



Marine Parade
Town Council

FY 2023/24

ANNUAL REPORT



@marineparadetc

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CHAIRMAN'S MESSAGE

Our Financial Year 2023/2024 journey reflects a story of progress and care. This year, we continued working diligently to ensure our estates are clean and well-maintained. In addition, we planned and implemented estate enhancements across Marine Parade Town through active engagements and collaborations with our residents and community partners.

Every enhancement made is a demonstration of our commitment to creating a better-quality living environment that goes beyond providing well-maintained facilities for our community. We strive to transform our town into a home that caters to the diverse needs of all our residents. By putting our care into action, we hope to build on what we have and uplift our community.

Residents' inputs are important to us as we work to create a Marine Parade Town that reflects the collective vision and aspirations of our community. We appreciate all our residents for their continuous feedback and suggestions. Your insights are invaluable, helping our Town Council to make meaningful improvements to our estate environment.

Please continue to lend us your support by voicing out your thoughts. Together, we are building a home that everyone can be proud of.



MR LIM BIOW CHUAN
CHAIRMAN
MARINE PARADE TOWN COUNCIL

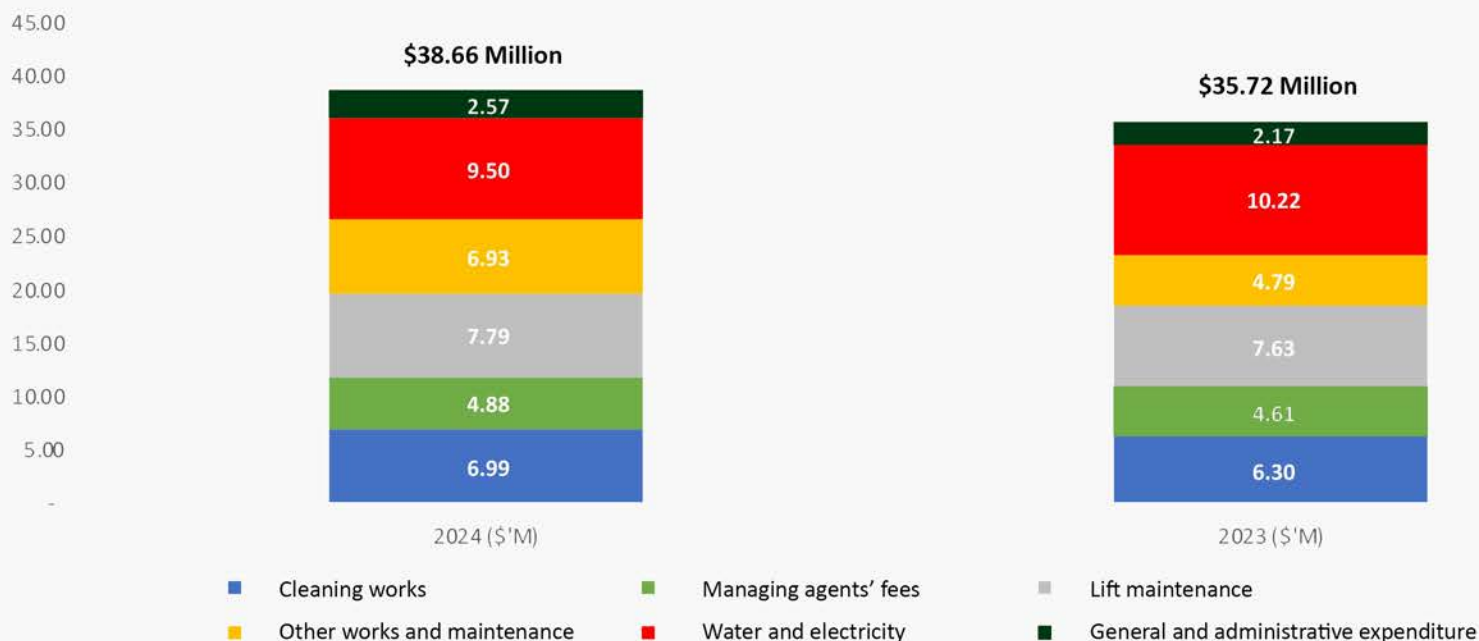


FINANCIAL OVERVIEW

Total Income	\$33.85 Million
Less: Total Expenditure	(\$39.54) Million
Operating Deficit	(\$5.69) Million
Add: Government Grants	\$7.64 Million
Less: Appropriation to TIPF	(\$0.30) Million
Operating Surplus	\$1.65 Million

For Financial Year 2023/2024, the Town Council would have incurred an **operating deficit of \$5.69 million if not for the government grants of \$7.64 million**, allowing us to achieve a **surplus of \$1.65 million** after allocations to the Town Improvement and Project Fund. This surplus, compared to the prior year, has decreased by **27.63%**, and is **55.76%** lesser than the surplus accumulated in Financial Year 2021/2022.





Operating expenditures for the year totaled **\$38.66 million**, covering essential routine maintenance and operational works which include cleaning, lift maintenance, water and electricity services, and other works and maintenance. This year's operating expenditure is **\$2.94 million more** than the previous year due to increase in energy costs, manpower costs and lift maintenance costs.

In view of continuous rising operational costs, the Town Council cannot rely solely on our surpluses for essential works and operations given the variability of such funds.

As such, the Town Council is committed to ensuring fiscal sustainability through prudent financial management and cost-saving measures while adhering to a strong corporate governance framework. Our goal is to optimise resources to bring about more enhancements in our estate while maintaining financial adequacy.



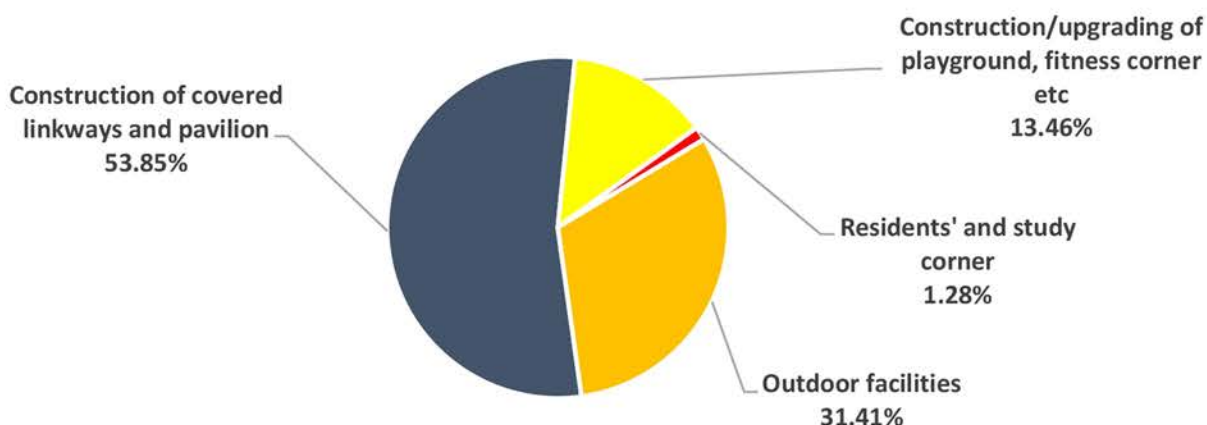


PLAYGROUND AND FITNESS CORNER NEAR
BLK 235 SERANGOON AVE 3

CARING FOR OUR ESTATE

Marine Parade Town comprises HDB flats averaging **41** years of age. We are committed to revitalising Marine Parade Town as we continue our care for the well-being and safety of our residents. Through strategic planning and collaboration with our community partners and residents, we have:

