



**URBAN REDEVELOPMENT AUTHORITY
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024**

URBAN REDEVELOPMENT AUTHORITY

REPORT AND FINANCIAL STATEMENTS

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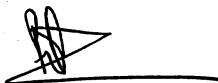
URBAN REDEVELOPMENT AUTHORITY

STATEMENT BY URBAN REDEVELOPMENT AUTHORITY

In our opinion,

- (a) the accompanying financial statements of Urban Redevelopment Authority (the "Authority"), set out on pages 6 to 32 are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 ("PSG Act"), the Urban Redevelopment Authority Act 1989 ("URA Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Authority as at 31 March 2024, and the financial performance, changes in equity and cash flows for the year then ended;
- (b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the year are, in all material respects, in accordance with the provisions of the PSG Act, URA Act and the requirements of any other written law applicable to moneys of or managed by the Authority; and
- (c) proper accounting and other records have been kept, including records of all assets of the Authority, whether purchased, donated or otherwise.

On behalf of Urban Redevelopment Authority



.....
Peter Ho Hak Ean
Chairman



.....
Lim Eng Hwee
Chief Executive Officer

26 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF URBAN REDEVELOPMENT AUTHORITY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Urban Redevelopment Authority (the "Authority") which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 32.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 ("PSG Act"), the Urban Redevelopment Authority Act 1989 ("URA Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Authority as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Authority for the 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 Authority in accordance with the Accounting and Corporate Regulatory Authority 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.

Information Other than Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Statement by Urban Redevelopment Authority set out on page 1, 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 THE BOARD OF URBAN REDEVELOPMENT AUTHORITY

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

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

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Authority'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 Authority or for the Authority to cease operations.

Those charged with governance are responsible for overseeing the Authority'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 skepticism throughout the audit. We also:

- (a) 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.
- (b) 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 Authority's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (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 Authority'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 Authority to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF URBAN REDEVELOPMENT AUTHORITY

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 Authority during the year are, in all material respects, in accordance with the provisions of the PSG Act, URA Act and the requirements of any other written law applicable to moneys of or managed by the Authority; and
- (b) proper accounting and other records have been kept, including records of all assets of the Authority 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 Authority 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 PSG Act, URA Act and the requirements of any other written law applicable to moneys of or managed by the Authority. This responsibility includes monitoring related compliance requirements relevant to the Authority, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF
URBAN REDEVELOPMENT AUTHORITY

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 PSG Act, URA Act and the requirements of any other written law applicable to moneys of or managed by the Authority.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys, 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 Authority's internal control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.



Public Accountants and
Chartered Accountants
Singapore

26 June 2024

URBAN REDEVELOPMENT AUTHORITY

**STATEMENT OF FINANCIAL POSITION
31 March 2024**

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		\$'000	\$'000
<u>ASSETS</u>			
Non-current asset			
Property, plant and equipment	4	185,865	192,475
Current assets			
Debtors, prepayments and accrued revenue	5	29,600	17,301
Financial assets at fair value through profit or loss	6	682,784	712,870
Cash and cash equivalents	7	287,245	197,731
Total current assets		<u>999,629</u>	<u>927,902</u>
Total assets		<u>1,185,494</u>	<u>1,120,377</u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Creditors and accrued operating expenses	8	54,409	48,590
Agency and other deposits	9	2,280	2,625
Provision for contribution to Consolidated Fund	10	9,554	-
Deferred income	11	5,495	6,340
Financial liabilities at fair value through profit or loss	6	1,185	359
Total current liabilities		<u>72,923</u>	<u>57,914</u>
Non-current liabilities			
Project advances	8	13,186	12,363
Deferred income	11	1,803	1,331
Provision for pensions and gratuities	12	1,044	1,100
Total non-current liabilities		<u>16,033</u>	<u>14,794</u>
Equity			
Capital account	13	27,692	27,692
Accumulated surplus		<u>1,068,846</u>	<u>1,019,977</u>
Total equity		<u>1,096,538</u>	<u>1,047,669</u>
Total liabilities and equity		<u>1,185,494</u>	<u>1,120,377</u>

See accompanying notes to financial statements.

URBAN REDEVELOPMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2024

	<u>Note</u>	<u>2023/2024</u>	<u>2022/2023</u>
		\$'000	\$'000
Operating income			
Income from planning and other services	14	110,191	111,282
Agency and consultancy fees	15	22,655	18,867
Income from development control	16	43,105	38,475
Parking fees and related charges	17	66,994	63,627
Rental income		16,901	17,277
Other operating income	19	10,810	10,235
		<u>270,656</u>	<u>259,763</u>
Less:			
Operating expenses			
Expenditure on manpower and staff benefits	20	143,808	140,719
Operating supplies and services	21	45,596	48,593
Temporary occupation licence fees	22	29,936	29,610
Depreciation	4	13,511	12,791
Property and car park maintenance		11,752	11,676
		<u>244,603</u>	<u>243,389</u>
		<u>26,053</u>	<u>16,374</u>
Operating surplus			
Non-operating surplus / (deficit)			
Net income / (loss) from bank deposits and investments	18	41,872	(27,704)
Other non-operating income		22	37
		<u>41,894</u>	<u>(27,667)</u>
Surplus / (Deficit) before contribution to Consolidated Fund			
		67,947	(11,293)
Contribution to Consolidated Fund	10	<u>(9,554)</u>	<u>-</u>
Net surplus / (deficit) for the year, representing total comprehensive income for the year			
		<u>58,393</u>	<u>(11,293)</u>

See accompanying notes to financial statements.

