

FY2018/2019

# ANNUAL REPORT & FINANCIAL STATEMENTS



Image by: Tan Hock Siong  
Merit, 'Tampines Our Home' Photography Contest 2017

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# CHAIRMAN'S REVIEW

2018 has been a memorable year for Tampines Town Council, having managed many infrastructural enhancement projects. It has been a fruitful year for our residents, with several highlights and developments.

Over the past year, the Town Council has been working to improve our living environment through the upgrading of facilities such as fitness corners, playgrounds, linkways, senior citizens' corners and drop-off porches. The team has also carried out \$11.9m worth of cyclical maintenance through the Repair and Redecorations (R&R) Programme for re-roofing, re-wiring and re-painting. The town also benefited from \$1.5m in town improvement projects to enhance facilities, safety and barrier-free access. Public lighting at HDB blocks, open spaces and carparks have also been replaced with new, environmentally-friendly Light Emitting Diode (LED) lights, which are energy-and-cost efficient.

We had to make provision for 14% of our revenue into the Lift Replacement Fund as mandated by the Ministry of National Development. In addition, we had also voluntarily contributed \$12m into our Lift Replacement Fund. This allows us to plan ahead to ensure lift operational safety for our residents. For 2018, we have carried out \$5.1m worth of Lift Replacement works

On top of estate management, the team has managed projects with the aim to enhance a sense of identity and unity in Tampines. We believe that a warm and inclusive spirit is what makes living in Tampines special.

Residents in Tampines bonded over activities that also keep Tampines green and clean. The Tree Planting Day involved over 1,000 residents as they mingled with our Members of Parliament for Tampines CRC and planted 10 Hopea odorata trees at Tampines Central Park. We also gathered residents, students and volunteers from the 5 divisions to help clean up Tampines during the month of Keep Clean, Singapore. Our efforts for a greener Tampines bore fruit literally as we shared our freshly harvested mangoes with our residents.

Keeping our town clean has always been a priority for the Town Council. Tampines enjoys a clean environment because it has a hardworking team of conservancy workers. As such, the Town Council appreciates their contributions and treated them to a movie screening of *Avengers: Infinity War* on International Cleaners' Day. The Estate Monitoring System (EMS) was also launched to monitor the work of our conservancy workers in a more cost-effective manner so that they are able to contribute to our town more efficiently.

Last but not least, I would like to thank our residents for doing their part to keep our estate clean and green. Let us continue to work together to make Tampines a better town for all of us.

A handwritten signature in black ink, appearing to read "Cheng Li Hui".

Cheng Li Hui  
Chairman  
Tampines Town Council

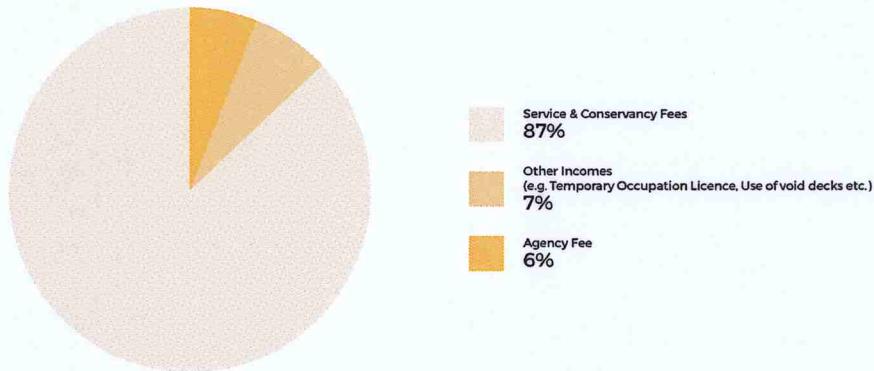
# FINANCIAL REVIEW

In 2018/19, Tampines Town Council had an operating surplus of \$6.7m after taking into account of government grants. Our sinking fund remains healthy at \$51.7m and our Lift Replacement Fund has a balance of \$38m and our total funds closed at \$93.8m.

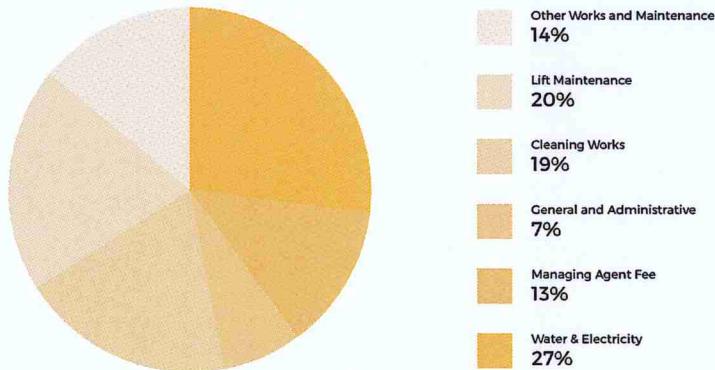
In accordance with the standards on lift maintenance set by the Building Construction Authority (BCA), the Town Council has also set aside a proportion of the S&CC collection into the sinking fund for lift replacement to ensure the sustainability of our lifts in the long term.