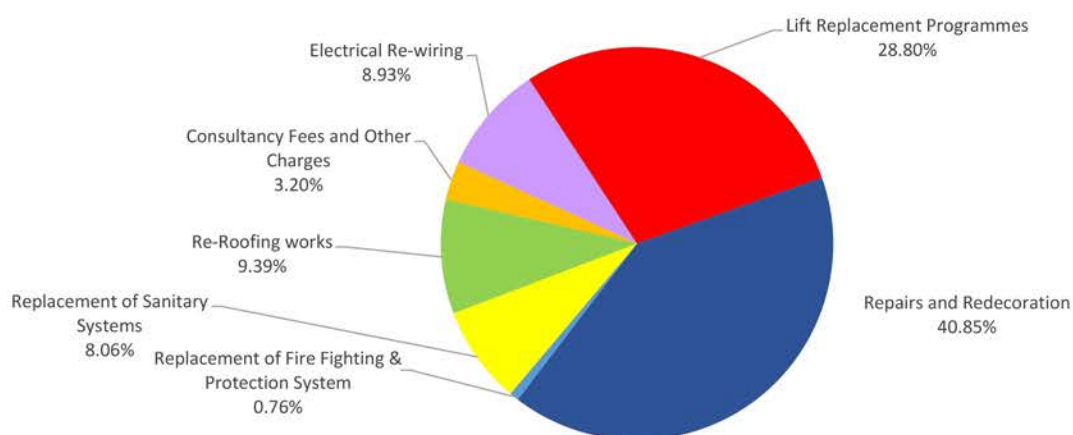
TOWN IMPROVEMENT PROJECTS



Improvement Projects

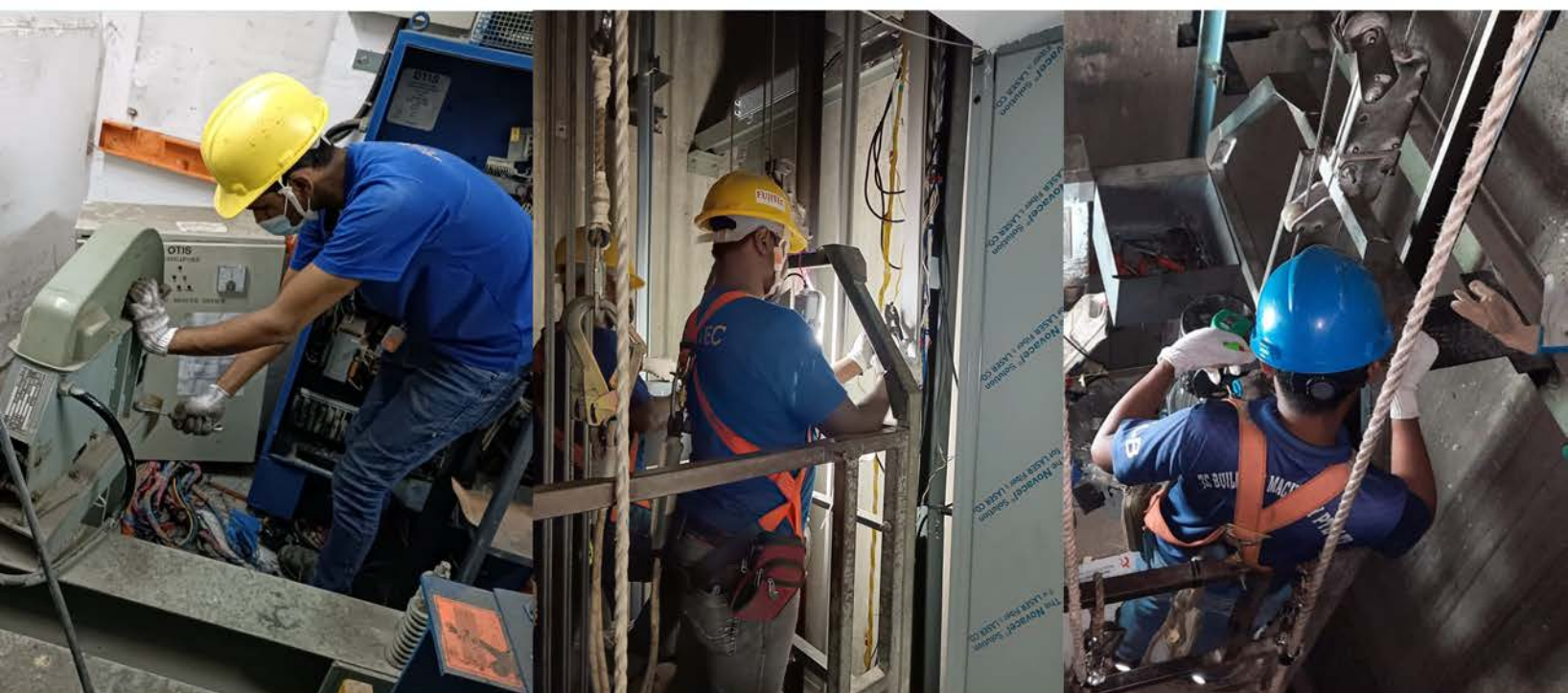
Allocated **\$1.56 million** for localised improvement projects such as the construction of covered linkways, fitness corners, and playgrounds that would cater to the specific needs of our residents living in the neighbourhoods.

FY 2024 Cyclical Works (\$36.84M)



Cyclical Maintenance Works

Invested **\$36.84 million** in cyclical maintenance to spruce up our estate environment. Key projects included repairs and redecoration, electrical rewiring, sanitary system replacements, re-roofing, and lift replacements. These works ensure the safety, comfort, and well-being of our residents.



Lift Enhancement and Lift Replacement Programmes (LEP and LRP)

Expended a total of **\$4.19 million** for LEP and **\$3.93 million** for LRP. Under these two programmes, we have carried out enhancements to **56 lifts** and replaced **43 lifts** which are older and not in good condition so that our residents can enjoy safer and smoother journeys in the lifts that serve their HDB blocks.

Going forward, we will continue to work closely with residents to identify estate enhancement opportunities and implement projects to create a more conducive home environment. By effectively managing resources, prioritising community engagement, and understanding residents' needs, we aim to improve the quality of life for the residents in our Town.



BETTER HOME FOR ALL AGES

WECARE INITIATIVE

"WeCare" embodies our commitment to care for one another and foster an inclusive community where every resident's voice is valued. By creating a sense of shared responsibility, we aim to enhance our environment, estate, community, and health. Our strategic initiatives include revamping infrastructures and building vibrant communal spaces, reflect our dedication to creating a compassionate and high-quality living environment in Marine Parade Town for our residents.



ROVING ROADSHOWS

From November 2023 to April 2024, the Town Council organised the "WeCare: Better Home for All Ages" roving roadshows across Marine Parade Town. These roadshows showcased the progress and improvements made within the Town since 2020. It also served as a platform for residents to share their suggestions, concerns, and visions for Marine Parade Town. This engagement allowed us to ensure that our future infrastructure improvements are aligned with residents' needs, demonstrating that "WeCare" is more than a slogan — it is our commitment.





REFRESHED NEW LOOK

To reinforce our dedication to providing better care and service, we have refreshed our Town Council staff's attire. The polo shirts with striking armbands make our staff easily recognisable as they go around our estate to oversee the maintenance and cleanliness of our common areas. Residents are encouraged to approach our staff to provide feedback or discuss any upcoming projects.





FIREFIGHTING EXERCISE FOR OUR STAFF

ENTERPRISE RISK MANAGEMENT

Our Town Council has established a robust Enterprise Risk Management (ERM) Framework to serve as a compass, aiding in the identification, analysis, evaluation, and monitoring of risks, as well as the execution of mitigation plans.

On an annual basis, the Town Council conducts a thorough enterprise risk assessment across four key categories: Financial, Operational, Compliance, and Information Technology. This assessment not only pinpoints risks impacting business objectives but also evaluates associated internal controls and implements strategies to minimise risk exposure.

This yearly evaluation offers clarity on risks to the Management Team, Town Councillors, and other stakeholders. It facilitates the prioritisation and allocation of resources for risk management, fostering accountability and raising awareness of the Council's effective risk management endeavours.

Following this review, the Council is confident in the adequacy of our Marine Parade Town Council's ERM Framework. Coupled with our internal control policies and procedures, we would be able to effectively manage risks impacting the Council.

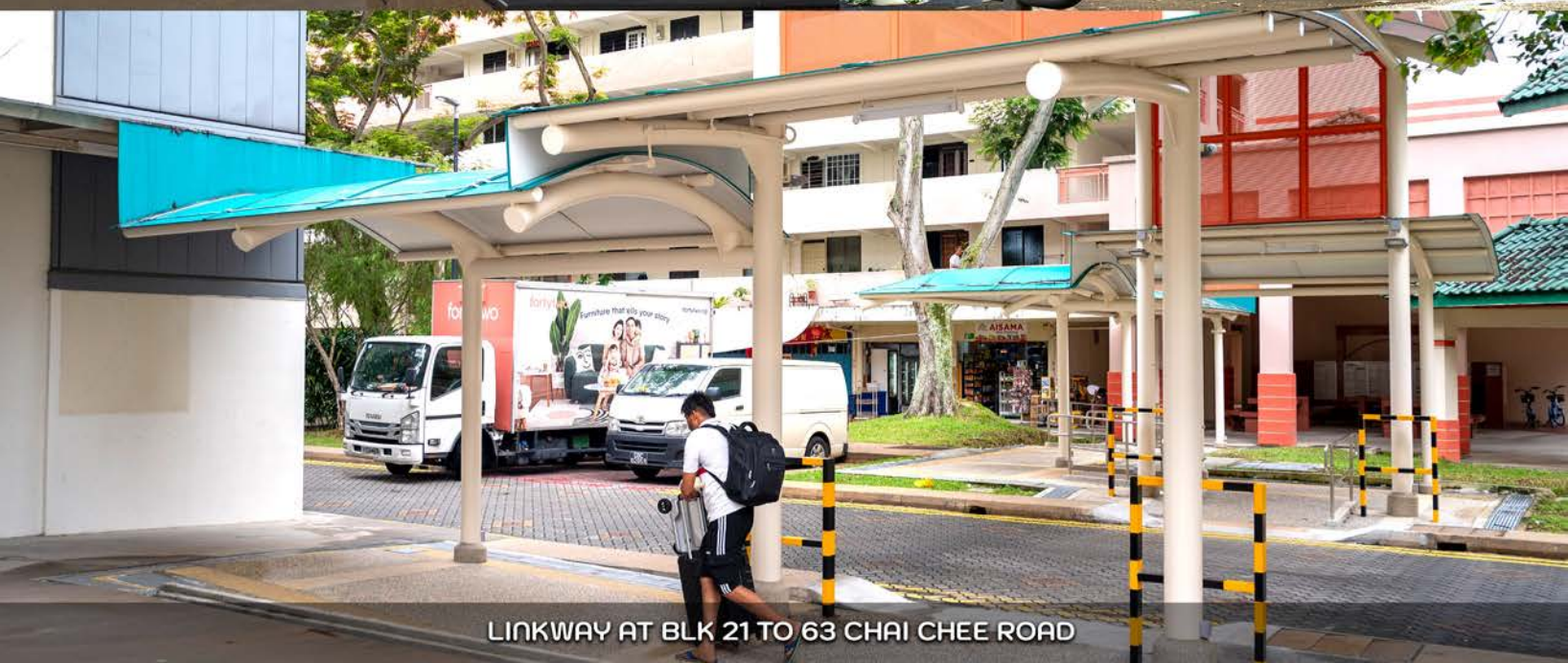
NEW PLAYGROUND NEAR BLK 78 MARINE DRIVE



FITNESS CORNER NEAR BLK 28 CASSIA CRESCENT



COMMUNITY PLAZA WITH PAVILION BETWEEN
BLKS 6 AND 7 HAIG ROAD



LINKWAY AT BLK 21 TO 63 CHAI CHEE ROAD



CARING FOR OUR ENVIRONMENT

At the Town Council, we believe that caring for our environment is a shared responsibility. Every small step contributes to the big collective effort towards a sustainable future. Here are what we have done to pave the way toward a more sustainable home in Marine Parade Town:

EV CHARGER DEPLOYMENT AT CAR PARKS

In alignment with the Singapore Green Plan 2030 which aims for all vehicles to run on cleaner energy by 2040, we have welcomed **EV charging points across 35 car parks** in our HDB neighbourhoods thus far. By supporting the increasing adoption of electric vehicles, we are doing our part to promote sustainable living and reduce our carbon footprint.



REPURPOSED ADDITIONAL TWO-SEATER MRT SEATS

In collaboration with the Land Transport Authority (LTA), we have transformed **13 more sets of old MRT seats into new rest stops across our six divisions**. This initiative not only provides additional rest areas for residents but also reduces waste, showcasing our commitment to sustainability and resourcefulness.



TEXTILE COLLECTION

Since the introduction of 18 textile recycle bins across our six divisions, we have **upcycled a total of 226,818kg of old and unwanted clothes, soft toys, shoes, bags, and hats** from April 2023 to April 2024.





LITTER PICKING AND TREE PLANTING EVENTS

Like previous years, litter picking and tree planting events were held across our Town. It is heartwarming to see our residents actively participating in these cleaning and planting events alongside our Members of Parliament (MPs). Additionally, we took the opportunity to appreciate our dedicated cleaners for their unwavering efforts in keeping our estate clean. These activities not only foster a sense of ownership and responsibility in maintaining and enhancing our environment but also strengthen our community bonds.

SOLAR PV INSTALLATION

Currently, **251 HDB blocks** within Marine Parade Town have been installed with Solar Photovoltaic (PV) panels. This initiative is estimated to **reduce 11,283,802.69kg of CO₂ annually, equivalent to removing approximately 3,758 cars from the road or powering 6,268 4-room HDB flats each year.**



E-WASTE COLLECTION

Through our partnership with ALBA Singapore and efforts of our residents, we collected and **recycled 86,685kg of e-waste** via e-drives, e-waste bins, and bulky waste removal from April 2023 to March 2024.

