profile.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in income and expenditure.

The Town Council directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Town Council's accounting policy for its impairment of financial assets, refer to Note 26.

Derecognition of financial assets

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

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Town Council commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities are classified as at FVTPL if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at FVTPL comprise derivatives that are not designated or do not qualify for hedge accounting.

2. Summary of material accounting policies (Continued)

2.8 Financial instruments (Continued)

Financial liabilities (Continued)

Other financial liabilities

Payables and accrued expenses

Payables and accrued expenses 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. A gain or loss is recognised in income and expenditure when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Town Council derecognises financial liabilities when, and only when, the Town Council's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) Currently has a legally enforceable right to set off the recognised amounts; and
- (b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents exclude deposits with maturity of more than 3 months and which form an integral part of the Town Council's cash management.

2.10 Leases

At inception of a contract, the Town Council assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Town Council allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Town Council applied the practical expedient not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Town Council recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Town Council is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Town Council applied the recognition exemption allowed under FRS 116. For these leases, the Town Council recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

2. Summary of material accounting policies (Continued)

2.10 Leases (Continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Town Council by the end of the lease term or the cost of the right-of-use asset reflects that the Town Council will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Town Council generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Town Council obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Town Council is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Town Council is reasonably certain to terminate early and lease payments for an optional renewal period if the Town Council is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Town Council remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. Summary of material accounting policies (Continued)

2.11 Provisions

Provisions are recognised when the Town Council has a present legal or constructive obligation as a result of a past event, it is probable that the Town Council will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in income and expenditure as they arise.

2.12 Government grants

The Town Council receives three types of grants from the government; namely, Service and Conservancy Charges ("S&CC") operating grant, payments from CCC and GST Subvention Grant. From 1 April 2017, the MND provided two additional grants-in-aids, namely LMG and LRF Matching Grant to the Town Council.

- (i) S&CC operating grants to meet the current financial year's operating expenditure are taken to the statement of income and expenditure and other comprehensive income.
- (ii) Payments from CCCs are granted to provide funding support for community improvement projects under the CIPC scheme.
- (iii) The GST Subvention is given as grants-in-aid to the Town Council to assist the Town Council in absorbing the GST increases in service and conservancy charges for HDB residential flats.
- (iv) LMG and LRF Matching Grant are granted to help Town Councils to cope with the operating need and long-term capital expenditure requirement for the higher lift-related service and maintenance cost.

Lift Replacement Fund Matching Grant

To assist Town Councils in building up the LRF, MND will provide a 50% matching grant to the following contributions Town Councils make to the LRF:

- Quarterly contributions to LRF from S&CC collections and other grants-in-aid, including voluntary contributions beyond the minimum LRF contribution rate (i.e. beyond the minimum 14%); and
- Voluntary contribution of operating fund surpluses to the LRF at the end of a financial year, as allowed under Section 47(12) of the amended Town Councils Act 1988.

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to income and expenditure over the expected useful life of the relevant asset by equal annual instalment.

2. Summary of material accounting policies (Continued)

2.12 Government grants (Continued)

Special Funding Support ("SFS")

MND has provided the Town Council with time-limited Special Funding Support for Town Council to meet their long-term financial sustainability.

The funding is equivalent to the additional S&CC income generated from the increase in S&CC rate (for each flat type excluding GST) from 1 July 2023 to 30 June 2024 based on the number of residential units managed by each Town Council as at 3 April 2023. The total amount of funding will be the sum of all the eligible flat types, subject to a cap of 13% S&CC increase.

The special funding support will be subject to the minimum contribution rates of 26% to the Sinking Fund and 14% to the Lift Replacement Fund under the Town Council Act.

2.13 Selective Lift Replacement Programme Disbursement

This represents advances received from HDB under the Selective Lift Replacement Programme ("SLRP") to help replace the selected lifts with modern lifts that come with more energy-efficient motors, vision panels and infra-red doors with motion safety sensors for added energy efficiency, safety and security. These lifts were installed between 1992 and 2001, and are in blocks that are already barrier-free and do not need upgrading under the Lift Upgrading Programme ("LUP").

HDB will co-fund 50% of the lift replacement cost (capped at \$125,000 per lift). The co-funding will be disbursed in two stages:

- (a) 25% of Lift Replacement Cost (capped at \$62,500) upon award of contract
- (b) 25% of Lift Replacement Cost (capped at \$62,500) at the completion of Lift Replacement

2.14 Recognition of income

The income amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the Town Council and it is shown net of related tax and rebates.

The following income arises in the course of the ordinary activities of the Town Council.

- (i) S&CC are recognised when due and payable, in accordance with the then applicable conservancy and service rates.
- (ii) Agency fees are fees received for routine maintenance of HDB's carparks and common property within the Town, and are recognised when due and payable. The fees are measured based on the consideration to which the Town Council expects to be entitled in exchange for transferring the promised services to the counterparty, excluding amounts collected on behalf of third parties, if applicable. It is recognised when or as the Town Council satisfies a performance obligation by transferring a promised service to the counterparty, which is when or as the counterparty obtains control of the service.
- (iii) Interest income from fixed deposits and bonds is recognised using the effective interest method.
- (iv) Other income comprises mainly temporary occupation licenses ("TOL"), liquidated damages and other miscellaneous income and are recognised when due.

2.15 Income tax

Tax is provided on the following income:

- (i) Income derived from investments and bank deposits;
- (ii) Fees, rent and other charges received from non-residents or non-owners of properties in the Town for the use of common property and maintenance of carparks where the Town Council opts to manage and maintain them; and
- (iii) Agency fees derived from acting as agent for the HDB.

Income tax is accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current financial 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, and 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.

In respect of government grants received, the Town Council has been granted remission under Section 92(2) of the Income Tax Act 1947.

2.16 Contingencies

A contingent liability is:

- (i) 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
- (ii) a present obligation that arises from past events but is not recognised because:
 - (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (b) 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.

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRSs requires Town Council to make judgments, estimates and assumptions of the carrying amounts of assets and liabilities that are not readily apparent from other sources in the application of the Town Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results could differ from those estimates.