The Town Council constantly seeks to deliver a consistently high standard of estate management through its rigorous and stringent procurement process. As a result, cost effective contract delivery is ensured when managing all improvement projects. We will continue to explore cost-saving processes to utilise the S&CC fees in a way that serves our residents better.

Operating Revenue



Operating Expenditure



# CYCLICAL AND IMPROVEMENT WORKS

Over the last 12 months, the Town Council carried out \$11.9m worth of cyclical maintenance projects through the Repair and Redecorations (R&R) Programme for re-roofing, re-wiring and re-painting. The town also benefited from \$1.5m in Town Improvement works.

#### **Repair & Redecorations**

Blocks 371 – 396 & 1 MSCP at Block 384A  
Blocks 324 – 351 & 1 MSCP at Block 330A

#### **New or Upgraded Fitness Corner**

Block 267 Tampines St 21  
Block 842 Tampines St 82  
Block 408 Tampines St 41  
Block 424 Tampines St 41  
Block 498B Tampines St 45  
Block 498J Tampines St 45

#### **Upgraded Playground**

Block 878 Tampines Ave 8  
Block 707 Tampines St 71  
Block 424 Tampines St 41  
Block 163 Tampines St 12

#### **Upgraded Senior Citizens' and Residents' Corner**

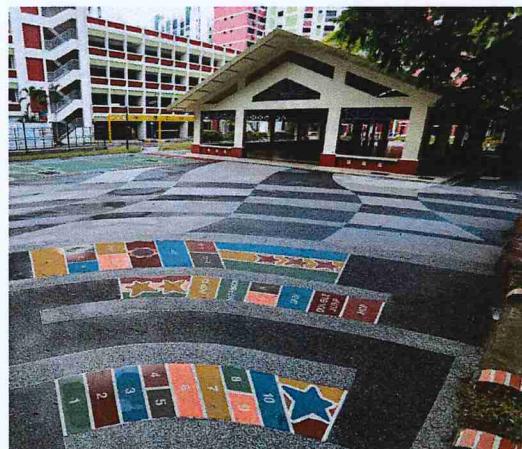
Block 145 Tampines St 12  
Block 864A Tampines St 83

#### **Upgraded Hardcourt**

Block 730 Tampines St 71

#### **New Linkways**

Blocks 421 – 424 Tampines St 41  
Blocks 921 – 922 Tampines St 91

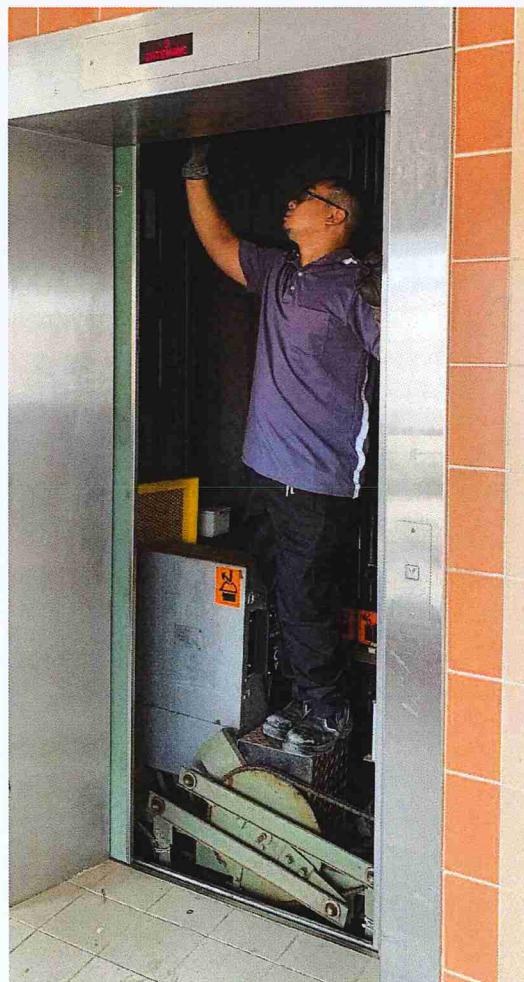


# LIFT OPERATIONS AND REPLACEMENT

To ensure that our lifts function optimally, the Town Council has carried out \$5.1m worth of lift replacements.

We will also continue to work with the Housing & Development Board (HDB) to ensure that the procurement process and technical specifications for new lifts achieve an efficient operating life cycle.