Our green initiatives are designed to create a more sustainable living environment for all residents. By weaving sustainability into the fabric of our community, we encourage residents to join us in this vital mission. Together, we can foster a culture of environmental responsibility and collective action to create a greener and more energy-efficient Marine Parade Town.



CONCLUSION

Our Council extends our gratitude to all residents, community partners, and stakeholders for their unwavering support and collaboration. Our estate transformation and progression over time are a testament to the hard work and dedication of our community, service partners, and management team.

We will continue to provide the best possible care for our residents by working harder to further enhance our living environment in Marine Parade Town while delivering quality services. We look forward to many more years of progress and partnerships. Together, let's build a better, warmer, and caring home for all.

LIM BIOW CHUAN PBM
CHAIRMAN
MARINE PARADE TOWN COUNCIL

Town Councillors & Standing Committee

(28 August 2022 to 27 August 2024)

Marine Parade Town Council selects and appoints councillors based on personal attributes such as integrity, honesty, responsibility, and their alignment with the Town Council's Mission. Appointed councillors generally have the ability to communicate and reach out to residents, and build relationship to reflect their needs. At least two-thirds of the appointed councillors shall be residents of any housing estate of the Board within the Town. Key councillors taking charge of committees shall have the core skills and/or competencies in the relevant technical field (such as finance, accounting, audit, estate management, contract administration or communications).

Elected Members

Chairman: Mr Lim Biow Chuan PBM
Vice-Chairman: Ms Tin Pei Ling
Vice-Chairman: Mr Mohd Fahmi Aliman

Elected Members:
Mr Edwin Tong Chuan Fai
Dr Tan See Leng
Mr Seah Kian Peng

Executive Committee

Chairman: Mr Lim Biow Chuan PBM
Vice-Chairman: Ms Tin Pei Ling
Vice-Chairman: Mr Mohd Fahmi Aliman

Elected Members:
Mr Edwin Tong Chuan Fai
Dr Tan See Leng
Mr Seah Kian Peng

Members:
Mr Ang Bee Hock BBM
Dr Chua Ee Chek BBM, JP
Ms Eileen Teo Cheo Tee PBM
Mr Frederick Ho Wee Khoon PBM
Mr Goh Yong Seng PBM
Mr Justin Fong Cheng Wah PBM
Mr Lee Tee Loon BBM
Dr Lim Lan Yuan BBM (L), JP
Ms Lydia Ong Li Yan PBM
Mr Philip Tan Ling Kwok PBM
Mr Yusof Bin Abdul Lateef BBM

Standing Committee

Estate Management Committee

Chairman: Ms Eileen Teo Cheo Tee PBM
Vice-Chairman: Ms Lydia Ong Li Yan PBM

Members:

Mr Baba Maharauf Carrim
Mr Chan Yee Kew PBM
Mr Govindan Meyyappan
Ms Hoe Kwee Eng
Ms Janet Chan
Mr Koh Chin Ann
Mr Lee Joon Yong PBM
Mr Loo Chin Nong PBM
Mr Rama Kerisna PBM
Ms Tan Yun Juan Kittie
Mr William G Fletcher PBM
Ms Yayah Ambuhang Annatrasta

Publicity & Outreach Committee

Advisor: Ms Tin Pei Ling
Chairman: Mr Frederick Ho Wee Khoon PBM
Vice-Chairman: Mr Yusof Bin Abdul Lateef
BBM

Members:

Ms Alice Low
Ms Joyce Wong Shu Ling
Mr Lim Zhi Hao
Mr Markus Tan Sien Hwong PBM
Mr Melvin Chua Ee Song BBM
Ms Pang Yee Sum
Mr Edmund Yu Tor Ann

Tender & Contracts Committee

Advisor: Mr Mohd Fahmi Aliman
Chairman: Mr Lee Tee Loon BBM
Vice-Chairman: Dr Chua Ee Chek BBM (L), JP

Members:

Mr Daniel Chan Kok Leong PBM
Mr Dick Lum Chee Seng
Ms Jenny Ho Lay Hong
Mr Kum Jing Shen Joey
Mr Ng Chong Soon
Mr Raymond Chan Leng Chye PBM
Ms Shirley Yong Mei Lin
Mr Simon Wong Sai Cheong
Mr Thomas Thong Ming Yap
Ms Tricia Soh Meng Hong PBM

Audit & Risk Committee

Advisor: Dr Lim Lan Yuan BBM (L), JP
Chairman: Mr Philip Tan Ling Kwok PBM
Vice-Chairman: Mr Goh Yong Seng PBM

Members:

Ms Chung Kim Man
Ms Lily Teo Hiok Hoon PBM
Mr Ngoi Khor Peng PBM
Mr Ong Pang Yaw PBM
Mr Rahmat Sawie PBM
Ms Ruby Ong Siew Kim PBM
Mr Tan Ai Koong PBM
Mr Yaw Keat Jau
Mr Yong Chun Yee PBM

Finance Committee

Advisor: Mr Seah Kian Peng
Chairman: Mr Justin Fong Cheng Wah PBM
Vice-Chairman: Mr Ang Bee Hock BBM

Members:

Ms Aw Mui Ling
Mr Arthur Chai Shaw Pu
Ms Chris Chu Ai Keow PBM
Mr Jeryl Lim Tswen Jiann
Mr Lim Ming Hok
Mr Patrick Chua Song Hui PBM
Mr Pradeep Kumar Doshi PBM
Mr Raymond Gan Chun Pin
Mr Stephen Lim Wee Tiong
Mr Tan Yong Min BBM
Ms Teo Qi Shan

MARINE PARADE TOWN COUNCIL

(Established under the Town Councils Act 1988)

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

JR Chan Company

Public Accountants and
Chartered Accountants
Singapore

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARINE PARADE TOWN COUNCIL**
(Established under the Town Councils Act 1988)



Report on the Audit of the Financial Statements

Opinion

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

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 Town Council funds and cash flows of the Town Council for the financial year ended on that date.

Basis for Opinion

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

Other Matter

The financial statements of the Town Council for the financial year ended 31 March 2023 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 14 September 2023.

Other Information

Management is responsible for the other information. The other information comprises the Chairman's Review in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARINE PARADE TOWN COUNCIL**
(Established under the Town Councils Act 1988)



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

A Town Council is established under the Town Councils Act and may be dissolved by the Singapore Minister's order published in the Gazette of Singapore. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARINE PARADE TOWN COUNCIL**
(Established under the Town Councils Act 1988)



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

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

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Town Council during the financial year ended 31 March 2024 are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Town Council whether purchased, donated or otherwise.

Basis for Opinion

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

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARINE PARADE TOWN COUNCIL**
(Established under the Town Councils Act 1988)



Auditor's Responsibilities for the Compliance Audit

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

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

JR CHAN COMPANY
Public Accountants and
Chartered Accountants

Singapore,
26 August 2024

MARINE PARADE TOWN COUNCIL

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Note	2024 \$	2023 \$
TOWN COUNCIL FUNDS			
Residential Property			
Accumulated surplus	4	17,546,357	15,665,448
Sinking Funds			
Ordinary Sinking Fund	5	33,453,817	41,273,369
Lift Replacement Fund	6	45,914,732	40,238,109
		79,368,549	81,511,478
Town Improvement and Project Fund	7	386,190	256,680
		97,301,096	97,433,606
Commercial Property			
Accumulated surplus	4	312,584	540,411
Sinking Funds			
Ordinary Sinking Fund	5	26,250,779	27,673,502
Lift Replacement Fund	6	12,198,020	10,954,213
		38,448,799	38,627,715
Town Improvement and Project Fund	7	33,810	22,320
		38,795,193	39,190,446
Total funds		136,096,289	136,624,052
Represented by:			
Non-current assets			
Plant and equipment	8	88,885	68,262
Right-of-use assets	9	1,417,908	1,667,769
		1,506,793	1,736,031
Current assets			
Financial assets at fair value through profit or loss	10	41,707,042	40,527,223
Interest receivable		1,583,617	1,578,051
Conservancy and service fees receivables	11	1,022,026	1,058,687
Other receivables	12	11,386,497	7,470,413
Receivables for Neighbourhood Renewal Programme	15	2,552,605	886,486
Electrical Load Upgrading Programme			
Cash and short term deposits	13	91,882,473	101,057,230
		150,134,260	152,578,090
Total assets		151,641,053	154,314,121
Less:			
Non-current liability			
Lease liabilities	14	(746,600)	(943,892)
Current liabilities			
Lease liabilities	14	(508,075)	(515,138)
Conservancy and service fees received in advance		(983,567)	(871,769)
Payables and accrued expenses	16	(12,125,010)	(14,646,966)
Income tax payable	17	(1,181,512)	(712,304)
		(14,798,164)	(16,746,177)
Net assets		136,096,289	136,624,052



LIM BIOW CHUAN PBM
Chairman



ANTHONY ONG ENG ANN BBM
Secretary

Date : 26 August 2024

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

MARINE PARADE TOWN COUNCIL

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

	Note	2024 \$	2023 \$
Operating income			
Conservancy and Service fees	4	45,702,829	43,425,848
Less: Operating income transfer to Ordinary Sinking Fund	5	(11,882,737)	(11,290,727)
Operating Income transfer to Lift Replacement Fund (minimum required by law)	6	(6,398,397)	(6,079,617)
		27,421,695	26,055,504
Agency fees	4, 18	3,017,631	2,903,260
Other income	4, 19	2,795,585	2,622,193
		33,234,911	31,580,957
Less: Operating expenditure			
Cleaning works		(6,997,805)	(6,299,743)
Managing agent's fees	25	(4,880,554)	(4,612,867)
Lift maintenance		(7,789,328)	(7,626,650)
Other works and maintenance		(6,926,865)	(4,795,237)
Water and electricity		(9,495,356)	(10,215,661)
General and administrative expenditure	20	(2,567,738)	(2,168,322)
		(38,657,646)	(35,718,480)
Operating deficit		(5,422,735)	(4,137,523)
Add: Investment income	4	614,972	227,375
Deficit before income tax and government grants		(4,807,763)	(3,910,148)
Less: Income tax	17	(178,902)	(140,681)
Goods and services tax	21	(702,092)	(415,801)
		(880,994)	(556,482)
Deficit before government grants		(5,688,757)	(4,466,630)
Add: Government grants	22	18,260,522	16,770,938
Less: Transfer to Ordinary Sinking Fund	5, 22	(3,310,054)	(2,689,344)
Less: Transfer to Lift Replacement Fund	6, 22	(5,908,896)	(5,207,036)
Less: Transfer to Town Improvement and Project fund	7, 22	(1,402,994)	(2,668,386)
		7,638,578	6,206,172
SURPLUS FOR THE FINANCIAL YEAR		1,949,821	1,739,542
ACCUMULATED SURPLUS AS AT 1 APRIL		16,205,859	13,929,358
Add: Transfer from Town Improvement Project Fund	7	123,261	815,959
Less: Appropriation to Town Improvement Project Fund	7	(420,000)	(279,000)
ACCUMULATED SURPLUS AT 31 MARCH		17,858,941	16,205,859