URBAN REDEVELOPMENT AUTHORITY

**STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2024**

	Capital account	Accumulated surplus	Total
	\$'000	\$'000	\$'000
Balance at 1 April 2022	27,692	1,049,038	1,076,730
Net deficit for the year, representing total comprehensive income for the year	-	(11,293)	(11,293)
Funding for government projects (Note 23)	-	(17,768)	(17,768)
Balance at 31 March 2023	27,692	1,019,977	1,047,669
Net surplus for the year, representing total comprehensive income for the year	-	58,393	58,393
Funding for government projects (Note 23)	-	(9,524)	(9,524)
Balance at 31 March 2024	27,692	1,068,846	1,096,538

See accompanying notes to financial statements.

URBAN REDEVELOPMENT AUTHORITY

STATEMENT OF CASH FLOWS Year ended 31 March 2024

	2023/2024	2022/2023
	\$'000	\$'000
Operating activities		
Surplus/(deficit) before contribution to Consolidated Fund	67,947	(11,293)
Adjustments for:		
Depreciation	13,511	12,791
Deferred income recognised	(6,339)	(5,792)
Net (gain)/loss from bank deposits and investments	(41,872)	27,704
Loss/(gain) on disposal of property, plant and equipment	7	(4)
Bad debts written off	-	160
Operating cash flows before movements in working capital	33,254	23,566
Debtors, prepayments and accrued revenue	(11,689)	794
Agency and other deposits	(345)	308
Creditors and accrued operating expenses	7,951	(7,897)
Payments for pensions and gratuities	(56)	(59)
Deferred income received	5,966	6,270
Net cash from operating activities	35,081	22,982
Investing activities		
Purchase of property, plant and equipment	(7,529)	(9,995)
Proceeds on disposal of property, plant and equipment	-	5
Interest received	14,064	13,491
Net income from sale and purchase of financial assets at fair value through profit or loss	56,731	3,200
Net cash from investing activities	63,266	6,701
Financing activity		
Funding for government projects, representing net cash used in financing activity	(10,286)	(16,760)
Net increase in cash and cash equivalents	88,061	12,923
Cash and cash equivalents at beginning of year	193,872	180,949
Cash and cash equivalents at end of year (Note 7)	281,933	193,872

Note:

During the year, the Authority acquired property, plant and equipment amounting to \$6,908,000 (2022/2023 : \$9,097,000), of which \$1,805,000 (31 March 2023 : \$2,426,000) has not been paid at the end of the reporting period.

See accompanying notes to financial statements.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

31 March 2024

1 GENERAL INFORMATION

The Urban Redevelopment Authority (the "Authority") is a statutory board established in Singapore under the Urban Redevelopment Authority Act 1989. The supervisory ministry is the Ministry of National Development. The Authority is domiciled in Singapore with its principal place of business at 45 Maxwell Road, The URA Centre, Singapore 069118.

The principal activities of the Authority are to:

- (a) plan and facilitate the physical development of Singapore;
- (b) sell and manage land for the government;
- (c) undertake development projects on behalf of the government and other organisations;
- (d) manage car parks; and
- (e) carry out such other functions as imposed upon the Authority by or under the Urban Redevelopment Authority Act 1989 or any other written law.

These financial statements of the Authority for the year ended 31 March 2024 were authorised for issue by the Board on 26 June 2024.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in material accounting policy information, and are drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 ("PSG Act"), the Urban Redevelopment Authority Act 1989 ("URA Act"), and Statutory Board Financial Reporting Standards ("SB-FRS"), including Interpretations of SB-FRS ("INT SB-FRS") and SB-FRS Guidance Notes. These financial statements are presented in Singapore dollars, which is the Authority's functional currency. All values presented are rounded to the nearest thousand ("S'000"), unless indicated otherwise.

2.2 Adoption of new and revised standards

In the current financial year, the Authority has adopted all the new and revised SB-FRSs, INT SB-FRS and SB-FRS Guidance Notes that are mandatorily effective for an accounting period that begins on or after 1 April 2023. The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as indicated below.

Amendments to SB-FRS 1 Presentation of Financial Statements

The amendments clarify that accounting policy information that relates to immaterial transactions, events or conditions need not be disclosed. The Authority has amended the disclosures to reflect its material accounting policies. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

2.3 Standards issued but not yet effective

Management anticipates that the adoption of the new/revised SB-FRS that are issued as at the date of authorisation of these financial statements but not yet effective until future periods will not have a material impact on the financial statements of the Authority in the period of their initial adoption.