Real-time functional status of lifts is tracked by our officers and eight lift maintenance companies through a tele-monitoring system. In the event of a breakdown, our team will be notified automatically to carry out repair and rescue works. The Town Council will continue to follow stringent maintenance process to reduce incidents of breakdown.



# THE LAUNCH OF THE ESTATE MONITORING SYSTEM

In December, Tampines Town Council launched the Estate Monitoring System (EMS). Essentially, EMS is a digital app installed on a cleaner's mobile phone, which he will need to log into before reporting for work. The EMS app tracks each cleaner's location and what time he is there. The app generates a report of the cleaner's work progress.

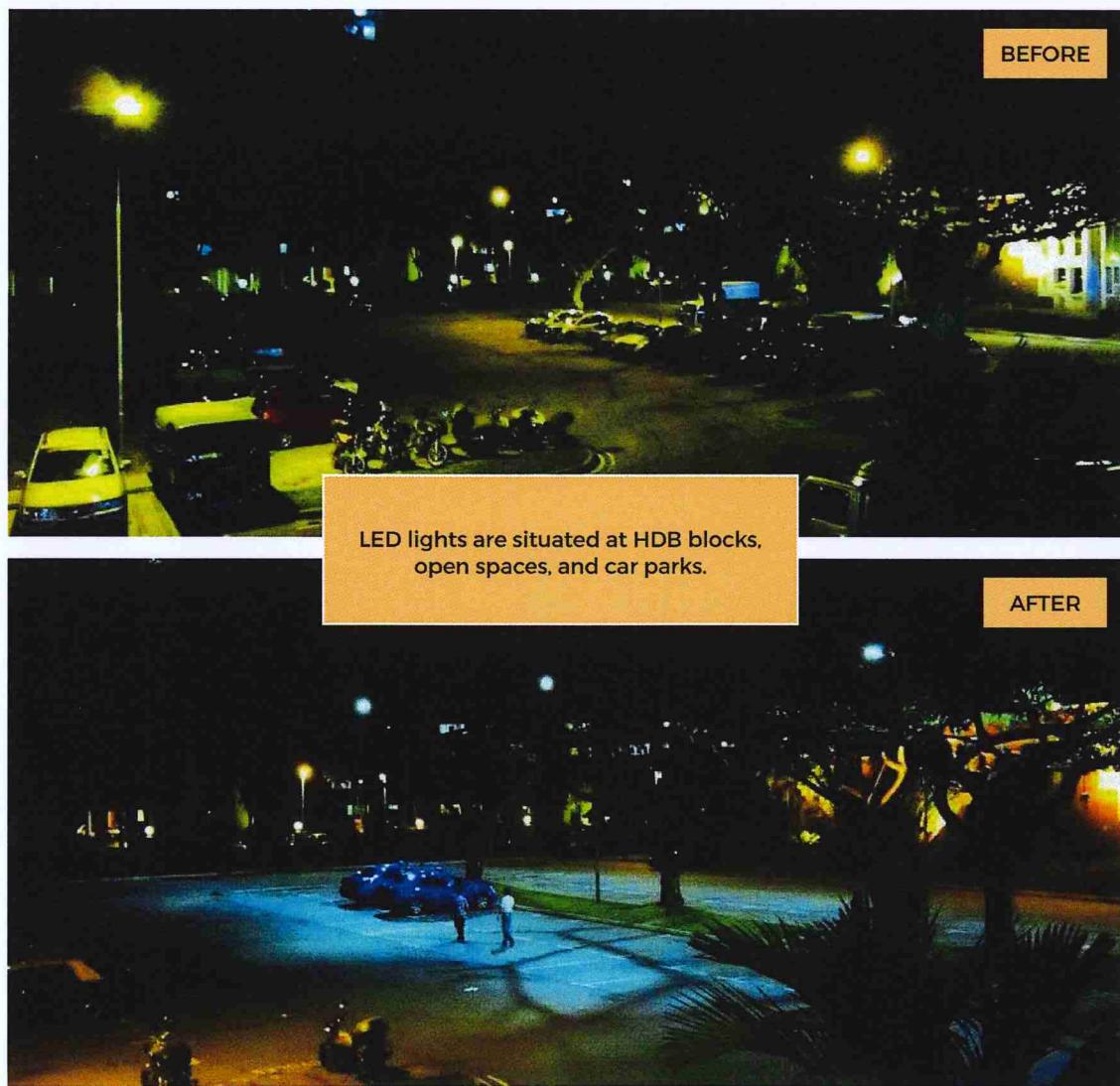
Through the launch of the EMS, we are able to further improve estate cleanliness by allocating resource, and guiding our workers more effectively.

The EMS would not have been successful without the support of our conservancy workers. In conjunction with its launch, the Town Council organised a Cleaners' Appreciation Night for our 180 workers who enjoyed scrumptious local delicacies, dance performances and music.