LIM BIOW CHUAN PBM
Chairman

Date : 26 August 2024



ANTHONY ONG ENG ANN BBM
Secretary

MARINE PARADE TOWN COUNCIL

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

	Note	2024 \$	2023 \$
SURPLUS FOR THE FINANCIAL YEAR		1,949,821	1,739,542
MOVEMENT OF VARIOUS FUNDS			
Ordinary Sinking Fund	5	(9,242,275)	(6,080,083)
Lift Replacement Fund	6	6,920,430	501,302
Town Improvement and Project Fund	7	(155,739)	(97,241)
		<u>(2,477,584)</u>	<u>(5,676,022)</u>
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR ATTRIBUTABLE TO TOWN COUNCIL FUNDS		<u><u>(527,763)</u></u>	<u><u>(3,936,480)</u></u>



LIM BIOW CHUAN PBM
Chairman

Date : 26 August 2024



ANTHONY ONG ENG ANN BBM
Secretary

MARINE PARADE TOWN COUNCIL

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

	Note	Total \$	Residential Property \$	Commercial Property \$	Carpark \$
Balance as at 1 April 2022		140,560,532	102,721,416	37,839,116	-
(Deficit) / Surplus for the year		(3,936,480)	(6,407,041)	1,351,330	1,119,231
Inter-funds transfer	4	-	1,119,231	-	(1,119,231)
Balance as at 31 March 2023		136,624,052	97,433,606	39,190,446	-
Balance as at 1 April 2023		136,624,052	97,433,606	39,190,446	-
(Deficit) / Surplus for the year		(527,763)	(1,076,453)	(395,253)	943,943
Inter-funds transfer	4	-	943,943	-	(943,943)
Balance as at 31 March 2024		136,096,289	97,301,096	38,795,193	-

The net surplus/ (deficit) for the year comprises the following:

	Note	2024 \$	2023 \$
Accumulated surplus	4	1,949,821	1,739,542
Ordinary Sinking Fund	5	(9,242,275)	(6,080,083)
Lift Replacement Fund	6	6,920,430	501,302
Town Improvement and Project Fund	7	(155,739)	(97,241)
		(527,763)	(3,936,480)

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

MARINE PARADE TOWN COUNCIL

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

	Note	2024 \$	2023 \$
Operating Activities			
Deficit before income tax and government grants		(4,807,763)	(3,910,148)
Adjustments for:			
Operating income transfer to Ordinary Sinking Fund	5	11,882,737	11,290,727
Operating income transfer to Lift Replacement Fund	6	6,398,397	6,079,617
Interest income		(614,971)	(227,375)
Allowance / (Reversal) credit loss on operating receivables	11,12	(91,817)	65,090
Depreciation of right-of-use assets	9	566,835	572,252
Lease interest expenses	20	68,492	52,011
Depreciation of plant and equipment	8	41,220	45,479
Operating cash flows before changes in working capital		13,443,130	13,967,653
Movement in working capital:			
Operating receivables		(538,732)	584,219
Operating payables		(2,410,158)	6,175,751
Net cash flows generated from operations		10,494,240	20,727,623
Goods and services tax	21	(1,337,987)	(776,609)
Ordinary Sinking Fund expenditure	5	(26,098,348)	(21,232,906)
Lift Replacement Fund expenditure	6	(10,742,757)	(15,951,477)
Town Improvement and Project Fund expenditure paid	7	(1,558,733)	(2,765,627)
Neighbourhood Renewal Programme and Electrical Load Upgrading Programme expenditure paid	15	(1,666,250)	(610,826)
Income tax paid	17	(229,316)	(327,888)
Net cash used in operating activities		(31,139,151)	(20,937,710)
Investing Activities			
Purchase of plant and equipment	8	(61,843)	(37,082)
(Increase)/ Decrease in fixed deposits	13	(47,595,000)	65,000,000
Placement with fund manager	10	-	(40,000,000)
Interest and investment income received		3,449,353	683,235
Net cash generated from investing activities		(44,207,490)	25,646,153
Financing Activities			
Government grants received		15,011,648	18,329,860
Repayment of lease liabilities	14	(589,822)	(593,354)
Funding received for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	15	131	925,544
Funding received for Lift Enhancement Programme/ Selective Lift Replacement Programme	6	3,940,488	4,566,574
Net cash generated from financing activities		18,362,445	23,228,624
Net (decrease)/ increase in cash and cash equivalents		(56,984,196)	27,937,067
Cash and cash equivalents at beginning of year		100,992,311	73,055,244
Cash and cash equivalents at end of year	13	44,008,115	100,992,311

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

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

1. General Information

Marine Parade Town Council (the "Town Council") was formed on 5 July 1989 under the Town Councils Act 1988. The principal functions of the Town Council are to control, manage, maintain and improve the common property of residential, other commercial property and market and food centres in the housing estates of the Housing and Development Board ("HDB") within the Town. The Town consists of Marine Parade Group Representation Constituency, MacPherson Single Member Constituency and Mountbatten Single Member Constituency.

The principal office of operations is at 50 Marine Terrace #01-265, Singapore 440050.

The financial statements of the Town Council 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 policy information

2.1 Basis of preparation of financial statements

The financial statements of the Town Council have been prepared in accordance with the provisions of the Town Councils Act 1988 (the "Act") and Financial Reporting Standards in Singapore ("FRSs").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Town Council takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 Impairment of Assets.

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

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

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.1 Basis of preparation of financial statements (continued)

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

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Town Council has adopted all the new and amended standards which are effective for annual financial periods beginning on or after 1 April 2023. The adoption of these standards did not have any significant effect on the financial statements of the Town Council for the current or prior years.

Standards issued but not yet effective

At the date of authorisation of these financial statements, there are FRSs, INT FRSs and amendments to FRS that are relevant to the Town Council that were issued but are not yet effective. The management anticipates that the adoption of these FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Town Council in the period of their initial adoption.

2.3 Town Council Funds

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

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

All monies 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.

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.3 Town Council Funds (continued)

Sinking Funds

Sinking Funds comprise of Ordinary Sinking Fund and Lift Replacement Fund.

Under the Town Councils Act, the Ministry 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 Sinking Funds other than Lift Replacement Fund matching grant which does not have a prescribed minimum amount to be paid into the Sinking Funds.

(i) Ordinary Sinking Fund

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

The minimum amounts to be paid by property type, into the Ordinary Sinking Fund is as follows:

Property type service	Percentage of conservancy and service fees and grants-in-aid
(i) 1-room to 5-room and Executive	26% (2023: 26%) of conservancy and service fees and grants-in-aid
(ii) Shop with living accommodation	26% (2023: 26%) of conservancy and service fees and grants-in-aid
(iii) Commercial property	26% (2023: 26%) of 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 Ordinary Sinking Fund is utilised for cyclical works, including major repainting, renewal or replacement of roofing system, water tanks, pumps and water supply system, lightning protection system and escalators, major repairs and maintenance of the common area and contributions to the HDB in respect of general upgrading works carried out on the common property under the Housing and Development Act.

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.3 Town Council Funds (continued)

(ii) Lift Replacement Fund

In accordance with Section 47(5) of the Town Councils Act, Town Councils are required to establish a new Lift Replacement Fund with effect from 1 April 2017. The establishment of the LRF is a standalone fund to be carved out from the existing Sinking Funds and ring-fenced specifically for lift replacements and other lift-related replacement works.

The minimum amounts to be paid by property type, into the Lift Replacement Fund is as follows:

Property type service	Percentage of conservancy and service fees and grants-in-aid
(i) 1-room to 5-room and Executive	14% (2023: 14%) of conservancy and service fees and grants-in-aid
(ii) Shop with living accommodation	14% (2023: 14%) of conservancy and service fees and grants-in-aid
(iii) Commercial property	14% (2023: 14%) of 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 is utilised for major lift works such as capital expenditure including works, plant, equipment, appliances and insurance premium related to the replacement of lifts or lift upgrading works carried out on the common property under the Housing and Development Act.

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.

The fund is set up by transfer of fund 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. This fund is paid through the Citizens' Consultative Committees ("CCC").

2.4 Inter-fund transfers

The Town Council may make inter-fund transfers with the criteria as set out in Section 47(12) and Section 57(1)(i) of the Town Councils Act 1988, and Rule 11A of Town Councils Financial Rules.

2.5 Allocation of general overheads

Expenditure not specifically related to any property type managed, such as administrative overheads, tree planting and pruning etc. are allocated to the various property types using equivalent dwelling units ("EDU") as follows:

Property Type	Equivalent Dwelling Unit(s)	
	2024	2023
1 Residential Property Unit	1	1
1 Commercial Property Unit	2	2
6 Car lots or 36 Motorcycle lots or 4 Lorry lots	1	1

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

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.6 Government grants

The Town Council receives five types of grants from the Government: Service and Conservancy Charges ("S&CC") grant, Time-limited special funding support, payment from CCCs, Goods and Services Tax ("GST") subvention grant, Lift Replacement Fund Matching Grant and Lift Maintenance Grant ("LMG").

- (i) Service and Conservancy Charges (S&CC) operating grants to meet the current year's operating expenditure are taken to the statement of income and expenditure, except to the extent which is required to be transferred to Ordinary Sinking Fund and Lift Replacement Fund based on the amount prescribed.
- (ii) In view of the impact of external factors on operational costs, Ministry of National Development ("MND") provides a 2-tranche time-limited special funding support to Town Councils that need to adjust their S&CC to help buffer the Town Council and residents from the full impact of the rising maintenance costs. The Town Council received its first tranche of the special funding of \$2,193,492 from MND on 22 August 2023 and the second tranche of \$2,132,410 on 3 June 2024. 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 and the resisting regulations under the Town Councils Act.
- (iii) Payments from CCC are granted to provide funding support for community improvement projects under CIPC scheme.
- (iii) The GST Subvention is given as grant-in-aid to the Town Council to assist Town Council for absorbing the GST increases in Service and Conservancy Charges for HDB residential flats. The grant is taken to the statement of income and expenditure, except to the extent which is required to be transferred to Ordinary Sinking Fund and Lift Replacement Fund based on the amount prescribed.
- (iv) Lift Replacement Fund (LRF) Matching Grant is given as grant-in-aid to the Town Council by MND to match 50% of Town Council's contributions to the Lift Replacement Fund to supplement Town Council's savings. The contributions inclusive of (a) quarterly contributions from Service and Conservancy Charges collections and other grants-in-aids, including voluntary contributions beyond the minimum LRF contribution rate; and (b) voluntary contribution of accumulated surplus to the LRF at the end of a financial year, as allowed under Section 47(12) of the amended Town Councils Act.
- (v) Lift Maintenance Grant (LMG) is given as grant-in-aid to the Town Council to cope with the higher lift-related servicing and maintenance costs. LMG disbursed to Town Council annually and the amount disbursed is \$600 for every lift (both residential and commercial) maintained by the Town Council. The grant is taken to the statement of income and expenditure, except to the extent which is required to be transferred to Ordinary Sinking Fund and Lift Replacement Fund based on the amount prescribed.