2.4 Fair value measurement

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 Authority 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 the financial statements is determined on such a basis, except for leasing transactions that are within the scope of SB-FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in SB-FRS 36 *Impairment of Assets*.

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: for bonds - based on quotes from dealers; for unit trusts - based on net asset values from fund managers; for forward foreign exchange contracts - based on WM Reuters fixing rates; for cross currency swaps - based on WM Reuters fixing rates and quotes from dealers; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.5 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Authority becomes a party to the contractual provisions of the instruments.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit or loss ('FVTPL') based on the Authority's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(i) Amortised cost

Financial assets (comprising cash and cash equivalents, debtors and accrued revenue) are subsequently measured at amortised cost as they are held within a business model whose objective is to collect the contractual cash flows which are solely payments of principal and interest on the principal amount outstanding ("SPPI").

(ii) Fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss (Note 6). The investments are held for trading with any gains or losses arising from changes in fair value (including dividends received) recognised in 'net income / (loss) from bank deposits and investments' line item.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of the derivatives are recognised in profit or loss.

Impairment of financial assets

The Authority considers a financial asset in default when internal or external information indicates that the Authority is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Details about the Authority's credit risk management and impairment policies are disclosed in Note 26(b)(iv).

Derecognition

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

Financial liabilities at amortised cost

Financial liabilities at amortised cost include creditors and accrued operating expenses and agency and other deposits. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Authority that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Authority after deducting all of its liabilities. Equity instruments are recorded in the capital account at the proceeds received, net of significant direct issue costs. Shares issued to the Minister for Finance are classified as equity.

Derecognition

The Authority derecognises financial liabilities when, and only when, the Authority's obligations are discharged, cancelled or expired. The difference between the carrying amount and the consideration paid and payable is recognised in profit or loss.

2.6 Derivative financial instruments

Forward foreign exchange contracts and cross currency swaps (collectively as "derivatives") are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. The Authority does not adopt hedge accounting as the derivatives are mainly short-term and are held for trading (Note 6).

2.7 Leases

The Authority as lessee

The Authority assesses whether a contract is or contains a lease, at inception of the contract. The Authority recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Authority recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

31 March 2024

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

Right-of-use assets which constitute leasehold land are depreciated over the lease term of 99 years if there is no reasonable certainty that the Authority will obtain ownership by the end of the lease term.

The right-of-use assets are presented within Note 4.

The Authority as lessor

Leases for which the Authority is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Authority.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives or lease term, generally as follows:

Buildings (including covered car parks)	-	25 to 50 years
Plant and machinery installed in buildings	-	10 to 20 years
Surface car parks	-	5 years
Information Technology ("IT") systems	-	3 to 5 years
Other assets	-	3 to 10 years

Other assets consist of Singapore City Gallery exhibits, motor vehicles, office furniture, fittings and fixtures, office equipment, machinery and other equipment.

No depreciation is provided on projects-in-progress.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits associated with the items, will flow to the Authority and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal or retirement of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

31 March 2024

2.9 Infrastructural projects-in-progress

Infrastructural projects-in-progress are related to projects implemented by the Authority where the assets will be owned and maintained by other government entities.

The Authority does not have control over the completed projects and there will not be any economic benefits accruing to the Authority. Thus such project costs are not recognised as assets. Consequently the amounts incurred have been recognised as a distribution to the owners of the enterprise directly as a reduction against accumulated surplus.

2.10 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

2.11 Income recognition

The Authority recognises income from the following major sources:

- Income from planning and other services
- Agency and consultancy fees
- Income from development control
- Parking fees and related charges
- Interest income
- Dividend income
- Rental income
- Other operating income

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

Income is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Income is recognised when the Authority satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

(i) Income from planning and other services

Income from planning and other services mainly relates to planning services rendered to the Ministry of National Development to carry out strategic physical development of Singapore in a sustainable manner. Income is recognised in the accounting period in which the services are rendered and transferred over time by the Authority.

(ii) Agency and consultancy fees

Agency and consultancy fees comprise mainly agency fees from selling and managing land for the government and from undertaking development projects on behalf of the government.

For agency fee from selling land, a significant portion of the agency revenue is recognised upon the date of award of the land to reflect the bulk of the work which has been rendered. The remaining agency fees received are deferred and recognised over time to reflect the satisfaction of performance obligations over time.

For agency fee from managing land and from undertaking development projects, income is recognised in the accounting period in which the services are rendered by the Authority.

(iii) Income from development control

Income from development control mainly relates to the services rendered in processing and reviewing applications for building projects. The Authority considers its performance obligations as satisfied upon the issuance of a formal decision. Accordingly, if the decision is not issued by financial year-end, a portion of the income from development control received at financial year end is deferred and recognised in the subsequent financial year when the formal decision is issued. Income is recognised in the accounting period in which the services are rendered and transferred at a point in time by the Authority.