# LEADING THE WAY IN LED LIGHTING

Tampines leads the way in sustainability initiatives with the installation of LED (Light Emitting Diode) lights throughout our town. LED lighting is cost-efficient because it is brighter and does not utilise as much energy. With motion sensors, LED lamps switch off automatically when they are not needed, thus saving us more power costs. Since adopting LED lights, Tampines Town Council has reported a reduction in our energy consumption!



# VOTE YES! NEIGHBOURHOOD RENEWAL PROGRAMME

The Neighbourhood Renewal Programme (NRP) was designed with the objective to enhance the living environment for residents around the estate. Fully funded by the government, the NRP is responsible for block and precinct improvements for all eligible estates.

The Town Council has been instrumental in strengthening residents' feedback and proposed improvement plans. This programme is fully funded by the government, so that residents can look forward to enhancements in the neighborhood as long as 75% of the qualified households vote "YES" to the project!



# INTERNATIONAL CLEANERS' DAY: APPRECIATING OUR HEROES

It is International Cleaner's Day on the 20th of May every year. Tampines Town Council treated our conservancy workers to the Avengers: Infinity War movie at Golden Village. These unsung heroes work tirelessly day and night, and they deserve a well-deserved break!

In Tampines, every first Sunday of each month is No Cleaners Day. On this day, our conservancy workers take a break while our residents do their part to keep our estate clean.



# KEEP CLEAN TAMPINES!

In June 2018, the Keep Clean, Singapore campaign saw an impressive turnout with over 500 participants throughout the 5 divisions of Tampines. Committed residents, students from Springfield Secondary School, volunteers from Tampines Central CC Youth Executive Committee, and Temasek Polytechnic were among those who participated in the mission to care for our environment.

Collectively, they cleared 170kg worth of trash during the campaign.



# MANGOES, FRESHLY HARVESTED FROM TAMPINES

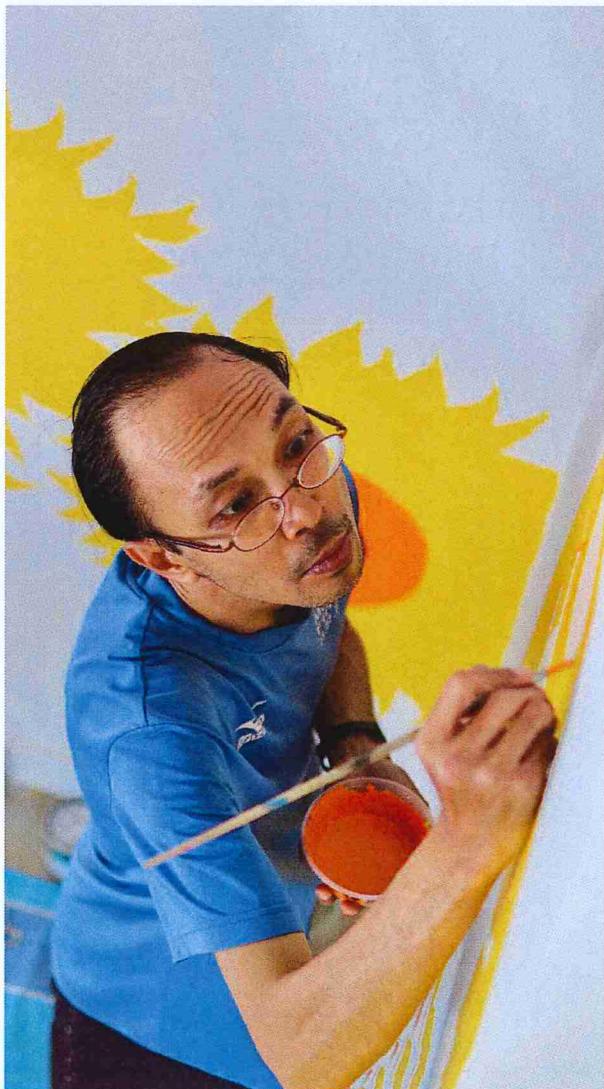
On the 10th of July, 80 bags of mangoes were distributed at the N4 Market Courtyard. Residents around the area received freshly harvested mangoes and a gift bag which included a plush toy Tampidy, our town mascot.

The mangoes, harvested from Tampines, are pesticide-free.



# PAINTING OUR ENVIRONMENT CLEAN

In an attempt to change an anti-social behaviour and discourage littering, Tampines Town Council collaborated with Tampines Kindness Movement to paint kindness murals on the walls near rubbish bins at the void decks of Blocks 125 and 286 in Tampines. Mr. Yuen Kum Cheong was the talented artist behind the paintbrush for this meaningful project. Involving some of our resident artists, the project brought a sense of ownership to an area where trash dumping was initially a problem.