3. Critical accounting judgments and key sources of estimation uncertainty (Continued)

3.1 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation of property, plant and equipment

The Town Council depreciates the plant and equipment over their estimated useful life after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Town Council intends to derive future economic benefits from the use of the Town Council's plant and equipment. The residual value reflects management's estimated amount that the Town Council would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful life and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Town Council's property, plant and equipment as at 31 March 2024 is S\$187,534 (2023: S\$388,625) (Note 9).

Measurement of ECL of conservancy and service fees receivables

The Town Council uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for conservancy and service fees receivables, where the loss allowance is equal to lifetime ECL.

The ECL for conservancy and service fees receivables are estimated using an allowance matrix with fixed provision rates depending on the number of months that conservancy and service fees are past due with reference to the recommended guidelines by MND that are assessed by property type and household profile.

The Town Council adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Town Council's conservancy and service fees receivables as at 31 March 2024 is S\$2,621,029 (2023: S\$2,622,430) (Note 13).

Provision for income tax

The Town Council is subject to income taxes in Singapore. Judgement is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of operations. The Town Council recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made. The carrying amount of the Town Council's current tax payable as at 31 March 2024 is S\$1,879,877 (2023: S\$1,229,302).

PASIR RIS - PUNGGOL TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. Accumulated Surplus

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

Note	Total		Residential Property		Commercial Property		Carpark	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$	2024 S\$	2023 S\$	2024 S\$	2023 S\$
OPERATING INCOME								
Conservancy and service fees	71,784,257	68,369,833	70,164,036	66,870,491	1,620,221	1,499,342	-	-
Less: Operating income transfer to SF (minimum required by law)	(18,663,914)	(17,776,168)	(18,242,656)	(17,386,339)	(421,258)	(389,829)	-	-
Less: Operating income transfer to LRF (minimum required by law)	(10,049,801)	(9,571,775)	(9,822,970)	(9,361,867)	(226,831)	(209,908)	-	-
Agency fees	43,070,542	41,021,890	42,098,410	40,122,285	972,132	899,605	-	-
Other income	7,137,352	6,825,073	-	-	-	-	7,137,352	6,825,073
	3,011,861	3,254,077	2,701,527	2,904,200	149,712	185,580	160,622	164,297
Less: Operating expenditure	53,219,755	51,101,040	44,799,937	43,026,485	1,121,844	1,085,185	7,297,974	6,989,370
	(57,764,940)	(53,600,506)	(51,778,895)	(48,285,809)	(804,784)	(706,016)	(5,181,261)	(4,608,681)
Add: Interest income	(4,545,185)	(2,499,466)	(6,978,958)	(5,259,324)	317,060	379,169	2,116,713	2,380,689
	973,700	580,780	865,933	516,765	10,599	6,229	97,168	57,786
Operating (deficit)/ surplus before income tax and government grants	(3,571,485)	(1,918,686)	(6,113,025)	(4,742,559)	327,659	385,398	2,213,881	2,438,475
Less: Income tax	(340,398)	(280,484)	(302,647)	(249,646)	(3,705)	(3,016)	(34,046)	(27,822)
(Deficit)/Surplus before government grants	(3,911,883)	(2,199,170)	(6,415,672)	(4,992,205)	323,954	382,382	2,179,835	2,410,653
Add: Government grants	22,940,096	17,367,358	22,825,093	17,263,766	115,003	103,592	-	-
Add: Government grants – Special Funding Support	2,922,469	-	2,922,469	-	-	-	-	-
Less: Transfers to SF	(3,989,380)	(2,902,170)	(3,988,912)	(2,901,858)	(468)	(312)	-	-
- LRF	(2,148,127)	(1,562,706)	(2,147,875)	(1,562,538)	(252)	(168)	-	-
- LRF Matching Grant	(8,159,946)	(5,557,481)	(8,046,743)	(5,455,089)	(113,203)	(102,392)	-	-
- TIF	(2,358,860)	(647,707)	(2,358,860)	(647,707)	-	-	-	-
	9,206,252	6,697,294	9,205,172	6,696,574	1,080	720	-	-
SURPLUS FOR THE FINANCIAL YEAR	5,294,369	4,498,124	2,789,500	1,704,369	325,034	383,102	2,179,835	2,410,653
Add: Accumulated Surplus at 1 April	11,298,227	12,619,853	9,815,542	11,520,270	1,482,685	1,099,583	-	-
Transfer of Surplus from Carpark to Residential	-	-	2,179,835	2,410,653	-	-	(2,179,835)	(2,410,653)
Less: LRF – voluntary contribution	(4,000,000)	-	(4,000,000)	-	-	-	-	-
Less: Transfer to TIF	-	(5,819,750)	-	(5,819,750)	-	-	-	-
ACCUMULATED SURPLUS AT 31 MARCH	12,592,596	11,298,227	10,784,877	9,815,542	1,807,719	1,482,685	-	-

PASIR RIS - PUNGGOL TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. Sinking Fund

	Note	Total		Residential Property		Commercial Property	
		2024 S\$	2023 S\$	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Balance at 1 April		92,590,762	87,887,493	83,906,225	79,426,962	8,684,537	8,460,531
Add:							
Investment income	5(i)	2,841,868	1,899,909	2,813,449	1,880,910	28,419	18,999
Liquidated damages		2,500	-	2,500	-	-	-
Operating income transfers from conservancy and service fees	4	18,663,914	17,776,168	18,242,656	17,386,339	421,258	389,829
Transfer from governing grants							
- S&CC Operating Grant	4 & 22	1,975,981	1,869,076	1,975,981	1,869,076	-	-
- GST Subvention	4 & 22	927,517	716,102	927,517	716,102	-	-
- Lift Maintenance Grant	4 & 22	326,040	316,992	325,572	316,680	468	312
- Special Funding Support Grant	4 & 22	759,842	-	759,842	-	-	-
Less: Expenditure	5(ii)	25,497,662	22,578,247	25,047,517	22,169,107	450,145	409,140
Less: Income Tax	21	(39,493,334)	(17,608,982)	(39,055,687)	(17,426,508)	(437,647)	(182,474)
		(428,928)	(285,996)	(424,639)	(263,336)	(4,289)	(2,660)
(Deficit)/Surplus for the financial year		(14,424,600)	4,703,269	(14,432,809)	4,479,263	8,209	224,006
Balance at 31 March		78,166,162	92,590,762	69,473,416	83,906,225	8,692,746	8,684,537