(iv) Parking fees and related charges

Parking fees and related charges include short-term parking charges and income from the sale of car park coupons.

For income from the sale of car park coupons, the performance obligation is satisfied at a point in time, upon usage of car park coupons by end-users. A portion of the sales proceeds is hence deferred at the end of each reporting period to reflect the amount of unused car park coupons by end-users.

Season parking fees are accounted for over time, on a time proportion basis. Licence fees from operators to operate and manage car parks are recognised over time in the accounting period on a straight line basis over the licence period. Other parking fees and related charges are accounted for at a point in time when transacted.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

31 March 2024

(v) Interest income

Interest income is recognised over time, on a time proportion basis using the effective interest method.

(vi) Dividend income

Dividend income is recognised at a point in time when the right to receive payment is established.

(vii) Rental income

Rental income from operating leases on property, plant and equipment and heavy vehicle parks is recognised on a straight line basis over the lease terms.

(viii) Other operating income

Other operating income comprises mainly government grants which are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.12 Employee compensation and superannuation benefits

Defined contribution plans

The Authority pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory basis. The Authority has no further payment obligations once the contributions have been paid. The Authority's contributions are recognised in profit or loss when they are due.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Pensions

Provision for pensions and gratuities is made for the payment of pension benefits to pensionable officers under the provisions of the Pensions Act 1956 (Note 12).

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

2.13 Foreign currency transactions

In preparing the financial statements, transactions in currencies other than the Authority's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. As at each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

2.14 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash on hand and deposits with financial institutions, cash and bank balances held by fund managers and cash held by Accountant-General's Department, which are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Authority's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that there are no critical judgements and key sources of estimation uncertainty at the end of the reporting period that have a significant effect on the amounts recognised in the financial statements.

URBAN REDEVELOPMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
31 March 2024**

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land*	Buildings	Plant and machinery	Surface car parks	IT systems	Other assets	Projects-in- progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost:								
At 1 April 2022	153,151	116,839	32,997	44,923	38,108	32,445	7,958	426,421
Additions	-	-	248	-	710	255	7,884	9,097
Transfers	-	-	1,484	3,018	4,152	-	(8,654)	-
Disposals/write-off	-	-	-	(2,286)	(4,136)	(210)	-	(6,632)
At 31 March 2023	153,151	116,839	34,729	45,655	38,834	32,490	7,188	428,886
Additions	-	-	9	53	1,234	67	5,545	6,908
Transfers	-	-	-	1,365	6,790	-	(8,155)	-
Disposals/write-off	-	-	(9)	(205)	(8,792)	(299)	(6)	(9,311)
At 31 March 2024	153,151	116,839	34,729	46,868	38,066	32,258	4,572	426,483
Accumulated depreciation:								
At 1 April 2022	38,062	66,254	26,529	43,131	29,184	27,091	-	230,251
Depreciation	1,627	2,666	1,325	1,244	4,011	1,918	-	12,791
Disposals/write-off	-	-	-	(2,286)	(4,136)	(209)	-	(6,631)
At 31 March 2023	39,689	68,920	27,854	42,089	29,059	28,800	-	236,411
Depreciation	1,627	2,676	1,594	1,334	4,654	1,626	-	13,511
Disposals/write-off	-	-	(8)	(205)	(8,792)	(299)	-	(9,304)
At 31 March 2024	41,316	71,596	29,440	43,218	24,921	30,127	-	240,618
Carrying amount:								
At 31 March 2024	111,835	45,243	5,289	3,650	13,145	2,131	4,572	185,865
At 31 March 2023	113,462	47,919	6,875	3,566	9,775	3,690	7,188	192,475

* These are right-of-use assets with upfront payments.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

At the end of each reporting period, the Authority reviews the carrying amounts of its property, plant and equipment to assess for any indication of impairment. There is no impairment loss recognised in profit and loss for the current and previous years.

Land parcels with reversionary interest from past sale of sites were not included in the above assets schedule as the unguaranteed residual values could not be established at the lease inception dates in the 1970s and 1980s. Hence, these are carried at zero cost. The Authority has a total of 46 land parcels of which 42 land parcels have 4 years or less of reversionary interest and 4 land parcels have longer periods of reversionary interest.

5 DEBTORS, PREPAYMENTS AND ACCRUED REVENUE

	31 March 2024 \$'000	31 March 2023 \$'000
Operating debtors	3,632	964
Recoverables:		
- Agency projects	293	629
- Others	10,558	4,966
Accrued interest and dividend receivables	4,568	4,229
Prepayments	5,670	3,795
Other debtors	145	520
Amount due from brokers	-	112
Receivables for sale of investment	271	-
Staff loans	-	1
Accrued revenue	4,463	2,085
	<u>29,600</u>	<u>17,301</u>

The Authority's operating debtors are mostly government agencies, other statutory boards and its supervisory ministry, the Ministry of National Development (Note 25). A majority of the Authority's operating debtors and recoverables are neither past due (within the credit period of 30 days) nor impaired and are due from the Ministry of National Development. During the financial year, there was \$Nil (31 March 2023 : \$160,000) write-off .