# TREE PLANTING DAY

The annual Tree Planting Day was held in the heart of Tampines. The event saw over 1000 residents mingling with our Members of Parliament for Tampines GRC. They marked the event by planting 10 Hopea odorata trees at Tampines Central Park.

Residents also enjoyed a range of activities such as a building their own mini terrariums, and exchanging recycled goods for cash.



Financial statements  
**TAMPINES TOWN COUNCIL**  
(Established under the Town Councils Act, Cap. 329A)  
For the year ended 31 March 2019

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
TAMPINES TOWN COUNCIL**

(Established under the Town Councils Act, Cap 329A)



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

*Opinion*

We have audited the accompanying financial statements of Tampines Town Council (the "Town Council"), which comprise the statement of financial position as at 31 March 2019, the income and expenditure statement, 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 significant accounting policies.

In our opinion, the accompanying financial statements of the Town Council are properly drawn up in accordance with the provisions of the Town Council's Act, Chapter 329A (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 2019, and of the financial performance, changes in Town Council funds and cash flows of the Town Council for the financial year ended on that date.

*Basis for Opinion*

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

*Other Information*

Management is responsible for the other information. The other information comprises the Chairman's Message set out on pages 3 to 14 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.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintain 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.

*Responsibilities of Management's and Those Charged with Governance for the Financial Statements  
(cont'd)*

A Town Council is constituted based on its Act and its dissolution requires Minister for National Development's approval. 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.
- 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.

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

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 2019 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.

*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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
TAMPINES TOWN COUNCIL**  
(Established under the Town Councils Act, Cap 329A)



*Auditor's Responsibilities for the Compliance Audit (cont'd)*

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.

A handwritten signature in black ink that reads "AT ADLER". The "A" and "T" are connected, as are the "A" and "D" in "ADLER". A horizontal line extends from the end of the "L" across the page.

**AT ADLER**  
Public Accountants and Chartered Accountants

Singapore, 25 September 2019

# **Statement of financial position**

as at 31 March 2019

|   | Note | 2018/2019<br>S\$   | 2017/2018<br>S\$  |
|---|------|--------------------|-------------------|
| <b>TOWN COUNCIL FUND</b>  |      |                    |                   |
| <b>RESIDENTIAL PROPERTY</b>   |      |                    |                   |
| Accumulated surplus   | 3    | 302,370            | 4,641,441         |
| Sinking fund  | 4    | 36,270,342         | 32,774,622        |
| Lift Replacement fund   | 5    | 33,098,667         | 9,901,815         |
| Town improvement and project fund   | 6    | 850,451            | 488,457           |
|   |      | <b>70,521,830</b>  | <b>47,806,335</b> |
| <b>COMMERCIAL PROPERTY</b>  |      |                    |                   |
| Accumulated surplus   | 3    | 1,768,472          | 1,615,298         |
| Sinking fund  | 4    | 15,470,681         | 15,353,151        |
| Lift Replacement fund   | 5    | 4,944,100          | 2,986,651         |
| Town improvement and project fund   | 6    | 1,089,290          | 1,132,530         |
|   |      | <b>23,272,543</b>  | <b>21,087,630</b> |
| <b>CAR PARK</b>   |      |                    |                   |
| Accumulated surplus   | 3    | -                  | 2,013,795         |
|   |      | <b>93,794,373</b>  | <b>70,907,760</b> |
| <b>Represented by:</b>  |      |                    |                   |
| <b>NON-CURRENT ASSET</b>  |      |                    |                   |
| Plant and equipment   | 8    | 104,228            | 103,695           |
| <b>CURRENT ASSETS</b>   |      |                    |                   |
| Receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme       | 7    | 2,094,037          | -                 |
| Conservancy and service fee receivables   | 9    | 1,171,064          | 1,133,527         |
| Other receivables   | 10   | 13,010,630         | 9,402,887         |
| Prepayment  |      | 254,734            | 243,005           |
| Cash and cash equivalents   | 11   | 89,518,471         | 77,884,681        |
|   |      | <b>106,048,936</b> | <b>88,664,100</b> |
| <b>TOTAL ASSETS</b>   |      | <b>106,153,164</b> | <b>88,767,795</b> |
| <b>Less:</b>  |      |                    |                   |
| <b>CURRENT LIABILITIES</b>  |      |                    |                   |
| Conservancy and service fee received in advance   | 12   | 878,122            | 810,146           |
| Advances received for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme | 7    | -                  | 699,984           |
| Payables and accrued expenses   | 13   | 10,543,629         | 15,423,366        |
| Current tax payable   |      | 937,040            | 926,539           |
| <b>TOTAL LIABILITIES</b>  |      | <b>12,358,791</b>  | <b>17,860,035</b> |
| <b>NET ASSETS</b>   |      | <b>93,794,373</b>  | <b>70,907,760</b> |