Represented by:

Non-current assets
Investment in bonds

12	7,000,000	27,473,551
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Current assets

Conservancy and service fees receivables
Other receivables
Balance due from Accumulated Surplus
Investment in bonds
Interest receivable
Fixed deposits
Cash at bank

12	688,279	687,670
	1,836,973	325,086
	5,111,397	5,353,659
	20,489,245	2,000,000
	789,050	683,761
15	44,000,000	54,000,000
15	3,148,376	3,609,905

	76,073,320	66,660,081
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Total assets

	83,073,320	94,133,632
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Current liabilities

Payables and accrued expenses
Provision for taxation

	4,212,235	1,161,274
	694,923	381,596

Total liabilities

	4,907,158	1,542,870
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NET ASSETS

	78,166,162	92,590,762
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PASIR RIS - PUNGGOL TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. Sinking Fund (Continued)

(i) Income

	<u>2024</u> S\$	<u>2023</u> S\$
Interest from investment in bonds	716,485	759,242
Interest from financial institutions	2,109,690	1,125,433
Bond amortisation income	15,693	15,234
	<u>2,841,868</u>	<u>1,899,909</u>

(ii) Expenditure

	<u>2024</u> S\$	<u>2023</u> S\$
Re-roofing works & Roof top safety works	16,215,186	2,662,024
Replacement of booster and water pumps and pipe	224,260	597,895
Replacement of refuse handling equipment	1,415,300	-
Repairs and redecoration	19,521,123	13,300,794
General and administrative expenses	1,780,069	876,801
Non-claimable GST	337,396	171,468
	<u>39,493,334</u>	<u>17,608,982</u>

PASIR RIS - PUNGGOL TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6. Lift Replacement Fund

	Note	Total		Residential Property		Commercial Property	
		2024 S\$	2023 S\$	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Balance as at 1 April		72,766,655	71,952,422	70,110,226	69,342,994	2,656,429	2,609,428
Add:							
Investment income	6(i)	2,421,280	1,627,881	2,397,067	1,611,602	24,213	16,279
Liquidated Damages		1,000	-	1,000	-	-	-
SLRP disbursement		2,768,625	162,813	2,768,625	162,813	-	-
Lift Enhancement Programme disbursement		1,438,562	3,338,117	1,438,562	3,338,117	-	-
Operating income transfers from conservancy and service fees	4	10,049,801	9,571,775	9,822,970	9,361,867	226,831	209,908
Transfer from government grants							
- S&CC Operating Grant	4 & 22	1,063,989	1,006,426	1,063,989	1,006,426	-	-
- GST Subvention	4 & 22	499,433	385,592	499,433	385,592	-	-
- Lift Maintenance Grant	4 & 22	175,560	170,688	175,308	170,520	252	168
- Special Funding Support Grant	4 & 22	409,145	-	409,145	-	-	-
- LRF Matching Grant	4 & 22	8,159,946	5,557,481	8,046,743	5,455,089	113,203	102,392
Less: Expenditure	6(ii)	26,987,341	21,820,773	26,622,842	21,492,026	364,499	328,747
Less: Income tax	21	(20,581,091)	(20,794,040)	(20,361,451)	(20,514,419)	(219,640)	(279,621)
		(351,571)	(212,500)	(348,055)	(210,375)	(3,516)	(2,125)
Surplus for the financial year		6,054,679	814,233	5,913,336	767,232	141,343	47,001
Add: LRF – voluntary contribution	4	4,000,000	-	4,000,000	-	-	-
Balance at 31 March		82,821,334	72,766,655	80,023,562	70,110,226	2,797,772	2,656,429

Represented by:

Non-current assets
Investment in bonds

Current assets

Conservancy and service fees receivables
Other receivables
Balance due from Accumulated Surplus
Interest receivable
Fixed deposits
Cash at bank

Total assets

Current liabilities

Payables and accrued expenses
Provision for taxation

Total liabilities

NET ASSETS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

6. Lift Replacement Fund (Continued)

Matching grant for voluntary contributions of operating fund surpluses

To assist Town Councils in building up the LRF, MND will provide a 50% matching grant to the following contributions Town Councils make to the LRF:

- Quarterly contribution to the LRF from S&CC collections and other grants-in-aids, including voluntary contributions beyond the minimum LRF contribution rate of 14%; and
- Voluntary contributions of Operating fund surpluses to the LRF at the end of a financial year.

(i) Investment income

	<u>2024</u> S\$	<u>2023</u> S\$
Interest from investment in bonds	890,326	951,659
Interest from financial institutions	1,550,197	694,780
Bonds amortisation expense	<u>(19,243)</u>	<u>(18,558)</u>
	<u>2,421,280</u>	<u>1,627,881</u>

(ii) Expenditure

	<u>2024</u> S\$	<u>2023</u> S\$
Replacement of Main sheaves/ropes	1,822,069	2,892,530
Replacement of Automatic Rescue Device and Emergency Battery Operator Power Supply batteries	337,920	287,929
Replacement of lift position display panel	1,446,679	1,416,097
Replacement of inverter units	873,638	494,717
Replacement of Lift Fire Detector	69,220	67,234
Lifts overhauls	124,497	90,538
SLRP expenditure	11,164,827	12,621,758
Lift Enhancement Programme expenditure	3,261,942	1,724,663
General and administrative expenses	778,271	845,634
Non-claimable GST	<u>702,028</u>	<u>352,940</u>
	<u>20,581,091</u>	<u>20,794,040</u>

MND on 23 January 2017, announced that all Town Councils will have to set up dedicated LRF. 14% of the SF amount as at 31 March 2017, will be carved out as initial fund amount for LRF. The LRF will be designated for future lift replacements and other lift-related replacement works. The effective date for the LRF was set on 1 April 2017.