The Authority applies the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses ("ECL") for operating debtors and an amount equal to 12-month ECL for other receivables. The loss allowance measured using lifetime ECL and 12-month ECL is determined to be minimal.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

6 FINANCIAL ASSETS (LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets (liabilities) include the following:

	31 March 2024	31 March 2023
	<u>\$'000</u>	<u>\$'000</u>
<u>Financial assets at fair value through profit or loss</u>		
Quoted marketable securities:		
- Bonds ^(b)	233,022	416,461
Unit trusts	449,762	294,598
Forward foreign exchange contracts ^(c)	-	1,811
Total financial assets at FVTPL	<u>682,784</u>	<u>712,870</u>
<u>Financial liabilities at fair value through profit or loss</u>		
Forward foreign exchange contracts ^(c)	<u>(1,185)</u>	<u>(359)</u>
Total financial liabilities at FVTPL	<u>(1,185)</u>	<u>(359)</u>
Net financial assets	<u>681,599</u>	<u>712,511</u>

The Authority's financial assets and financial liabilities at fair value through profit or loss are measured at fair value as at each reporting date. The fair value measurement of financial assets and financial liabilities are categorised as Level 2. There are no significant unobservable inputs and there was no transfer between Level 1 and Level 2 of the fair value hierarchy during the current and previous financial years.

- (a) All investment in financial assets (liabilities) are managed by external fund managers.
- (b) Bonds included in quoted marketable securities had a weighted average effective interest rate of 4.0% per annum (31 March 2023 : 4.5% per annum). The bonds tenure ranged from 8 days to 48.4 years (31 March 2023 : 5 days to 38.1 years). Included in bonds are perpetual securities of \$14,092,000 (31 March 2023 : \$17,254,000) with no fixed redemption date. Singapore Government Securities and bonds issued by the Singapore statutory boards amounted to \$79,899,000 (31 March 2023 : \$69,678,000).
- (c) Foreign exchange contracts are used to hedge foreign exchange risks arising from investments in quoted bonds. The notional principal amounts of outstanding forward foreign exchange contracts, all involving United States dollars, is \$67,947,000 (31 March 2023 : \$208,831,000).
- The settlement dates on forward foreign exchange contracts currently have a duration of 16 days (31 March 2023 : 11 days to 77 days). The Authority will settle the foreign exchange contracts on a gross basis.
- (d) Investment in financial assets at fair value through profit or loss denominated in foreign currencies amounted to \$369,803,000 (31 March 2023 : \$342,101,000). The foreign currency exposure arises primarily from the Authority's investment in unit trusts and quoted bonds and is fully denominated in United States dollar.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

7 CASH AND CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprised the following:

	31 March 2024	31 March 2023
	\$'000	\$'000
Cash and bank balances	17	17
Cash with Accountant-General's Department	282,851	175,138
Cash and bank balances held by fund managers	4,377	22,576
Cash and cash equivalents per Statement of Financial Position	287,245	197,731
Cash held on behalf of government agencies and contractor	(5,312)	(3,859)
Cash and cash equivalents per Statement of Cash Flows	<u>281,933</u>	<u>193,872</u>

- (a) Included in cash and bank balances, as well as cash with Accountant-General's Department ("AGD") was an amount of \$5,312,000 (31 March 2023 : \$3,859,000) relating to collections on behalf of the Ministry of National Development and other government agencies and contractor, and classified as part of "Creditors and accrued operating expenses" (Note 8) and "Agency and other deposits" (Note 9).
- (b) Cash with the AGD comprises \$191,206,000 (31 March 2023 : \$97,956,000) that are managed by AGD under the Centralised Liquidity Management ("CLM") and \$91,645,000 (31 March 2023 : \$77,182,000) managed under the Statutory Board Approved Funds ("SBAF"). Under the CLM, cash is managed centrally to achieve greater efficiency and earns interest ranging from 2.62% to 3.65% (2022/2023 : 0.49% to 2.85%). Under the SBAF, funds approved for infrastructural projects are placed with AGD and will not be subject to dividend payment.
- (c) Cash and cash equivalents denominated in foreign currencies amounted to \$1,222,000 (31 March 2023 : \$7,775,000) and were denominated mainly in United States dollars. The cash in foreign currencies were held by fund managers in relation to the Authority's investment in quoted bonds and unit trusts (31 March 2023 : quoted bonds).