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

MS CHENG LI HUI  
Chairman

MR FRANK NGOH  
Secretary

Date: 25 September 2019

## **Income and expenditure statement** for the financial year ended 31 March 2019

|  | Note     | 2018/2019<br>S\$ | 2017/2018<br>S\$ |
|--|----------|------------------|------------------|
| <b>OPERATING INCOME</b>  |          |                  |                  |
| Conservancy and service fees   | 3        | 48,866,911       | 45,306,767       |
| Less: Operating transfer to sinking fund (minimum required by law)     | 3, 4     | (12,705,397)     | (11,779,772)     |
| Operating transfer to lift replacement fund (minimum required by law)  | 3, 5     | (6,841,379)      | (6,342,966)      |
|  |          | 29,320,135       | 27,184,029       |
| Agency fees  | 14       | 3,389,046        | 3,202,217        |
| Other income   | 15       | 3,688,112        | 3,599,696        |
|  |          | 36,397,293       | 33,985,942       |
| Less:  |          |                  |                  |
| <b>OPERATING EXPENDITURE</b>   |          |                  |                  |
| Cleaning works   | 16       | 6,541,785        | 6,890,659        |
| Managing agent's fees  |          | 4,582,837        | 4,312,120        |
| Lift maintenance   |          | 6,992,644        | 6,773,420        |
| Other works and maintenance  |          | 5,100,616        | 5,800,584        |
| Water and electricity  |          | 9,309,390        | 8,634,360        |
| General and administrative expenditure                                 | 19       | 2,323,381        | 1,957,815        |
|  |          | (34,850,653)     | (34,368,958)     |
| <b>OPERATING SURPLUS / (DEFICIT)</b>                                   |          | 1,546,640        | (383,016)        |
| Add:   |          |                  |                  |
| <b>NON-OPERATING INCOME</b>  |          |                  |                  |
| Interest income  | 3        | 218,425          | 33,562           |
| <b>SURPLUS / (DEFICIT) BEFORE TAXATION AND GOVERNMENT GRANTS</b>       |          | 1,765,065        | (349,454)        |
| Less:  |          |                  |                  |
| Income tax   | 21       | (373,041)        | (419,387)        |
| <b>SURPLUS / (DEFICIT) AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS</b> |          | 1,392,024        | (768,841)        |
| Add:   |          |                  |                  |
| Government Grants  | 3, 23    | 19,803,855       | 13,246,077       |
| Less: Transfer to sinking fund   | 3, 4, 23 | (2,301,122)      | (2,214,126)      |
| Less: Transfer to lift replacement fund                                | 3, 5, 23 | (11,287,440)     | (4,789,514)      |
| Less: Transfer to town improvement and project fund                    | 3, 6, 23 | (905,009)        | (1,132,929)      |
|  |          | 5,310,284        | 5,109,508        |
| <b>SURPLUS FOR THE YEAR</b>  |          | 6,702,308        | 4,340,667        |
| Add:   |          |                  |                  |
| Accumulated surplus at 1 April   |          | 8,270,534        | 4,678,900        |
| Less:  |          |                  |                  |
| Voluntary contribution to lift replacement fund                        | 3, 5     | (12,000,000)     | -                |
| Appropriation to town improvement and project fund                     | 3, 6     | (902,000)        | (749,033)        |
| <b>ACCUMULATED SURPLUS AT 31 MARCH</b>                                 |          | 2,070,842        | 8,270,534        |

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

**Statement of comprehensive income**  
 for the financial year ended 31 March 2019

| Note  | 2018/2019<br>S\$ | TOTAL<br>2017/2018<br>S\$ | RESIDENTIAL<br>PROPERTY |                   | COMMERCIAL<br>PROPERTY |                  | CARPARK          |                  |
|---|------------------|---------------------------|-------------------------|-------------------|------------------------|------------------|------------------|------------------|
|   |                  |                           | 2018/2019<br>S\$        | 2017/2018<br>S\$  | 2018/2019<br>S\$       | 2017/2018<br>S\$ | 2018/2019<br>S\$ | 2017/2018<br>S\$ |
| <b>Surplus/(deficit) for the year:</b>                                    |                  |                           |                         |                   |                        |                  |                  |                  |
| - Accumulated surplus   | 3                | <b>6,702,308</b>          | 4,340,667               | <b>4,494,406</b>  | 3,001,964              | <b>1,153,174</b> | 586,404          | <b>1,054,728</b> |
| - Sinking fund  | 4                | <b>3,613,250</b>          | 6,290,522               | <b>3,495,720</b>  | 5,971,350              | <b>117,530</b>   | 319,172          | -                |
| - Lift replacement fund   | 5                | <b>13,154,301</b>         | 6,077,750               | <b>12,196,852</b> | 5,538,491              | <b>957,449</b>   | 539,259          | -                |
| - Town improvement and project fund                                       | 6                | <b>(583,246)</b>          | (449,034)               | <b>(540,006)</b>  | (396,492)              | <b>(43,240)</b>  | (52,542)         | -                |
| Total surplus for the year  |                  | <b>22,886,613</b>         | 16,259,905              | <b>19,646,972</b> | 14,115,313             | <b>2,184,913</b> | 1,392,293        | <b>1,054,728</b> |
| Other comprehensive income, net of tax                                    |                  | -                         | -                       | -                 | -                      | -                | -                | -                |
| Total comprehensive income for the year attributable to Town Council Fund |                  | <b>22,886,613</b>         | 16,259,905              | <b>19,646,972</b> | 14,115,313             | <b>2,184,913</b> | 1,392,293        | <b>1,054,728</b> |
|   |                  |                           |                         |                   |                        |                  |                  | <b>752,299</b>   |