PASIR RIS - PUNGGOL TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

7. Town Improvement and Project Fund

Note	Total		Residential Property		Commercial Property	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Balance at 1 April	9,906,476	5,493,878	9,825,213	5,387,231	81,263	106,647
Add:						
Transfer from government grants	2,358,860	647,707	2,358,860	647,707	-	-
Reimbursable from Sengkang Town Council	791,474	-	791,474	-	-	-
Less: Expenditure	(1,880,763)	(2,054,859)	(1,870,211)	(2,029,475)	(10,552)	(25,384)
Surplus/(Deficit) for the financial year	1,269,571	(1,407,152)	1,280,123	(1,381,768)	(10,552)	(25,384)
Add: Transfer from Accumulated Surplus	-	5,819,750	-	5,819,750	-	-
Adjusted balance at 31 March	11,176,047	9,906,476	11,105,336	9,825,213	70,711	81,263
<i>Represented by:</i>						
Current assets						
Other receivables	791,474	98,039				
Balance due from Accumulated Surplus	10,721,570	10,467,969				
Total assets	11,513,044	10,566,008				
Current liability						
Payables and accrued expenses	336,997	659,532				
Total liability	336,997	659,532				
NET ASSETS	11,176,047	9,906,476				

PASIR RIS - PUNGGOL TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

7. Town Improvement and Project Fund (Continued)

(i) Expenditure

	<u>2024</u> S\$	<u>2023</u> S\$
Consultancy fees and architectural fees	161,902	162,393
Town improvement works	1,718,861	1,892,466
	<u>1,880,763</u>	<u>2,054,859</u>

8. Neighbourhood Renewal Programme ("NRP")

	<u>2024</u> S\$	<u>2023</u> S\$
Balance at 1 April	1,549,894	706,570
Funding from government	3,599,179	10,357,605
Other income	1,500	5,000
Payment to contractors	(5,112,980)	(9,519,281)
Movement during the financial year	(1,512,301)	843,324
Balance at 31 March	<u>37,593</u>	<u>1,549,894</u>

NRP balance is denominated in Singapore dollar as at reporting date.

9. Property, plant and equipment

	<u>Office renovation</u> S\$	<u>Furniture and fittings</u> S\$	<u>Office equipment</u> S\$	<u>Leasehold premises</u> S\$	<u>Total</u> S\$
Cost					
At 1 April 2022	2,520	23,810	325,194	792,519	1,144,043
Additions	2,020	-	5,200	249,308	256,528
Disposal	-	-	(4,776)	-	(4,776)
At 31 March 2023 and at 31 March 2024	4,540	23,810	325,618	1,041,827	1,395,795
Accumulated depreciation					
At 1 April 2022	42	17,319	265,094	519,665	802,120
Depreciation	773	3,970	27,797	177,286	209,826
Disposal	-	-	(4,776)	-	(4,776)
At 31 March 2023	815	21,289	288,115	696,951	1,007,170
Depreciation	908	738	22,159	177,286	201,091
At 31 March 2024	1,723	22,027	310,274	874,237	1,208,261
Carrying amount					
At 31 March 2023	3,725	2,521	37,503	344,876	388,625
At 31 March 2024	2,817	1,783	15,344	167,590	187,534

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

9. Property, plant and equipment (Continued)

Property, plant and equipment includes right-of-use assets with carrying amount of S\$167,590 (2023: S\$344,876) which are presented together with the owned assets of the same class as underlying assets. Details of right-of-use assets are disclosed in Note 11.

During the financial year, the Town Council did not acquire property, plant and equipment (2023: S\$256,528; of which S\$249,308 was acquired by means of a lease, and S\$7,220 was acquired by cash).

10. Intangible asset

	<u>Computer software</u> S\$
<u>Cost</u>	
At 1 April 2022, at 31 March 2023 and at 31 March 2024	677,739
<u>Accumulated amortisation</u>	
At 1 April 2022	141,195
Amortisation charge for the year	112,956
Balance as at 31 March 2023	254,151
Amortisation charge for the year	112,956
Balance as at 31 March 2024	367,107
<u>Carrying amount</u>	
At 31 March 2023	423,588
At 31 March 2024	310,632

The amortisation expense, which is recognised over the remaining period of the use of the computer software has been included as "general and administrative expenditure" in the statement of income and expenditure.

11. The Town Council as a lessee

Town Council leases office space under 3 years lease arrangement, with an option to renew the lease subject to certain conditions being met. Lease payments are made monthly and are at a fixed rate throughout the lease period.

Extension option

The leases contain extension periods, for which the related lease payments had not been included in lease liabilities as the Town Council is not reasonably certain to exercise the extension option. The Town Council negotiates extension options to maximise operational flexibility in terms of managing the assets used in the Town Council operations. The majority of the extension options are exercisable by the Town Council and not by the lessor.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

11. The Town Council as a lessee (Continued)

Recognition exemptions

The Town Council has certain equipment with lease terms of 12 months or less and/or of low value. For such leases, the Town Council has elected not to recognise right-of-use assets and lease liabilities.

11(a) Right-of-use assets

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

	<u>Note</u>	<u>Leasehold premises</u> S\$
At 1 April 2022		272,854
Addition		249,308
Depreciation		<u>(177,286)</u>
At 31 March 2023	9	344,876
Depreciation		<u>(177,286)</u>
At 31 March 2024	9	<u>167,590</u>

The total cash outflow for leases during the financial year ended 31 March 2024 is S\$192,000 (2023: S\$192,000).