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

8 CREDITORS AND ACCRUED OPERATING EXPENSES

	31 March 2024	31 March 2023
	\$'000	\$'000
Collections on behalf of the Ministry of National Development and government agencies:		
- Development charges and parking fees	473	575
- Others	1,499	1,382
Operating creditors	3,175	2,798
Advances received	626	564
Accrued operating expenses and other creditors	40,772	31,823
Payables for infrastructural projects-in-progress	1,078	2,662
Payables for purchase of investments	4,981	6,360
Payables for property, plant and equipment	1,805	2,426
Creditors and accrued operating expenses	<u>54,409</u>	<u>48,590</u>
Less: Advances received	(626)	(564)
Less: Provision for unconsumed leave	(7,429)	(7,144)
Add: Agency and other deposits	2,280	2,625
Financial liabilities at amortised cost	<u>48,634</u>	<u>43,507</u>

In addition to project advances of \$ 13,186,000 (31 March 2023 : \$12,363,000) disclosed as a non-current liability on the Statement of Financial Position, an amount of \$1,142,000 (31 March 2023 : \$1,540,000) included in "Operating creditors" and "Accrued operating expenses and other creditors", totalling \$14,328,000 (31 March 2023 : \$13,903,000) relates to agency projects.

Other than collections on behalf of the Ministry of National Development and government agencies, the average credit period is 30 days (31 March 2023 : 30 days).

9 AGENCY AND OTHER DEPOSITS

Agency and other deposits pertain mainly to deposits received from government agencies for undertaking development projects on their behalf.

10 CONTRIBUTION TO CONSOLIDATED FUND

The contribution to the Consolidated Fund is made in accordance with Section (3)(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act 1989. Contribution for the financial year is determined based on 17% (2022/2023 : 17%) of the surplus for the financial year, adjusted for deficits carried forward from financial years ended 31 March 2023 and 31 March 2022. No contribution was made in the previous financial year due to the deficit.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

11 DEFERRED INCOME

This includes mainly development application processing fees received for which decisions have not been committed and the portion of agency fees received on sale of sites which are deferred for services to be performed in future financial years.

	31 March 2024	31 March 2023
	<u>\$'000</u>	<u>\$'000</u>
Presented as:		
Current	5,495	6,340
Non-current	1,803	1,331
	<u>7,298</u>	<u>7,671</u>

Movements in deferred income account were as follows:

	31 March 2024	31 March 2023
	<u>\$'000</u>	<u>\$'000</u>
At beginning of financial year	7,671	7,193
Income deferred during the financial year	5,966	6,270
Transfer to profit or loss	(6,339)	(5,792)
At end of financial year	<u>7,298</u>	<u>7,671</u>

12 PROVISION FOR PENSIONS AND GRATUITIES

Movements in provision for pensions and gratuities were as follows:

	31 March 2024	31 March 2023
	<u>\$'000</u>	<u>\$'000</u>
At beginning of financial year	1,100	1,159
Provision utilised during the financial year	(56)	(59)
At end of financial year	<u>1,044</u>	<u>1,100</u>

The amounts due to pensionable officers are determined based on their last drawn salaries and the pensionable service period served with the Authority at the time of retirement. For retired pensioners who are receiving monthly pension, provision is based on payment of the actual monthly pension up to their life expectancy as per data provided by the Department of Statistics, Singapore.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

13 CAPITAL ACCOUNT

The balance in this account represents:

- (a) \$26,496,000: the value of certain leasehold land of the former Urban Renewal Department under the Ministry of National Development and some adjacent state land vested in the Authority when it was established;
- (b) \$1,195,000: the net book value of movable assets transferred from the former Planning Department and the Research and Statistics Unit under the Ministry of National Development upon their amalgamation with the Authority on 1 September 1989; and
- (c) 1,000 shares of one dollar each issued to the Minister for Finance, a body corporate incorporated under the Minister for Finance (Incorporation) Act 1959 for equity injection of \$1,000 on 23 February 2009.

14 INCOME FROM PLANNING AND OTHER SERVICES

	<u>2023/2024</u>	<u>2022/2023</u>
	\$'000	\$'000
Income from planning and other services:		
- Planning services rendered to the Ministry of National Development	78,825	79,774
- Place Management	6,829	6,959
- Promotion of architecture and urban design excellence	3,032	3,721
- Others	21,505	20,828
	<u>110,191</u>	<u>111,282</u>

15 AGENCY AND CONSULTANCY FEES

The Authority sells and manages land for the government, manages car parks and undertakes development projects on behalf of the government and earns agency and consultancy fees for the provision of these services.

16 INCOME FROM DEVELOPMENT CONTROL

The income from development control includes sale of approved plans, search fees, lodgement fees and development application processing fees collected under subsidiary legislation made under the Planning Act 1998 and administrative charges for planning clearance for projects submitted by government departments and ministries.

As announced by the Government on 14 February 2024, Goods and Services Tax ("GST") was wrongly charged on development application processing fees and lodgement fees and the Authority will refund all affected taxpayers, with interest, the wrongly collected GST.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

17 PARKING FEES AND RELATED CHARGES

Included in parking fees and related charges are short-term parking charges and income from the sale of car park coupons.