Government grants are recognised at their fair value where there is reasonable assurance that the attached condition will be complied with and that the grant will be received. Grant in recognition of specific expenditures is recognised as income over the periods necessary to match them with the related expenditure that they are intended to compensate on a systematic basis unless the accounting treatment is specified. 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 statement of income and expenditure and other comprehensive income over the expected useful life of the relevant asset by equal annual instalment.

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.7 Revenue recognition

Conservancy and service fees are charged on a monthly to the lessees and tenants of the Housing and Development Board (HDB) flats, shops/offices and market/food stalls towards the maintenance and upkeep of the common property under the Town Council. Conservancy and service fees are allocated between operating income and Ordinary Sinking Fund and Lift Replacement Fund in accordance with the Town Councils Act 1988. Conservancy and service fees are recognised as a performance obligation over time.

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

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

Income from funds placed with fund manager is recognised based on fair value through profit or loss.

Income from temporary occupation licenses and usage of void deck or other common property is recognised on a cash basis.

Due to the increased operating costs on estate maintenance (manpower costs, materials and energy costs) in the Town Council, driven by other external factors, the Town Council has revised its S&CC for residential flats, commercial premises, and market/ food stalls on 1 July 2023 and 1 July 2024.

2.8 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;
- (iii) Donations from non-residents or non-owners of properties in the Town; and
- (iv) Agency fees derived from acting as agent for the HDB.

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

Income tax is accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws, 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.

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.9 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes the 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 plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent cost recognised is added to the carrying amount of the asset only when it is probable that 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 statement of 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:

Furniture, fixtures and fittings	5 years
Office equipment	5 years
Data processing equipment	3 years

The carrying values of 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 plant and equipment is recognised in income and expenditure statement.

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

2.10 Funds with fund managers

Funds with fund managers represent the market value of the portfolio of assets placed with fund managers at the beginning of each management term plus investment income less management fees payable during the management term.

Funds with fund managers comprise mainly of equities, bonds, cash and fixed deposits. Equities and bonds are stated on an aggregate portfolio basis and are designated as financial asset through profit or loss at inception in the statement of financial position.

2.11 Financial assets

Classification of financial assets

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

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

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.11 Financial assets (continued)

Initial recognition

Financial assets are recognized when, and only when the Town Council becomes a party to the contractual provisions of the instruments.

At initial recognition, the Town Council measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in income and expenditure statement.

Trade receivables without a significant financing component is initially measured at the transaction price.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Town Council's business model for managing the asset and the contractual cash flow characteristics of the asset.

(i) Amortised costs

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

Amortised cost and effective interest method

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

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

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

(ii) Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payment of principal and interest, are measured at FVTOCI. Financial assets measured at FVTOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses. The cumulative gain or loss previously recognized in other comprehensive income is classified from equity to statement of income and expenditure as reclassification adjustment when the financial asset is de-recognised. Interest income from these financial assets is included in other income using effective interest rate method.

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.11 Financial assets (continued)

Subsequent measurement (continued)

(iii) Fair value through profit or loss (FVTPL)

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVTOCI are classified as FVTPL. Movement in fair values and interest income is recognised in Statement of Income and Expenditure in the period in which it arises. The Town Council measures its bonds with fund managers at their fair values. These instruments are classified as FVTPL with movements in their fair values recognised in Income and Expenditure Statement. Net gains or net losses on financial assets at fair value through profit or loss includes interest income..

Investments in equity instruments

For investments in equity instruments managed by fund managers, these are classified as FVTPL with movements in their fair value recognized in Income and Expenditure statement. Net gain includes dividend income.

Impairment of financial assets

The Town Council recognises an allowance for expected credit losses ("ECL") for all debt instruments that are measured at amortised cost through statement of income and expenditure or the respective funds. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Town Council recognises lifetime ECL for conservancy and service fees receivables and other receivables (relating solely to the fee incurred and penalty fee imposed on outstanding conservancy and service fees receivables disclosed in Note 11) using simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Town Council's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The following provision matrix is used:

	Rate of Provision
Live accounts with arrears	
in excess of 6 – 11 months	25%
in excess of 12 – 23 months	50%
in excess of 24 months	100%
Terminated accounts with arrears	100%

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.11 Financial assets (continued)

Impairment of financial assets (continued)

Any subsequent changes in lifetime ECL, both positive and negative, will be recognised immediately in statement of income and expenditure or respective funds.

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

For debt instruments at fair value through other comprehensive income, the Town Council applies the low credit risk simplification. At every reporting date, the Town Council evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Town Council reassesses the internal credit rating of the debt instrument.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Town Council compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Town Council considers historical loss rates for each category of debtors and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the debtors to settle the receivables.

The Town Council assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to meet its contractual cash flow obligations.

The Town Council regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Town Council considers the following as constituting an event of default for internal credit risk management purpose as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable: (i) where there is a breach of financial covenants by the counterparty; or (ii) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors including the Town Council in full without taking into account any collaterals held by the Town Council.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.11 Financial assets (continued)

Write-off policy

The Town Council writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over seven years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Town Council's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of income and expenditure.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Town Council in accordance with the contract and all the cash flows that the Town Council expects to receive, discounted at the original effective interest rate.

If the Town Council has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Town Council measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of income and expenditure.

2.12 Impairment of non-financial assets

The Town Council assesses at the end of each reporting period whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

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. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount and the impairment losses are recognised as an expense in statement of income and expenditure.

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, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income in statement of income and expenditure.

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.13 Cash and cash equivalents

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

2.14 Financial Liabilities

Initial recognition, measurement and derecognition of financial liabilities.

A financial liability is recognised at each reporting date when, and only when, the Town Council becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability at fair value is normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed off immediately. The transactions are recorded at the date of transaction.

The financial liability is derecognised when, and only when, its obligations are discharged, cancelled or expired. On derecognition, the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in statement of income and expenditure.

Subsequent measurement

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

2.15 Lease as a lessee

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

As lessee

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

Right-of-use assets

The Town Council recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are amortised on a straight-line basis over the lease term, as disclosed below.

Data management system	-	6 years
Office premises	-	1 year to 3 years
Office equipment	-	2 years

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.15 Lease as a lessee (continued)

The Town Council's right-of-use assets are presented in Note 9.

Lease liabilities

At the commencement date of the lease, the Town Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Town Council uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Town Council's lease liabilities are presented in Note 14.

Short-term leases and leases of low-value assets

The Town Council applies the short-term lease recognition exemption to its short-term leases of office premises and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.16 Payables

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

2.17 Provisions

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

2.18 Key management personnel

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

2.19 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

MARINE PARADE TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

2. Summary of material accounting policy information (continued)

2.20 Related parties

A related party is defined as follows:

- (a) A person or close member of that person's family is related to the Town Council if that person:
 - (i) has control or joint control over the Town Council;
 - (ii) has significant influence over the Town Council; or
 - (iii) is a member of the key management personnel of the Town Council or of a parent of the Town Council.
- (b) An entity is related to the Town Council if any of the following conditions applies:
 - (i) the entity and the Town Council are members of the same Town Council (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Town Council of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Town Council or an entity related to the Town Council. if the Town Council is itself such a plan, the sponsoring employers are also related to the Town Council;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.21 Current versus non-current classification

The Town Council presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- (i) Expected to be realised or intended to sold or consumed in normal operating cycle.
- (ii) Held primarily for the purpose of trading.
- (iii) Expected to be realised within twelve months after the reporting period.
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle.
- (ii) It is held primarily for the purpose of trading.
- (iii) It is due to be settled within twelve months after the reporting period.
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Town Council classifies all other liabilities as non-current.

Deferred tax assets and liabilities, if any, are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2024

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions of the carrying amounts of assets and liabilities that were 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 may differ from the estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a high degree of judgements or complexity, are described below.

3.1 Critical judgements made in applying the Town Council's accounting policies

In the process of applying the Town Council's accounting policies, the management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements, apart from these involving estimations described below.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follow:

Allowance for credit loss on conservancy and service fees receivables

Upon adoption of FRS 109 *Financial Instruments*, the Town Council measures impairment loss based on an expected credit loss (ECL) on conservancy and service debts and related interest charged for late payment. When measuring ECL, the Town Council uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The gross amount of conservancy and service fee and related ECL are disclosed in Note 11.

Allowance for non-financial assets

At the end of each financial year, an assessment is made on whether there are indicators that the Town Council's non-financial assets are impaired. Where necessary, the Town Council's assessments are based on the estimation of the value-in-use of the assets defined in FRS 36 *Impairment of Assets* by forecasting the expected future cash flows for a year of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows.

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.