11(b) Lease liabilities

	<u>2024</u> S\$	<u>2023</u> S\$
Lease liabilities - non-current	14,902	176,487
Lease liabilities - current	<u>161,585</u>	<u>177,642</u>
	<u>176,487</u>	<u>354,129</u>

11(c) Amounts recognised in profit or loss

	<u>2024</u> S\$	<u>2023</u> S\$
Interest expense on lease liabilities	14,358	21,257
Expense relating to low value assets	<u>9,505</u>	<u>8,985</u>

PASIR RIS - PUNGGOL TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

12. Investment in bonds

	<u>2024</u> S\$	<u>2023</u> S\$
At amortised cost	<u>54,527,327</u>	<u>62,530,877</u>
Maturing:		
Within 1 year	20,489,245	8,000,000
After 1 year but within 5 years	29,038,082	45,535,956
More than 5 years	<u>5,000,000</u>	<u>8,994,921</u>
	<u>54,527,327</u>	<u>62,530,877</u>
Taken up in Accumulated Surplus	-	6,000,000
Taken up in Sinking Fund (Note 5)	27,489,245	29,473,551
Taken up in Lift Replacement Fund (Note 6)	<u>27,038,082</u>	<u>27,057,326</u>
	<u>54,527,327</u>	<u>62,530,877</u>

Investment in bonds represents investments in quoted bonds issued by statutory boards and government-linked companies, with a fixed interest rate of 2.00% to 4.05% (2023: 2.00% to 4.05%) per annum and maturity date of July 2024 to May 2028 (2023: June 2023 to May 2028), and are denominated in Singapore dollar as at reporting date.

The effective interest rates per annum for the bonds were as follows:

	<u>2024</u> %	<u>2023</u> %
Quoted bonds with fixed interest	<u>2.12</u>	<u>2.22</u>

The fair value of investment in bonds is based on the closing bid price at the end of the financial year as follows:

	<u>2024</u> S\$	<u>2023</u> S\$
Quoted bonds with fixed interest	<u>53,501,976</u>	<u>60,697,026</u>

13. Conservancy and service fees receivables

	<u>2024</u> S\$	<u>2023</u> S\$
Conservancy and service fees receivables	3,240,983	3,283,681
Add: Interest receivable on late payments	<u>2,065,733</u>	<u>1,983,634</u>
	5,306,716	5,267,315
Less: Loss allowance (Note 26)	<u>(2,621,029)</u>	<u>(2,622,430)</u>
	<u>2,685,687</u>	<u>2,644,885</u>

Conservancy and service fees receivables are generally on 30 (2023: 30) days' credit terms. Penalty fee is charged on the outstanding balances. Allowances are made in respect of estimated irrecoverable amounts that are determined by reference to the recommended guidelines by MND.

PASIR RIS - PUNGGOL TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. Conservancy and service fees receivables (Continued)

Conservancy and service fees receivables are disclose denominated in Singapore dollar as at reporting date.

The details of the impairment of conservancy and service fees receivables and credit exposures are disclosed in Note 26.

14. Other receivables

	<u>2024</u> S\$	<u>2023</u> S\$
Grant receivables		
- CIPC	-	32,894
- GST subvention	1,026,883	808,883
- LRF Matching Grant	3,332,202	1,239,112
	<hr/>	<hr/>
	4,359,085	2,080,889
GST receivables	66,132	18,665
Deposits	1,691,677	2,434,829
Prepayments	99,924	110,030
Other receivables - HDB	5,785,187	3,517,417
Other receivables - Sengkang Town Council	791,474	-
Other receivables	3,304,002	284,663
	<hr/>	<hr/>
	16,097,481	8,446,493
	<hr/>	<hr/>

Other receivables are denominated in Singapore dollar as at reporting date.

15. Cash and bank balances

	<u>Note</u>	<u>2024</u> S\$	<u>2023</u> S\$
Cash at bank			
- Sinking Fund	5	3,148,376	3,609,905
- Lift Replacement Fund	6	3,150,244	8,383,389
- Accumulated Surplus		11,030,787	7,217,194
		<hr/>	<hr/>
		17,329,407	19,210,488
Cash on hand			
- Accumulated Surplus		3,202	2,867
		<hr/>	<hr/>
Cash and cash equivalents		17,332,609	19,213,355
		<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

15. Cash and bank balances (Continued)

	<u>Note</u>	<u>2024</u> S\$	<u>2023</u> S\$
Fixed deposits with financial institutions			
- Sinking Fund	5	44,000,000	54,000,000
- Lift Replacement Fund	6	39,000,000	31,000,000
- Accumulated Surplus		30,000,000	21,000,000
		<u>113,000,000</u>	<u>106,000,000</u>
		<u>130,332,609</u>	<u>125,213,355</u>
Fixed deposits maturing:			
- Between 3 to 6 months		54,000,000	55,000,000
- Between 7 to 12 months		59,000,000	51,000,000
		<u>113,000,000</u>	<u>106,000,000</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Fixed deposits are placed for varying periods from 3 to 12 months (2023: 3 to 12 months), bear interest rates ranging from 3.63% to 4.15% (2023: 3.55% to 4.50%) per annum. The weighted average effective interest rates per annum relating to fixed deposits is 3.93% (2023: 4.07%) per annum.

Cash and bank balances are denominated in Singapore dollar as at reporting date.

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

	<u>2024</u> S\$	<u>2023</u> S\$
Cash and bank balances	130,332,609	125,213,355
Less: Fixed deposits	<u>(113,000,000)</u>	<u>(106,000,000)</u>
Cash and cash equivalents	<u>17,332,609</u>	<u>19,213,355</u>

PASIR RIS - PUNGGOL TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

16. Payables and accrued expenses

	<u>2024</u> S\$	<u>2023</u> S\$
Work order accruals	871,747	650,855
Account payables	8,899,473	4,587,926
Sundry creditors – utilities	1,193,705	643,570
Amount payable to related party	1,462,501	261,803
Other payables and accruals	4,059,742	2,467,876
Refundable deposits	222,123	264,523
	<u>16,709,291</u>	<u>8,876,553</u>
Total payable and accrued expenses, representing total financial liabilities carried at amortised cost		

Payables and accrued expenses are non-interest bearing and 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

Other income comprises of the followings:

	<u>2024</u> S\$	<u>2023</u> S\$
Administrative fees	17,847	1,807
Interest on late payment of conservancy and service fees	539,775	537,024
Liquidated damages	455,987	551,313
Temporary occupation licence	1,138,373	1,253,746
Use of void deck, water, electricity and common property	696,020	816,685
Others	163,859	93,502
	<u>3,011,861</u>	<u>3,254,077</u>

Included in Others is a Pneumatic Waste Conveyance System ("PWCS") Grant from HDB amounting to S\$49,740.