In addition, the Authority manages car parks, mostly for commercial parking use and receives income such as season parking for cars and heavy vehicles as well as licence fees and share of profit from operators to operate and manage the car parks.

The expenses incurred for managing car parks are reflected under property and car park maintenance and the other operating expense line items based on their nature.

18 NET INCOME/(LOSS) FROM BANK DEPOSITS AND INVESTMENTS

	2023/2024	2022/2023
	\$'000	\$'000
Interest income from bank deposits	5,050	1,275
<u>Investments</u>		
Loss from sale of investments	(28,462)	(9,618)
Interest income	9,353	13,296
Fair value gain/(loss) arising from financial assets and financial liabilities held for trading	57,141	(26,597)
Interest expense from bonds measured at amortised cost	-	(12)
Foreign exchange gain/(loss)	779	(3,978)
Gain/(Loss) from investments	38,811	(26,909)
Fund management expenses	(1,989)	(2,070)
	<u>36,822</u>	<u>(28,979)</u>
Net income/(loss) from bank deposits and investments	<u>41,872</u>	<u>(27,704)</u>

19 OTHER OPERATING INCOME

Other operating income comprises mainly operating government grants received from the Ministry of National Development to defray the cost incurred by the Authority in carrying out its regulatory and enforcement actions.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

20 EXPENDITURE ON MANPOWER AND STAFF BENEFITS

	<u>2023/2024</u>	<u>2022/2023</u>
	\$'000	\$'000
Salaries, allowances and bonus	124,411	122,956
Employer's contribution to Central Provident Fund	16,346	16,039
Hospital and medical expenses	554	413
Staff welfare expenses	538	538
Other staff costs	1,959	773
	<u>143,808</u>	<u>140,719</u>

21 OPERATING SUPPLIES AND SERVICES

Key items included under operating supplies and services are expenditure on information technology, staging costs for exhibitions and events and cost incurred for enforcement services.

In addition to those disclosed elsewhere in the notes to the Statement of Comprehensive Income, the following items had been included in arriving at operating surplus:

	<u>2023/2024</u>	<u>2022/2023</u>
	\$'000	\$'000
Board members' allowances	248	236
Expenses relating to short term leases	3,247	2,800
Expenses relating to leases of low value assets	<u>1,393</u>	<u>1,399</u>

22 TEMPORARY OCCUPATION LICENCE FEES

The Authority pays temporary occupation license fees to other state-controlled entities for the use of land belonging to the State and other statutory boards for kerbside and off-street parking.

23 FUNDING FOR GOVERNMENT PROJECTS

The Authority provides funding for strategic and game-changing government infrastructure projects which are aligned with URA's mission and strategic objectives. The funding is recognised in the financial year when they become payable upon receipt of invoice. This amount was recorded directly as a reduction in the Authority's accumulated surplus in the financial year as this was a contribution to the government. The amount incurred of \$9,524,000 (2022/2023 : \$17,768,000) was mainly for projects such as Rail Corridor and Proposed Construction of Pedestrian and Cycling Connections along the Kallang River.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

24 COMMITMENTS

(a) *Capital commitments*

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements are analysed as follows:

	31 March 2024	31 March 2023
	\$'000	\$'000
Commitment for the acquisition of property, plant and equipment	<u>12,453</u>	<u>16,681</u>

(b) *The Authority as lessor*

Operating lease receivables represent mainly rental receivable by the Authority for leasing of its office spaces at The URA Centre, The URA Centre East Wing and heavy vehicle parks. Generally, the leases are negotiated for a term of 3 years and rentals are fixed over the lease terms.

The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the Authority, as the properties leased out are mainly located in prime locations.

Maturity analysis of operating lease receivables:

	31 March 2024	31 March 2023
	\$'000	\$'000
Not later than one year	11,096	9,458
Between one and two years	7,557	7,679
Between two and three years	-	6,227
	<u>18,653</u>	<u>23,364</u>

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

25 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, related parties refer to Ministries, Organ of States, other Statutory Boards and key management personnel. The transactions with government-related entities other than Ministries, Organ of States, and other Statutory Boards, are not disclosed unless there are circumstances to indicate that these transactions are of interest to the readers of the financial statements.

Other than as disclosed elsewhere in the financial statements, the Authority had the following significant transactions with its supervisory ministry, the Ministry of National Development, and other related parties during the year, at terms agreed between the related parties:

	<u>2023/2024</u>	<u>2022/2023</u>
	\$'000	\$'000
Income		
Ministry of National Development:		
- Income from planning and other services	107,629	108,611
- Agency and consultancy fees	13,014	12,859
- Other operating income	6,624	8,133
Housing & Development Board:		
- Income from development control	8,687	7,163
Ministry of Law:		
- Agency and consultancy fees	8,550	6,075
	<u>8,550</u>	<u>6,075</u>
Expenditure		
Singapore Land Authority:		
- Temporary occupation licence fees	29,356	28,912
Government Technology Agency:		
- Operating supplies and services	7,150	3,645
	<u>7,150</u>	<u>3,645</u>
Compensation of key management personnel		
Key management personnel compensation is as follows:		
	<u>2023/2024</u>	<u>2022/2023</u>
	\$'000	\$'000
Salaries and other short-term employee benefits	7,765	6,993
Employer's contribution to Central Provident Fund	307	275
	<u>8,072</u>	<u>7,268</u>