MARINE PARADE TOWN COUNCIL

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

4 Accumulated surplus

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

	Note	Total		Residential Property		Commercial Property		Carpark	
		2024	2023	2024	2023	2024	2023	2024	2023
		\$	\$	\$	\$	\$	\$	\$	\$
Operating income									
Conservancy and service fees		45,702,829	43,425,848	39,825,426	37,712,279	5,877,403	5,713,569	-	-
Less: Operating income transfer to Ordinary Sinking Fund	5	(11,882,737)	(11,290,727)	(10,354,612)	(9,805,199)	(1,528,125)	(1,485,528)	-	-
Operating income transfer to Lift Replacement Fund (minimum required by law)	6	(6,398,397)	(6,079,617)	(5,575,561)	(5,279,716)	(822,836)	(799,901)	-	-
		27,421,695	26,055,504	23,895,253	22,627,364	3,526,442	3,428,140	-	-
Agency fees	18	3,017,631	2,903,260	-	-	-	-	3,017,631	2,903,260
Other income	19	2,795,585	2,622,193	2,245,752	1,890,665	543,516	726,820	6,317	4,708
		33,234,911	31,580,957	26,141,005	24,518,029	4,069,958	4,154,960	3,023,948	2,907,968
Less: Operating expenditure		(38,657,646)	(35,718,480)	(32,267,286)	(29,556,564)	(4,277,698)	(4,367,113)	(2,112,662)	(1,794,803)
Operating (deficit) / surplus		(5,422,735)	(4,137,523)	(6,126,281)	(5,038,535)	(207,740)	(212,153)	911,286	1,113,165
Add: Non-operating income		614,972	227,375	523,171	194,051	45,942	16,749	45,859	16,575
(Deficit) / surplus before income tax and government grants		(4,807,763)	(3,910,148)	(5,603,110)	(4,844,484)	(161,798)	(195,404)	957,145	1,129,740
Less: Income tax	17	(178,902)	(140,681)	(152,568)	(119,551)	(13,132)	(10,621)	(13,202)	(10,509)
Less: Goods and services tax	21	(702,092)	(415,801)	(645,462)	(381,754)	(56,630)	(34,047)	-	-
(Deficit) / surplus before government grants		(5,688,757)	(4,466,630)	(6,401,140)	(5,345,789)	(231,560)	(240,072)	943,943	1,119,231
Add: Government grants	22	18,260,522	16,770,938	17,729,935	16,313,148	530,587	457,790	-	-
Less: Transfer to Ordinary Sinking Fund	5, 22	(3,310,054)	(2,689,344)	(3,301,375)	(2,686,483)	(8,679)	(2,861)	-	-
Less: Transfer to Lift Replacement Fund	6, 22	(5,908,896)	(5,207,036)	(5,490,688)	(4,805,012)	(418,208)	(402,024)	-	-
Less: Transfer to Town Improvement and Project Fund	7, 22	(1,402,994)	(2,668,386)	(1,332,673)	(2,626,484)	(70,321)	(41,902)	-	-
		7,638,578	6,206,172	7,605,199	6,195,169	33,379	11,003	-	-
SURPLUS / (DEFICIT) FOR THE YEAR		1,949,821	1,739,542	1,204,059	849,380	(198,181)	(229,069)	943,943	1,119,231
Add: Accumulated surplus as at 1 April		16,205,859	13,929,358	15,665,448	13,253,232	540,411	676,126	-	-
Add (Less): Inter-funds transfer		-	-	943,943	1,119,231	-	-	(943,943)	(1,119,231)
Add: Transfer surplus from Town Improvement and Project Fund	7	123,261	815,959	119,097	700,285	4,164	115,674	-	-
Less: Appropriation to Town Improvement and Project Fund	7	(420,000)	(279,000)	(386,190)	(256,680)	(33,810)	(22,320)	-	-
ACCUMULATED SURPLUS AS AT 31 MARCH		17,858,941	16,205,859	17,546,357	15,665,448	312,584	540,411	-	-

MARINE PARADE TOWN COUNCIL

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

5 Ordinary Sinking Fund

Note	Total		Residential Property		Commercial Property	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
	68,946,871	75,026,954	41,273,369	47,950,180	27,673,502	27,076,774
4	11,882,737	11,290,727	10,354,612	9,805,199	1,528,125	1,485,528
5(i)	2,296,668	1,550,784	2,112,023	1,413,848	184,645	136,936
4,22	427,731	-	427,731	-	-	-
4,22	2,882,323	2,689,344	2,873,644	2,686,483	8,679	2,861
	17,489,459	15,530,855	15,768,010	13,905,530	1,721,449	1,625,325
5(ii)	(26,098,348)	(21,232,906)	(23,005,258)	(20,235,205)	(3,093,090)	(997,701)
17	(191,839)	(186,994)	(176,393)	(171,733)	(15,446)	(15,261)
21	(441,547)	(191,038)	(405,911)	(175,403)	(35,636)	(15,635)
	(9,242,275)	(6,080,083)	(7,819,552)	(6,676,811)	(1,422,723)	596,728
	59,704,596	68,946,871	33,453,817	41,273,369	26,250,779	27,673,502
10	41,707,042	40,527,223				
13	19,194,650	31,300,778				
	627,040	731,510				
11	251,125	252,755				
12	630,811	59,893				
	3,202,590	3,242,550				
	65,613,258	76,114,709				
	65,613,258	76,114,709				
16	(5,526,616)	(6,912,555)				
17	(382,046)	(255,283)				
	(5,908,662)	(7,167,838)				
	59,704,596	68,946,871				

MARINE PARADE TOWN COUNCIL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024****5 Ordinary Sinking Fund (continued)**

(i) Investment and other income	2024	2023
	\$	\$
Interest income - fixed deposits	919,016	729,568
Fair value gain from financial assets carried at fair value through profit or loss	1,375,144	820,711
Other Income	2,508	505
	2,296,668	1,550,784

(ii) Expenditure	2024	2023
	\$	\$
Re-roofing works	3,453,742	1,356,815
Electrical rewiring	3,292,485	3,989,088
Replacement of water pump sets	361,390	168,979
Escalator works	19,950	10,500
Repairs and redecoration	15,052,270	14,181,357
Replacement of water pipes	7,972	136,655
Replacement of fire fighting & protection system	279,419	317,534
Consultancy fees and other charges	1,034,925	653,453
Replacement of water tank lining	2,596,195	418,525
	26,098,348	21,232,906

MARINE PARADE 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 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Balance as at 1 April	51,192,322	50,691,020	40,238,109	40,750,916	10,954,213	9,940,104
Add:						
Operating income transfer from conservancy and service fees	4	6,398,397	6,079,617	5,575,561	5,279,716	822,836
Investment and other income	6(i)	1,937,537	926,942	1,781,212	851,100	156,325
Funding for Lift Enhancement Programme		3,940,488	4,566,574	3,805,741	4,463,538	134,747
Transfer from LRF Matching Grant	4,22	4,126,556	3,758,926	3,713,022	3,358,442	413,534
Transfer from government grants on Special Funding Support	4,22	230,318	-	230,318	-	-
Transfer from government grants on S&CC, GST Subvention and LMG	4,22	1,552,022	1,448,110	1,547,348	1,446,570	4,674
		18,185,318	16,780,169	16,653,202	15,399,366	1,532,116
						1,380,803
Less: Expenditure	6(ii)	(10,742,757)	(15,951,477)	(10,496,528)	(15,611,551)	(246,229)
Less: Income tax	17	(327,783)	(157,620)	(301,388)	(144,756)	(26,395)
Goods and services tax	21	(194,348)	(169,770)	(178,663)	(155,866)	(15,685)
Surplus / (Deficit) for the year		6,920,430	501,302	5,676,623	(512,807)	1,243,807
						1,014,109
Balance as at 31 March		58,112,752	51,192,322	45,914,732	40,238,109	12,198,020
						10,954,213

Represented by:

Current assets

Cash and cash equivalents
Interest receivable
Conservancy and service fees receivables
Other receivables
Due from accumulated surplus

13	50,599,254	48,326,070
	856,589	705,434
11	135,225	136,102
12	6,475,476	3,129,806
	1,688,946	2,362,987
	59,755,490	54,660,399
	59,755,490	54,660,399

Total assets

Less:

Current liabilities

Payables and accrued expenses
Income tax payable

16	(1,157,394)	(3,265,962)
17	(485,344)	(202,115)
	(1,642,738)	(3,468,077)

NET ASSETS

58,112,752 **51,192,322**

MARINE PARADE TOWN COUNCIL

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

6 Lift Replacement Fund (continued)

(i) Investment income	2024	2023
	\$	\$
Interest income - fixed deposits	1,796,184	842,280
Interest income - bank	132,185	84,662
Other Income	9,168	-
	1,937,537	926,942

(ii) Expenditure	2024	2023
	\$	\$
Lift cyclical maintenance works	2,218,129	2,156,131
Lift overhauls and replacement works	3,927,400	9,897,439
Replacement of Lift Position Display Panel	252,736	66,303
Lift Enhancement Programme	4,189,940	3,523,622
Project management and other charges	154,552	307,982
	10,742,757	15,951,477

MARINE PARADE 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	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Balance as at 1 April	279,000	913,200	256,680	767,088	22,320	146,112
Transfer from government grants	4,23 1,402,994	2,668,386	1,332,673	2,626,484	70,321	41,902
Expenditure	7(i) (1,558,733)	(2,765,627)	(1,470,256)	(2,693,287)	(88,477)	(72,340)
Deficit for the year	(155,739)	(97,241)	(137,583)	(66,803)	(18,156)	(30,438)
Transfer to accumulated surplus*	4 (123,261)	(815,959)	(119,097)	(700,285)	(4,164)	(115,674)
	-	-	-	-	-	-
Appropriation from accumulated surplus **	4 420,000	279,000	386,190	256,680	33,810	22,320
Balance as at 31 March	420,000	279,000	386,190	256,680	33,810	22,320

Represented by:

Current asset

Due from accumulated surplus	420,000	279,000
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(i) Expenditure

Construction of covered linkways and pavilion	837,708	1,710,210
Construction/upgrading of playground, fitness corner etc	206,131	24,668
Residents' and study corner	24,017	406,326
Outdoor facilities	490,877	624,423
	1,558,733	2,765,627

* At the end of each financial year, the Town Council would transfer any surplus or deficit from the Town Improvement Project Fund to the accumulated surplus.

** The amount required by Town Improvement Project Fund for the following year would then be appropriated from the accumulated surplus.

MARINE PARADE TOWN COUNCIL

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

8 Plant and equipment

	Note	Furniture, fixtures and fittings \$	Office equipment \$	Data processing equipment \$	Total \$
<u>Cost</u>					
As at 31 March 2022		931,619	202,283	155,540	1,289,442
Additions		14,255	2,107	20,720	37,082
Written off		-	-	(17,056)	(17,056)
As at 31 March 2023		945,874	204,390	159,204	1,309,468
Additions		26,411	4,913	30,519	61,843
Written off		(2,160)	(7,270)	(19,926)	(29,356)
As at 31 March 2024		970,125	202,033	169,797	1,341,955
<u>Accumulated depreciation</u>					
As at 31 March 2022		908,804	197,781	106,198	1,212,783
Depreciation	20	9,684	2,095	33,700	45,479
Written off		-	-	(17,056)	(17,056)
As at 31 March 2023		918,488	199,876	122,842	1,241,206
Depreciation	20	11,130	2,141	27,949	41,220
Written off		(2,160)	(7,270)	(19,926)	(29,356)
As at 31 March 2024		927,458	194,747	130,865	1,253,070
<u>Net book value</u>					
As at 31 March 2023		27,386	4,514	36,362	68,262
As at 31 March 2024		42,667	7,286	38,932	88,885

MARINE PARADE TOWN COUNCIL

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

9 Right-of-use assets	Data management system \$	Office premises \$	Office equipment \$	Total \$
Cost				
As at 31 March 2022	1,857,275	750,933	39,964	2,648,172
Additions	-	407,062	44,541	451,603
End of lease term	-	(430,371)	(39,964)	(470,335)
As at 31 March 2023	1,857,275	727,624	44,541	2,629,440
Additions	-	316,974	-	316,974
End of lease term	-	(320,563)	-	(320,563)
As at 31 March 2024	1,857,275	724,035	44,541	2,625,851
Accumulated depreciation				
As at 31 March 2022	386,932	438,536	34,286	859,754
Charge to profit or loss	309,546	248,368	14,338	572,252
End of lease term	-	(430,371)	(39,964)	(470,335)
As at 31 March 2023	696,478	256,533	8,660	961,671
Charge to profit or loss	309,546	242,442	14,847	566,835
End of lease term	-	(320,563)	-	(320,563)
As at 31 March 2024	1,006,024	178,412	23,507	1,207,943
Net carrying amount				
As at 31 March 2023	1,160,797	471,091	35,881	1,667,769
As at 31 March 2024	851,251	545,623	21,034	1,417,908

10 Financial assets at fair value through profit or loss

The funds with fund manager are administered by Lion Global Investors Ltd. The fund manager is given discretionary powers within certain guidelines to invest the funds. The fund manager is entitled to charge a monthly management fee based on the month-end net assets valuation of the funds at an agreed rate.