19. Managing agent's fees

The Town Council's management of its daily operations has been outsourced to a managing agent.

PASIR RIS - PUNGGOL TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

20. General and administrative expenditure

	<u>Note</u>	<u>2024</u> S\$	<u>2023</u> S\$
Advertising, publicity and public relations		454,826	372,946
Agency fees		168,977	168,861
Amortisation of intangible asset	10	112,956	112,956
Bad debts written-off		1,132	36,001
Bank commission		648	383
Computing services		407,422	404,583
Consultancy fee		68,446	46,083
Credit cards and NETs charges		48,540	47,100
Depreciation of fixed assets	9	23,805	32,540
Depreciation of right-of-use assets	9	177,286	177,286
Reversal allowance on financial assets	26	(1,401)	(21,741)
Expendable assets		589	46
Insurance premium		82,157	67,635
Lease interest expenses	11(c)	14,358	21,257
Newspaper and periodicals		1,182	1,193
Irrecoverable goods and services tax *		473,566	245,196
Office rental and upkeep expenses		134,271	121,389
Office stationery and supplies		45,224	27,574
Office water and electricity		55,361	65,834
Others		340,505	353,862
Postages		177,243	118,528
Property tax		110,537	90,497
Telecommunications expenses		100,848	101,181
Town Councillors' allowances	24	255,200	244,500
		<u>3,253,678</u>	<u>2,835,690</u>

* 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 unclaimable portion is charged to income and expenditure during the financial year.

This is allocated to the following expenditure:

	<u>2024</u> S\$	<u>2023</u> S\$
Operating expenditure	3,120,199	2,710,690
Sinking Fund expenditure	80,087	75,000
Lift Replacement Fund expenditure	53,392	50,000
	<u>3,253,678</u>	<u>2,835,690</u>

PASIR RIS - PUNGGOL TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

21. Income tax

	<u>Note</u>	<u>2024</u> <u>S\$</u>	<u>2023</u> <u>S\$</u>
Income tax expense			
- Current year		<u>1,120,897</u>	<u>758,980</u>
Taken up in:			
Accumulated surplus	4	340,398	280,484
Sinking Fund	5	428,928	265,996
Lift Replacement Fund	6	<u>351,571</u>	<u>212,500</u>
		<u>1,120,897</u>	<u>758,980</u>

The Town Council is incorporated in Singapore and accordingly is subject to income tax rate of 17%.

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

Reconciliation of effective tax rate is as follows:

	<u>2024</u> <u>S\$</u>	<u>2023</u> <u>S\$</u>
Investment and interest income	6,240,398	4,111,894
Other income	1,177,585	1,270,115
Government grants	25,862,565	17,367,358
Government grants – Pneumatic Waste Conveyance System	<u>49,740</u>	<u>-</u>
Taxable income	<u>33,330,288</u>	<u>22,749,367</u>
Income tax at statutory rate	5,666,149	3,867,392
Singapore statutory stepped income exemption	(17,425)	(17,425)
Tax effect on concessionary income	(115,720)	(129,899)
Tax remission of government grant under Section 92(2) of Singapore Income Tax Act 1947	(4,390,781)	(2,937,872)
Others	<u>(21,326)</u>	<u>(23,216)</u>
Tax expense	<u>1,120,897</u>	<u>758,980</u>

PASIR RIS - PUNGOL TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

22. Government grants

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

<u>As at 31 March 2024</u>		<u>Note</u>	<u>Total</u>	<u>Service and Conservancy Charges Grant</u>	<u>Special Funding Support</u>	<u>GST Subvention</u>	<u>Lift Maintenance</u>	<u>Lift Matching</u>	<u>Payment from CCC</u>
Government grants received/ receivable		4	25,862,565	7,599,925	2,922,469	3,567,365	1,254,000	8,159,946	2,358,860
Less: Transfers to									
- SF		4, 5	(3,989,380)	(1,975,981)	(759,842)	(927,517)	(326,040)	-	-
- LRF		4, 6	(2,148,127)	(1,063,989)	(409,145)	(499,433)	(175,560)	-	-
- LRF Matching Grant		4, 6	(8,159,946)	-	-	-	-	(8,159,946)	-
- TIPF		4, 7	(2,358,860)	-	-	-	-	-	(2,358,860)
			9,206,252	4,559,955	1,753,482	2,140,415	752,400	-	-
<u>As at 31 March 2023</u>									
Government grants received/ receivable		4	17,367,358	7,188,753	-	2,754,217	1,219,200	5,557,481	647,707
Less: Transfers to									
- SF		4, 5	(2,902,170)	(1,869,076)	-	(716,102)	(316,992)	-	-
- LRF		4, 6	(1,562,706)	(1,006,426)	-	(385,592)	(170,688)	-	-
- LRF Matching Grant		4, 6	(5,557,481)	-	-	-	-	(5,557,481)	-
- TIPF		4, 7	(647,707)	-	-	-	-	-	(647,707)
			6,697,294	4,313,251	-	1,652,523	731,520	-	-

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

	<u>2024 S\$</u>	<u>2023 S\$</u>
Total grants received/receivable at 1 April	291,443,442	274,076,084
Grants received during the financial year	25,862,565	17,367,358
Total grants received/receivable at 31 March	317,306,007	291,443,442

PASIR RIS - PUNGGOL TOWN COUNCIL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024****23. Goods and services tax**

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

24. Significant related party transactions

Pasir Ris - Punggol Town Council is managed by the managing agent, EM 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.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Town Council entered into the following transactions with the managing agent:

	<u>2024</u> S\$	<u>2023</u> S\$
Expenditure paid to managing agent in relation to:		
Managing agent's fees	9,102,645	8,404,963
Energy saving project	1,361,080	2,188,755
Project management fees	2,358,912	1,581,216
Upgrading and consideration of playgrounds	195,651	144,881
Lift repairs and servicing	11,282,189	1,569,593
Others	<u>12,852</u>	<u>5,333</u>

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Town Council, directly or indirectly, including any Town Councillors (whether executive or otherwise) of that Town Council.