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

**Statement of changes in funds**  
 for the financial year ended 31 March 2019

|   | TOTAL<br>S\$      | RESIDENTIAL<br>PROPERTY<br>S\$ | COMMERCIAL<br>PROPERTY<br>S\$ | CARPARK<br>S\$   |
|---|-------------------|--------------------------------|-------------------------------|------------------|
| Balance at 1 April 2017                 | 54,647,855        | 33,691,022                     | 19,695,337                    | 1,261,496        |
| Total comprehensive income for the year | 16,259,905        | 14,115,313                     | 1,392,293                     | 752,299          |
| <u>Balance at 31 March 2018</u>         | <u>70,907,760</u> | <u>47,806,335</u>              | <u>21,087,630</u>             | <u>2,013,795</u> |
|   |                   |                                |                               |                  |
| Balance at 1 April 2018                 | 70,907,760        | 47,806,335                     | 21,087,630                    | 2,013,795        |
| Total comprehensive income for the year | 22,886,613        | 19,646,972                     | 2,184,913                     | 1,054,728        |
| Add/(less):                             |                   |                                |                               |                  |
| Inter-fund transfer                     | -                 | 3,068,523                      | -                             | (3,068,523)      |
| <u>Balance at 31 March 2019</u>         | <u>93,794,373</u> | <u>70,521,830</u>              | <u>23,272,543</u>             | <u>-</u>         |

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

## **Statement of cash flows**

for the financial year ended 31 March 2019

|   | Note  | 2018/2019<br>S\$ | 2017/2018<br>S\$ |
|---|-------|------------------|------------------|
| <b>Cash Flows from Operating Activities</b>   |       |                  |                  |
| Surplus / (Deficit) in income and expenditure statement before taxation and government grants                               |       | 1,765,065        | (349,454)        |
| Adjustments for:  |       |                  |                  |
| Conservancy and service fees transferred to sinking fund  | 3, 4  | 12,705,397       | 11,779,772       |
| Conservancy and service fees transferred to lift replacement fund   | 3, 5  | 6,841,379        | 6,342,966        |
| Depreciation of plant and equipment   | 8, 19 | 68,383           | 61,726           |
| Provision for impairment in conservancy and service fee   | 9, 19 | 284,943          | 110,615          |
| Interest income   | 3     | (218,425)        | (33,562)         |
| Operating surplus before working capital changes  |       | 21,446,742       | 17,912,063       |
| Decrease/(increase) in conservancy and service fee and other receivables  |       | 2,244,580        | (2,539,503)      |
| Increase in prepayments   |       | (11,729)         | (37,164)         |
| (Decrease)/increase in payables and accrued expenses and conservancy and service fee received in advance                    |       | (4,811,761)      | 10,805,829       |
| Increase in Selective Lift Replacement Programme receivables  |       | (1,112,782)      | -                |
| Decrease in Selective Lift Replacement Programme received-in-advance  |       | -                | (2,678,496)      |
| Net movement in advances received or receivable for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme |       | (2,794,021)      | 332,479          |
| Cash generated from operations  |       | 14,961,029       | 23,795,208       |
| Sinking fund expenditure  | 4     | (11,938,303)     | (8,016,340)      |
| Lift replacement fund expenditure   | 5     | (5,099,039)      | (5,074,647)      |
| Town improvement and project fund expenditure   | 6     | (1,488,255)      | (1,581,963)      |
| Income tax paid   |       | (497,605)        | (479,100)        |
| Net cash (used in)/generated from operating activities  |       | (4,062,173)      | 8,643,158        |
| <b>Cash Flows from Investing Activities</b>   |       |                  |                  |
| Purchase of plant and equipment   | 8     | (68,916)         | (37,120)         |
| Interest received   |       | 888,926          | 659,073          |
| Net cash generated from investing activities  |       | 820,010          | 621,953          |
| <b>Cash Flows from Financing Activity</b>   |       |                  |                  |
| Government grants received  | 23    | 14,875,953       | 13,848,326       |
| Net cash generated from financing activity  |       | 14,875,953       | 13,848,326       |
| Net increase in cash and cash equivalents   |       | 11,633,790       | 23,113,437       |
| Cash and cash equivalents at beginning of year  |       | 77,884,681       | 54,771,244       |
| Cash and cash equivalents at end of year  | 11    | 89,518,471       | 77,884,681       |