Cash and fixed deposits included in investment with fund manager cannot be freely withdrawn for use by the Town Council until the expiry or termination of fund management agreement. This agreement can be terminated by either party giving a notice period of 1 month.

The funds are invested in accordance with the Town Councils Act.

	Note	2024 \$	2023 \$
Balance at beginning of year		40,820,711	-
Additions during the year		-	40,000,000
Interest income		986,617	504,132
Management fees		(15,269)	(14,511)
Change in fair value		403,796	331,090
Balance at end of the year		42,195,855	40,820,711

At the end of the reporting period, the investments with fund manager comprised the following:

		2024 \$	2023 \$
At fair value			
- Unquoted Equity Fund		1,620,000	6,954,415
- Quoted Equity Fund		6,734,240	-
- Quoted Bonds		33,352,802	33,572,808
Financial assets at fair value through profit or loss		41,707,042	40,527,223
Cash and fixed deposits	13	279,358	64,919
Interest receivables		209,455	228,569
		42,195,855	40,820,711
Taken up in:			
Ordinary Sinking Fund		42,195,855	40,820,711

MARINE PARADE TOWN COUNCIL

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

11 Conservancy and service fees receivables

	Note	2024 \$	2023 \$
Conservancy and service fees receivables		2,472,510	2,631,734
Less: Allowance for credit loss		(1,450,484)	(1,573,047)
Net		1,022,026	1,058,687
Taken up in:			
Accumulated surplus		635,676	669,830
Ordinary Sinking Fund	5	251,125	252,755
Lift Replacement Fund	6	135,225	136,102
		1,022,026	1,058,687

Conservancy and service fees receivables are non-interest bearing and are generally on 30 days (2023: 30 days) credit term.

The movements in allowance for credit loss are as follows:

		2024 \$	2023 \$
Balance as at 1 April		1,573,047	1,702,870
Write off during the year		(23,698)	(188,624)
(Reversal)/ Charge to profit or loss	20	(98,865)	58,801
Balance as at 31 March		1,450,484	1,573,047

12 Other receivables

	Note	2024 \$	2023 \$
Deposits		545,812	341,352
Claims for Citizens' Consultative Committee funding receivable		2,855,271	3,024,103
Billing for work carried out, reimbursement from HDB		290,188	57,588
Billing for work carried out, reimbursement from contractors		77,804	75,184
Billing for work carried out, reimbursement from NEA		20,419	34,061
Receivable from MND		581,419	456,881
Grant receivable		922,340	922,601
SLRP funding receivable from HDB		5,631,573	2,338,144
Other receivables*		768,534	558,025
Less: Allowance for credit loss		(306,863)	(337,526)
Net		11,386,497	7,470,413
Taken up in:			
Accumulated surplus		4,280,210	4,280,714
Ordinary Sinking Fund	5	630,811	59,893
Lift Replacement Fund	6	6,475,476	3,129,806
		11,386,497	7,470,413

The movements in allowance for credit loss for other receivables are as follows:

		2024 \$	2023 \$
Balance as at beginning of year		337,526	410,513
Charge to profit or loss	20	7,048	6,289
Written off during the year		(37,711)	(79,276)
Balance as at year end		306,863	337,526

*Other receivables consist of fee incurred and penalty fee imposed on outstanding conservancy and service fees receivables. ECL is provided on the same basis as conservancy and service fees receivables.

MARINE PARADE TOWN COUNCIL

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

13 Cash and short term deposits

	Note	2024 \$	2023 \$
Cash on hand		11,000	11,000
Cash at banks		16,874,115	18,981,311
Cash and fixed deposits held in trust by fund managers	10	279,358	64,919
		<u>17,164,473</u>	<u>19,057,230</u>
Fixed deposits with financial institutions		74,718,000	82,000,000
		<u>91,882,473</u>	<u>101,057,230</u>
Taken up in:			
Accumulated surplus		22,088,569	21,430,382
Ordinary Sinking Fund	5	19,194,650	31,300,778
Lift Replacement Fund	6	50,599,254	48,326,070
		<u>91,882,473</u>	<u>101,057,230</u>
Fixed deposits			
- Maturing in more than 3 months		47,595,000	-
- Maturing within 3 months		<u>27,123,000</u>	<u>82,000,000</u>
		<u>74,718,000</u>	<u>82,000,000</u>

Fixed deposits are placed for a period of 6 to 12 months. The interest rates range from 3.33% to 4.15% (2023: 0.55% to 4.35%) per annum. The weighted average effective interest rates per annum relating to fixed deposits is 3.93% (2023: 4.05%).

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

	2024 \$	2023 \$
Cash and short term deposits	91,882,473	101,057,230
Less: Fixed deposits maturing more than 3 months	(47,595,000)	-
Less: Cash and fixed deposits held in trust by fund managers	(279,358)	(64,919)
Cash and cash equivalents per statement of cash flows	<u>44,008,115</u>	<u>100,992,311</u>

14 Lease liabilities

	2024 \$	2023 \$
Current liabilities	508,075	515,138
Non-current liabilities	746,600	943,892
	<u>1,254,675</u>	<u>1,459,030</u>
<u>Contractual cash flows</u>		
Within 1 year	589,911	582,309
Year 2	545,319	475,911
Year 3	343,710	431,319
Year 4	-	237,222
	<u>1,478,940</u>	<u>1,726,761</u>
Less: Future interest expenses	(224,265)	(267,731)
Present value of lease liabilities	<u>1,254,675</u>	<u>1,459,030</u>

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2024 \$	2023 \$
At beginning of year	1,459,030	1,548,770
New leases during the year	316,974	451,603
<u>Changes from financing cash flows</u>		
Repayment of lease liabilities	(589,821)	(593,354)
<u>Non-cash changes</u>		
Interest expense	68,492	52,011
At end of year	<u>1,254,675</u>	<u>1,459,030</u>

MARINE PARADE TOWN COUNCIL

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

14 Lease liabilities (continued)

Amount recognised in Income and Expenditure	2024 \$	2023 \$
<u>Leases under FRS 116</u>		
Interest expense on lease liabilities	68,492	52,011

The Town Council has entered into lease contracts for its office premises, office equipment and data management system. The lease for office premises typically run for of 3 years, with an option to renew the lease after that date. Lease payment are renegotiated upon renewal based on prevailing market conditions.

The lease term for the data management system is 6 years, with an option to enter for the maintenance services after that date. The Town Council reserves the right to exercise for the option years but the option years are not recognised for the reason of uncertainty from business perspective.

15 Receivables for Neighbourhood Renewal Programme (NRP) and Electrical Load Upgrading (ELU) Programme

	2024 \$	2023 \$
Balance as at 1 April	886,486	1,201,204
Funding from government	(131)	(925,544)
Payments to contractors	1,666,250	610,826
	1,666,119	(314,718)
Balance as at 31 March	2,552,605	886,486

Neighbourhood Renewal Programme ("NRP") was introduced in August 2007 in response to feedback received from residents during the Forum on HDB Heartware for more active consultation on the improvements to be provided in their precincts. Blocks built up to 1989 and have not undergone the Main Upgrading Programme (MUP) or Interim Upgrading Programme (IUP) are eligible for NRP. The funding for the programme comes from the government and is for the specific use of projects under the programme. However, if the cost of project works incurred exceeds the funding provided, the Town Council has to bear the cost of excess expenditures.

The ELU Programme was introduced to upgrade the incoming electrical supply for HDB apartments blocks with a 40 amps main switch instead of 30 amps.

16 Payables and accrued expenses	Note	2024 \$	2023 \$
Accruals for completed works		343,632	334,713
Accrued operating expenses		10,398,513	13,699,470
Time-limited special funding support received in advance		548,373	-
Refundable deposits		502,973	371,302
GST Payable		37,281	41,062
Other payables		294,238	200,419
		12,125,010	14,646,966
Taken up in:			
Accumulated surplus		5,441,000	4,468,449
Ordinary Sinking Fund	5	5,526,616	6,912,555
Lift Replacement Fund	6	1,157,394	3,265,962
		12,125,010	14,646,966

Payables are non-interest bearing and are generally on 30 - 90 days (2023: 30 - 90 days) credit term.

As at 31 March 2024, included in the accrued operating expenses is an amount of \$637,387 (2023: \$848,957) payable to the managing agent with a credit term of 30 days (2023: 30 days).

MARINE PARADE TOWN COUNCIL

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

17 Income tax

	Note	2024 \$	2023 \$
Current tax expense		695,926	482,696
Under-provision of tax in previous financial years		2,598	2,599
		698,524	485,295
Taken up in:			
Accumulated surplus	4	178,902	140,681
Ordinary Sinking Fund	5	191,839	186,994
Lift Replacement Fund	6	327,783	157,620
		698,524	485,295

The tax expense on income differs from the amount determined by applying the Singapore standard rate of income tax due to the following:

	2024 \$	2023 \$
<u>Taxable income and deductible expenses</u>		
Interest and investment income	3,671,942	2,373,740
Government grants and other income	18,214,188	16,773,261
Trade income	437,043	661,608
Allowable expenses	(43,477)	(64,480)
	22,279,696	19,744,129
Tax calculated at a tax rate of 17% (2023: 17%)	3,787,548	3,356,502
Tax remission of government grants under section 92(2) of Singapore Income Tax Act	(3,074,197)	(2,836,113)
Tax effect on concessionary income	-	(20,268)
Singapore statutory stepped income exemption	(17,425)	(17,425)
Current tax expense	695,926	482,696
Under-provision of tax in previous financial years	2,598	2,599
	698,524	485,295

The movements in income tax payable are as follows:

	Note	2024 \$	2023 \$
Balance as at 1 April		712,304	554,897
Payments during the year		(229,316)	(327,888)
Current year income tax expense		695,926	482,696
Under-provision of tax in previous financial years		2,598	2,599
Balance as at 31 March		1,181,512	712,304
Taken up in:			
Accumulated surplus		314,122	254,906
Ordinary Sinking Fund	5	382,046	255,283
Lift Replacement Fund	6	485,344	202,115
		1,181,512	712,304

MARINE PARADE TOWN COUNCIL

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

18 Agency fees

These are fees received from routine maintenance of HDB's car parks in the Town.