The Town Council pays the monthly fee to EM Services Pte Ltd and does not incur any manpower and related costs except for Town Councillors' allowances.

	<u>2024</u> S\$	<u>2023</u> S\$
Town Councillors' allowance (Note 20)	<u>255,200</u>	<u>244,500</u>

25. Capital commitments

Capital expenditures approved by the Town Council but not provided for in the financial statements as at reporting date are as follows:

	<u>2024</u> S\$	<u>2023</u> S\$
Amount approved and contracted for	74,809,000	72,196,435
Amount approved but not contracted for	<u>92,181,000</u>	<u>140,204,056</u>
	<u>166,990,000</u>	<u>212,400,491</u>

26. Financial instruments and financial risks

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

The main risks arising from the Town Council's financial instruments are credit risk, market risk (including interest rate) and liquidity 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.

There have been no changes since the last financial year to the Town Council's exposure to these financial risks or the manner in which it manages and measures the risk.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Town Council. Town Council performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

Town Council's major classes of financial assets are bank deposits, conservancy and service fees receivables, other receivables and investments in financial assets.

Bank deposits are mainly depositing with banks with high credit-ratings assigned by international credit rating agencies.

Conservancy and service fees receivables consist of a large number of household owners; thus, Town Council do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

The other receivables comprise mainly of receivables from CIPC, other deposits and GST Subvention receivables that are not past due or impaired as at 31 March 2024.

The Town Council's investment portfolio comprises of investment in bonds and fixed deposits. Approximately 64% (2023: 69%) of the investment in bonds comprises Bonds issued by Statutory Boards and/or Government related agencies and the remaining 36% (2023: 31%) comprises of corporate bonds. Corporate bonds are placed with institutions which the Town Council considers to be of good credit standing.

Investments in debt securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, which may impair the ability of the issuer to make payment of interest and principal. Exposure to credit risk is monitored by the management with oversight from the Investment & Finance Committee and the Town Council. In addition, the Town Council is required to comply with the requirements as stated in the Town Councils Financial Rules on investments and investment criteria.

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

The Town Council's conservancy & service fees receivables comprise mainly from S&CC collections. The credit risk for S&CC receivable arise mainly from residents who are facing significant financial hardships and have difficulties paying their S&CC fees despite letter of demand sent. Procedures are in place for collecting the outstanding S&CC including prosecution orders.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

26. Financial instruments and financial risks (Continued)

Credit risk (Continued)

An allowance for impairment is made in respect of overdue S&CC receivable from residents where the amount is still outstanding after all collection procedures are adhered to. The allowance represents the aggregate amount by which management considers it necessary to write down its loans receivable in order to state it in the balance sheet at its estimated recoverable value.

To assess and manage its credit risks, the Town Council categorises the aforementioned financial assets according to their risk of default. The Town Council defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 180 days past due as per FRS 109's presumption.

The Town Council categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 2 years past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Town Council's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risks ^{Note 1}	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is \leq 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition ^{Note 2} or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4}	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Town Council assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

26. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Town Council compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Town Council considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest payment trend of the debtor, adjusted for the Town Council's best practices in deriving the provision matrix with the recommended guidelines provided by the MND and the most recent news or market talks about the debtor, as applicable. In its assessment, the Town Council will generally, for example, assess whether the deterioration of credit risk of the debtor is in line with its expectation as of the date of initial recognition of the financial asset.

Irrespective of the outcome of the above assessment, the Town Council presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Town Council has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Town Council assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 30 days past due;
- It is becoming probable that the debtor will enter bankruptcy or another financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Town Council writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

Conservancy and service fees receivables (Note 13)

The Town Council uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for conservancy and service fees receivables, where the loss allowance is equal to lifetime ECL.

The ECL for conservancy and service fees receivables are estimated using an allowance matrix with fixed provision rates depending on the number of months that conservancy and service fees is past due by reference to the recommended guidelines by MND that are assessed by property type and household profile.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

26. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Conservancy and service fees receivables (Note 13) (Continued)

Conservancy and service fees receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

The loss allowance for conservancy and service fees receivables are determined as follows:

	Past due for 0 to 3 months	Past due for 3 to less than 6 months	Past due from 6 months	Past due more than 12 months	Past due more than 24 months	Ex arrears	Total
31 March 2024							
Expected credit loss rates	0%	0%	25%	50%	100%	100%	
Conservancy and service fees receivables (gross)	1,216,628	479,771	726,896	888,232	1,755,331	239,858	5,306,716
Loss allowance	-	-	181,724	444,116	1,755,331	239,858	2,621,029
31 March 2023							
Expected credit loss rates	0%	0%	25%	50%	100%	100%	
Conservancy and service fees receivables (gross)	1,107,601	504,960	782,917	890,279	1,752,113	229,445	5,267,315
Loss allowance	-	-	195,731	445,141	1,752,113	229,445	2,622,430

The movement in the loss allowance during the financial year and the Town Council's exposure to credit risk in respect of the conservancy and service fees receivables is as follows:

	Conservancy and service fees receivables S\$
<u>Internal credit risk grading</u>	
<u>Loss allowance</u>	
Balance at 1 April 2022	2,644,171
Decrease in loss allowance recognised in income and expenditure	(21,741)
Balance at 31 March 2023	2,622,430
Decrease in loss allowance recognised in income and expenditure	(1,401)
Balance at 31 March 2024	2,621,029
<u>Gross carrying amount</u>	
At 1 April 2023	5,267,315
At 31 March 2024	5,306,716
<u>Net carrying amount</u>	
At 1 April 2023	2,644,885
At 31 March 2024	2,685,687

26. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Other receivables (Note 14)

As of 31 March 2024, the Town Council recorded other receivables excluding prepayments and GST receivables of S\$15,931,425 (2023: S\$8,317,798).