Key management personnel refers to employees designated as Group Directors and above who have the authority and responsibility for planning, directing and controlling the activities of the Authority.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

26 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	31 March 2024	31 March 2023
	\$'000	\$'000
Financial assets		
Financial assets at amortised cost:		
- Debtors and accrued revenue excluding prepayments (Note 5)	23,930	13,506
- Cash and cash equivalents (Note 7)	287,245	197,731
	<u>311,175</u>	<u>211,237</u>
Financial assets measured at FVTPL (Note 6)	<u>682,784</u>	<u>712,870</u>
Financial liabilities		
Financial liabilities at amortised cost (Note 8)	<u>48,634</u>	<u>43,507</u>
Financial liabilities measured at FVTPL (Note 6)	<u>1,185</u>	<u>359</u>

(b) Financial risk management policies and objectives

The main risks arising from the Authority's activities are market risk (including foreign currency, interest rate and price risks), credit risk and liquidity risk.

There has been no change to the Authority's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The Authority does not hold or issue derivative financial instruments for speculative purposes.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

(i) Foreign currency risk management

The Authority has exposure to foreign currency exchange risk as a result of financial assets (excluding hedged amounts) denominated in mainly United States dollar amounting to \$302,654,000 (31 March 2023 : \$137,145,000) as at the year end. Foreign currency contracts are used to hedge foreign exchange exposure as and when required.

Foreign currency sensitivity analysis

The following details the sensitivity to a 10% increase and decrease in United States dollar against the functional currency of the Authority. 10% represents management's assessment of the reasonably possible change in foreign exchange rates.

A 10% weakening/strengthening in the Singapore dollar against the United States dollar with all other variables being held constant is expected to increase/decrease the net surplus of the Authority by \$30,265,000 (2022/2023 : \$13,715,000).

Management is of the view that the above sensitivity analysis may not be representative of the inherent foreign exchange risk as year-end exposure may not reflect the actual exposure and circumstances during the financial year.

(ii) Interest rate risk management

As the Authority maintains most of its cash and cash equivalents with the Accountant-General's Department ("AGD") under the Centralised Liquidity Management ("CLM") and the Statutory Board Approved Fund ("SBAF") and does not have any interest bearing liabilities, its exposure to interest rate risk is insignificant. The interest rates for cash under the CLM are based on deposit rates determined by the financial institutions where the cash is deposited and are expected to move in tandem with market interest rate movements. There is no interest earned for cash under the SBAF.

(iii) Price risk management

The Authority is exposed to price risk arising from financial assets classified as fair value through profit or loss.

Further details of these investments can be found in Note 6 to the financial statements.

Price sensitivity analysis

In respect of financial assets at fair value through profit or loss, except bonds, if prices increase or decrease by 10% with all other variables being held constant, the Authority's net surplus for the year ended 31 March 2024 would increase/decrease by \$44,976,000 (2022/2023 : \$29,460,000).

In respect of bonds classified as held for trading, if the interest rate decreases/increases by 100 basis, and all other variables are held constant, the Authority's net surplus for the year ended 31 March 2024 would increase/decrease by \$15,925,000 (2022/2023 : \$16,318,000), determined based on a method using the weighted average duration of the bonds.

URBAN REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS 31 March 2024

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Authority. In managing credit risk exposure, credit review and approval processes as well as monitoring mechanisms are applied.

The Authority's major classes of financial assets are cash and cash equivalents with AGD, debtors, unit trust and bonds placed with reputable financial institutions. Bonds held for investment are of at least investment grade as per globally understood definition. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments as presented on the statement of financial position.

There is no significant concentration of credit risk except as disclosed in Note 5 where the major customers are government related entities. There is also consistent monitoring of the credit quality of the customers.

(v) Liquidity risk management

In managing the liquidity risk, the Authority ensures that it maintains sufficient cash and flexibility in funding to finance its operations.

Liquidity risk analysis

The Authority's non-derivative financial assets and financial liabilities are due on demand or within 1 year from the end of the reporting period.

(vi) Fair value of financial assets and financial liabilities

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values due to the relatively short-term maturity of these financial instruments.

(c) Capital risk management policies and objectives

The capital structure of the Authority consists of capital account and accumulated surplus. The Authority manages its capital and accumulated surplus in accordance with the Capital Management Framework formulated by the Ministry of Finance, to ensure it will be able to continue as a going concern and is able to support or carry out strategic and game-changing projects aligned with the Authority's mission and strategic objectives. The framework sets out the basis of equity contribution by the government to the Authority and the principle of dividend distribution to the government. The Authority's overall strategy remains unchanged from the previous financial year.