19 Other income

	2024 \$	2023 \$
Penalty on late payment of conservancy and services fees	89,805	91,120
Liquidated damages imposed on contractors	265,460	174,540
Temporary occupational licenses	2,013,758	2,121,636
Usage of void deck, water, electricity and common property	347,069	164,882
Others	79,493	70,015
	2,795,585	2,622,193

20 General and administrative expenditure

	Note	2024 \$	2023 \$
Advertising, publicity and public relations		601,591	88,439
Audit fees		41,359	72,314
Computer services and fees		81,149	83,844
Depreciation of plant and equipment	8	41,220	45,479
Depreciation of right-of-use assets	9	566,835	572,252
Insurance premium		93,054	87,147
Lease interest expenses	14	68,492	52,011
Office upkeep expenditure		105,715	130,448
Office supplies and stationery		133,102	85,247
Others		191,780	177,002
Property tax		206,191	222,243
Staff salaries and related expenses		215,443	169,847
Telecommunication		94,169	93,777
Town Councillors' allowances		219,455	223,182
(Reversal) / Allowance for credit loss on receivables, net	11,12	(91,817)	65,090
		2,567,738	2,168,322

21 Goods and Services Tax ("GST")

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore. The unclaimable portion is charged to statement of income and expenditure.

Disallowed input tax in the respective funds are as follows:

	Note	2024 \$	2023 \$
Accumulated surplus	4	702,092	415,801
Ordinary Sinking Fund	5	441,547	191,038
Lift Replacement Fund	6	194,348	169,770
		1,337,987	776,609

MARINE PARADE TOWN COUNCIL

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

22 Government grants

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

Note	Total		Service and Conservancy Charges Grant		Lift Replacement Fund Matching Grant		Payment from Citizens Consultative Committees		Time-limited Special Funding Support		GST Subvention Grant		Lift Maintenance Grant	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Government grants received/receivable	16,235,952	15,217,087	8,239,283	7,988,775	4,126,556	3,758,926	1,402,994	2,668,386	1,645,119	-	-	-	822,000	801,000
GST Subvention received/receivable	2,024,570	1,553,851	-	-	-	-	-	-	-	-	2,024,570	1,553,851	-	-
4	18,260,522	16,770,938	8,239,283	7,988,775	4,126,556	3,758,926	1,402,994	2,668,386	1,645,119	-	2,024,570	1,553,851	822,000	801,000
Less: Transfers to														
- Ordinary Sinking Fund	4, 5	(3,310,054)	(2,689,344)	(2,142,214)	(2,077,082)	-	-	-	(427,731)	-	(526,388)	(404,002)	(213,721)	(208,260)
- Lift Replacement Fund	4, 6	(5,908,896)	(5,207,036)	(1,153,499)	(1,118,428)	(4,126,556)	(3,758,926)	-	(230,318)	-	(283,442)	(217,542)	(115,081)	(112,140)
- Town Improvement and Project Fund	4, 7	(1,402,994)	(2,668,386)	-	-	-	-	(1,402,994)	(2,668,386)	-	-	-	-	-
	7,638,578	6,206,172	4,943,570	4,793,265	-	-	-	-	987,070	-	1,214,740	932,307	493,198	480,600

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

	2024	2023
	\$	\$
Balance as at beginning of the year	381,373,385	364,602,447
Add: Grants received/receivable	18,260,522	16,770,938
Balance as at end of the year	399,633,907	381,373,385

MARINE PARADE TOWN COUNCIL

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

23 Inter-fund transfers

The Town Council may make inter-fund transfers with the criteria as set out in Section 47(12) and Section 57(1)(i) of the Town Councils Act 1988, and Rule 11A of Town Council Financial Rules.

24 Commitments

Approved Town Council's expenditure not provided for in the financial statements as at the financial year-end is as follows:

	2024 \$	2023 \$
Amount approved and contracted for	33,393,296	32,663,277
Amount approved but not contracted for	10,146,988	16,713,019
	43,540,284	49,376,296

25 Significant related party transactions

Marine Parade Town Council is managed by the managing agent, M/s C&W Services (S) Pte Ltd. Related party relates to the managing agent which provides key management personnel in the management of Town Council's operations.

	2024 \$	2023 \$
Town Councillors' allowances	219,455	223,182

The following are significant transactions took place between the Town Council and its managing agent on terms agreed between the parties during the financial year:

	2024 \$	2023 \$
- Managing agent fees	4,880,554	4,612,867
- Project management and other fees	3,138,552	1,820,109

MARINE PARADE TOWN COUNCIL

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

26 Financial instruments and financial risk

The Town Council's financial instruments comprised of cash and cash equivalents, investments in financial assets carried at fair value through profit or loss, conservancy and service fees receivables and other receivables, accrued expenses and other payables that arise from its operations.

The main risks arising from the Town Council's financial instruments are credit risk and market risk. The Town Council is not exposed to foreign exchange risk. Risks management policies and systems are reviewed regularly to reflect changes in the operational environment and market conditions.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Financial assets subject to credit risk consist principally of cash balances with banks, conservancy and service fee receivables from household owners, other receivables and investment securities. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the financial year.

The cash with banks are held with 6 (2023: 6) regulated banks. For investments in securities, the Town Council minimise credit risk by dealing with high credit rating counterparty. The other receivables comprises mainly receivables from government agencies. Impairment of these financial instruments are measured on the 12-month expected credit loss basis as there are no significant increase in credit risk of these financial instruments since initial recognition. The Town Council considers that these financial instruments have low credit risk.

For conservancy and service fees receivables, an ongoing credit evaluation is performed on the financial conditions of the receivables and credit losses on are recognised in statement of income and expenditure. The allowance for credit loss of conservancy and service fees receivables totalling \$1,450,484 (2023: \$1,573,047) is determined at the reporting date (Note 11).

The Town Council measures loss allowance for conservancy and service fees receivables using simplified approach at an amount equal to lifetime expected credit losses ("ECLs"), which is calculated using a provision matrix. As the Town Council's historical credit loss experience does not indicate significantly different loss patterns for different debtor segments, the loss allowance based on past due status is not further distinguished between the Town Council's different debtor bases.

The following table provides information about the Town Council's exposure to credit risk and ECLs for conservancy and service fees receivables as at 31 March 2024.

	Past due				
	0 - 5 months	6 - 11 months	12 - 23 months	over 24 months	Total
31 March 2024					
Provision on individual basis					
Lifetime expected credit loss rate	100%	100%	100%	100%	
Gross carrying amount of terminated account (\$)	36,277	41,309	37,559	172,573	287,718
Loss allowance of terminated account (\$)	(36,277)	(41,309)	(37,559)	(172,573)	(287,718)
Provision on collective basis					
Lifetime expected credit loss rate	0%	25%	50%	100%	
Gross carrying amount excluding terminated account (\$)	651,283	291,412	304,369	937,729	2,184,793
Loss allowance excluding terminated account (\$)	-	(72,853)	(152,184)	(937,729)	(1,162,766)
Total loss allowance	(36,277)	(114,162)	(189,743)	(1,110,302)	(1,450,484)
	Past due				
	0 - 5 months	6 - 11 months	12 - 23 months	over 24 months	Total
31 March 2023					
Provision on individual basis					
Lifetime expected credit loss rate	100%	100%	100%	100%	
Gross carrying amount of terminated account (\$)	165,155	26,505	29,721	61,498	282,879
Loss allowance of terminated account (\$)	(165,155)	(26,505)	(29,721)	(61,498)	(282,879)
Provision on collective basis					
Lifetime expected credit loss rate	0%	25%	50%	100%	
Gross carrying amount excluding terminated account (\$)	601,969	321,772	430,781	994,334	2,348,856
Loss allowance excluding terminated account (\$)	-	(80,443)	(215,391)	(994,334)	(1,290,168)
Total loss allowance	(165,155)	(106,948)	(245,112)	(1,055,832)	(1,573,047)

MARINE PARADE TOWN COUNCIL

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

26 Financial instruments and financial risk (cont'd)

Credit risk (cont'd)

The Town Council keeps assessing the expected credit loss rates based on the Town Council's historical credit loss experience over the past years, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of the reporting period over the expected lives of the receivables.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

There is no concentration of credit risk with respect to conservancy and service fees receivables, as the Town Council has a large number of household owners.

The total amount receivable from each individual account is aged based on the earliest invoice which is still outstanding as at each month end.

Market risk

Equity price risk

The Town Council is exposed to securities price risk from financial assets which are classified on the statement of financial position at fair value through profit or loss. Fluctuations in the equity price risk of a security may result from perceived changes in the underlying economic characteristics of the financial assets and the market conditions. The investment portfolio with fund managers are monitored by the fund managers, on a regular basis, so as to assess changes in fundamentals and valuation. Guidelines have been set by the Finance and Investment Committee to manage the exposure of the investment portfolio so as to reduce exposures to market volatility by diversifying the investment portfolio into equities, bonds and other financial assets.

At the end of the reporting period, the Town Council has a total investment in unquoted equity fund of \$1,620,000 (2023:\$6,954,415) and quoted equity fund of \$6,734,240 (2023: nil). A 10% increase (decrease) in the underlying equity prices at the reporting date would increase (decrease) financial assets at fair value through profit or loss and sinking funds surplus by \$835,424 (2023:\$695,442).

Interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Town Council's interest rate risk primarily relates to its interest earning fixed deposits with banks.

Sensitivity analysis

At the end of the reporting period, if interest rates had been 100 (2023: 100) basis points lower/ higher with all other variables held constant, the Town Council's surplus net of tax would have been \$620,159 (2023: \$680,600) lower/ higher, arising mainly as a result of lower/higher interest income on fixed deposits.

Liquidity risk

Liquidity risk is the risk that the Town Council will encounter difficulty in meeting financial obligations due to shortage of funds. 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 contractual undiscounted cash flows of financial assets and financial liabilities due within 12 months approximate their carrying amounts as the impact of discounting is not significant.

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.

Financial instruments by category

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

	2024 \$	2023 \$
Financial assets at fair value through profit or loss	41,707,042	40,527,223
Financial assets at amortised cost	108,427,218	112,050,867
Less: financial liabilities at amortised cost	(14,325,971)	(16,936,703)
Net	135,808,289	135,641,387

MARINE PARADE TOWN COUNCIL

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 current financial assets and liabilities approximate their respective fair values due to the relatively short term maturity of these financial instruments.

The Town Council does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

The fair value for quoted bonds and quoted equity funds at fair value through profit or loss are determined by reference to their quoted bid prices at the end of the reporting date and are categorised under the Level 1 of the fair value hierarchy. The fair value of an unquoted equity fund is based on the published net asset value of the fund at the end of the reporting period and is classified under Level 2 of the fair value hierarchy.

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 during the year.

The Town Council is not subject to externally imposed capital requirements.

The Town Council's total funds amounted to \$136,096,289 (2023: \$136,624,052).

29 Comparative figures

The financial statements of the Town Council for the financial year ended 31 March 2023 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 14 September 2023.



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