The Town Council assessed the impairment loss allowance of other receivables on a 12-month ECL basis consequent to their assessment and conclusion that these receivables have no significant increase in credit risk. Accordingly, the Town Council measured the impairment loss allowance using 12-months ECL and no impairment loss allowance is recognised as at financial year end.

Investment in bonds (Note 12)

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

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates that will affect the Town Council's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Town Council's exposure to interest rate risk relates primarily to interest-earning fixed deposits with financial institutions and investments in government and corporate bonds.

The Town Council's surplus funds are placed with reputable financial institutions or invested in Singapore government bonds. The exposure to interest rate risk is minimal since the deposits are with fixed rate of interest throughout the term.

Liquidity risk

Liquidity risk refers to the risk 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 the 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

26. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

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

	Total S\$	Less than 1 year S\$	Between 2 and 5 years S\$	More than 5 years S\$
<u>As at 31 March 2024</u>				
Investment in bonds at amortised cost	56,776,659	20,753,130	30,883,903	6,094,998
Conservancy and service fees receivables	2,685,687	2,685,687	-	-
Other receivables (excluding prepayments & GST)	15,931,425	15,931,425	-	-
Interest receivables	1,969,329	1,969,329	-	-
Cash and bank balances	130,332,609	130,332,609	-	-
Lease liabilities	181,500	166,500	15,000	-
Payables and accrued expenses	16,709,291	16,709,291	-	-

	Total S\$	Less than 1 year S\$	Between 2 and 5 years S\$	More than 5 years S\$
<u>As at 31 March 2023</u>				
Investment in bonds at amortised cost	67,308,615	8,058,460	48,626,028	10,624,127
Conservancy and service fees receivables	2,644,885	2,644,885	-	-
Other receivables (excluding prepayments & GST)	8,317,798	8,317,798	-	-
Interest receivables	1,545,088	1,545,088	-	-
Cash and bank balances	125,213,355	125,213,355	-	-
Lease liabilities	373,500	192,000	181,500	-
Payables and accrued expenses	8,876,553	8,876,553	-	-

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and as follows:

	<u>2024</u> S\$	<u>2023</u> S\$
<i>Investment in bonds, represent financial assets measured at amortised cost</i>	<u>54,527,327</u>	<u>62,530,877</u>
<i>Financial assets measured at amortised cost</i>		
Conservancy and service fees receivables	2,685,687	2,644,885
Other receivables	16,097,487	8,446,493
Less: Prepayments and GST receivables	(166,056)	(128,695)
Interest receivables	1,969,329	1,545,088
Cash and bank balances	130,332,609	125,213,355
2		
Total	<u>150,919,056</u>	<u>137,721,126</u>
<i>Financial liabilities measured at amortised cost</i>		
Payables and accrued expenses	16,709,291	8,876,553
Lease liabilities	176,487	354,129
	<u>16,885,778</u>	<u>9,230,682</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. Fair value of financial assets and liabilities

The carrying amounts of cash and bank balances, conservancy and service fees receivables and other current receivables and payables approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of applicable assets and liabilities are determined and categorised using a fair value hierarchy as follows:

- (a) Level 1 – the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Town Council can access at the measurement date are determined with reference to quoted market prices (unadjusted).
- (b) Level 2 – in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets or liabilities in active markets or included within Level 1, quoted prices for identical or similar assets or liabilities in non-active markets.
- (c) Level 3 – in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

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

Fair value hierarchy

The Town Council does not hold financial assets nor liabilities carried at fair value or at valuation. Accordingly, the disclosure requirements of the fair value hierarchy (Level 1, 2 and 3) under FRS 107 *Financial Instruments: Disclosures* does not apply.

28. Funds management

The Town Council's objectives when managing funds are:

- (i) to safeguard the Town Council's ability to continue as going concern;
- (ii) to provide resources to sustain future development; and
- (iii) 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 from 31 March 2024.

The Town Council is not subjected to any externally imposed capital requirements during the financial years ended 31 March 2024 and 31 March 2023.

As at the end of the reporting period, the Town Council's total funds amounted to S\$184,756,139 (2023: S\$186,562,120).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

29. Special funding support grant received in advance

On 22 August 2023, the Town Council received the special funding of S\$3,896,622 from MND.

	Note	2024 S\$
SFS Grant received during the financial year		3,896,622
Less: Amount transferred to:		
- Accumulated Surplus	4 & 22	(1,753,482)
- Sinking Fund	5 & 22	(759,842)
- Lift Replacement Fund	6 & 22	(409,145)
Amount charged for the year 31 March		<u>(2,922,469)</u>
SFS Grant Received in advance		<u>974,153</u>

30. Reimbursable from Sengkang Town Council ("SKTC")

During the meeting between PRPTC and SKTC, it has been agreed that SKTC will submit the claims for the 168 improvement projects that have been handed over to SKTC on 28 October 2020 into Community Improvement Project System ("CIPS") by HDB on PRPTC's behalf and thereafter make a lump sum reimbursement to PRPTC.

Apportionment of the CIPC grant receivable for these 168 improvement projects will be:

- (i) For improvement projects that are completed as at 28 October 2020, the amount of CIPC grant receivable should be apportioned based on the agreed EDU apportionment basis (33% for SKTC and 67% for PRPTC);
- (ii) For improvement projects that are in progress as at 28 October 2020, the amount of CIPC grant receivable to be apportioned to PRPTC should be based on the proportion of the actual cost paid by PRPTC as at 28 October 2020 over the total improvement project cost for the each improvement projects.

As of 31 March 2024, SKTC received the CIPC claims for 110 improvement projects. The CIPC claims for the rest of the balance 58 projects have been submitted and are pending for payment by HDB.

The estimated CIPC Grant to be reimbursed by PRPTC is S\$791,474. Breakdown for the claims is disclosed below:

	2024 S\$
Reimbursement of CIPC claims for improvement projects that HDB already paid SKTC	201,282
Provision for reimbursement of CIPC claims for improvement projects that HDB has yet to pay SKTC	<u>590,192</u>
	<u>791,474</u>