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

# **Notes to the financial statements**

## for the financial year ended 31 March 2019

### **1 GENERAL INFORMATION**

The Town Council was established on 5 August 1990 under the Town Councils Act (Chapter 329A). The functions of the Town Council are to control, manage, maintain and improve the common property of residential and commercial properties in the housing estates of the Housing and the Development Board (HDB) within the Town. The town consists of the Tampines Group Representation Constituency.

The financial statements of the Town Council for the financial year ended 31 March 2019 were authorised for issue by the members of Town Council on 25 September 2019.

The head office of the Town Council is situated at:

Blk 136 Tampines Street 11  
Singapore 521136

### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) ACCOUNTING CONVENTION**

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") as issued by the Singapore Accounting Standards Council as well as all related interpretations to FRSs ("INT FRSs") and the Town Councils Act, Cap. 329A. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed, where appropriate, in these financial statements.

#### **(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

(i) The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Town Council's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2(t).

(ii) Adoption of new and revised standards

On 1 April 2018, the Town Council has adopted the new or revised FRSs that are mandatory for application from that date.

The adoption of these new or revised FRSs which are relevant to the Town Council's operations did not result in substantial changes to the Town Council's accounting policies and had no material effects on the amounts reported for the current or prior financial years, except as disclosed in Note 2(b)(iii).

(iii) Changes in accounting policies

The Town Council has initially applied FRS 109 *Financial Instruments* and FRS 115 *Revenue from Contracts with Customers* from 1 April 2018. Due to the transition methods chosen by the Town Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)**

- (iii) Changes in accounting policies (cont'd)

**FRS 109 Financial Instruments**

FRS 109 replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Additionally, the Town Council has adopted consequential amendments to FRS 107 *Financial Instruments: Disclosures* that are applied to disclosures for FY2018/2019 but have not been generally applied to comparative information. The comparative information was prepared in accordance with the requirements of FRS 39.

The classification and measurement of FRS 109 did not have a significant impact to the Town Council.

FRS 109 also requires the Town Council to record expected credit losses (ECLs) on all of its financial assets measured at amortised cost. There is no significant impact on the financial statements except for additional disclosures.

**FRS 115 Revenue from Contracts with Customers**

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18, *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which the Town Council expects to be entitled in exchange for transferring of goods or services to customers.

FRS 115 requires the Town Council to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contract with customers.

The adoption of FRS 115 did not result in a change to the recognition of revenue for the current and previous financial years.

**(c) FUNDS****TOWN COUNCIL FUND**

In accordance with section 33(1) of the Town Councils Act, separate funds are established to account for the management of the various types of properties. The types of properties under the management of the Town Council are as follows:

Residential Property  
Commercial Property

Car parks are maintained by the Town Council for Housing and Development Board ("HDB") on an agency basis.

These funds together with the Sinking Fund, Lift Replacement Fund and Town Improvement and Project Fund form the Town Council Fund.

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

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

**SINKING FUND**

In accordance with Section 33(4) of the Town Councils Act, a separate Sinking Fund is established for the improvement to, management and maintenance of Residential Property and Commercial Property.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(c) FUNDS (CONT'D)****SINKING FUND (CONT'D)**

Under the Town Councils Act, the Minister for National Development may, from time to time, prescribe the minimum amount of service and conservancy charges and grants-in-aid to be paid into the Sinking Fund. These sinking fund are maintained as part of the Town Council fund.

The minimum amounts to be paid into the Sinking Fund is 26% of service and conservancy charges and grants-in-aid, excluding the LRF matching grant-in-aid for Residential Property and Commercial Property.

These minimum contributions are treated as operating transfers and netted off against the service and conservancy charges and government grants in the income and expenditure statement.

The Sinking Fund is utilised for cyclical major repainting, renewal or replacement of roofing system, water tanks, pumps and water supply system, rewiring, lightning protection system, installation of any sensor and starter controller to the time-controlled booster pumping system, major repairs and maintenance of the common area and contributions to the HDB in respect of general upgrading works carried out on the common property under the Housing and Development Act.

**LIFT REPLACEMENT FUND ("LRF")**

In accordance with Section 33(4A) of the Town Councils Act, a separate Lift Replacement Fund is established to meet the cost of any capital expenditure related to the replacement of lifts or lift upgrading works on Residential Property and Commercial Property.

To assist Town Councils in building up the LRF, the Ministry of National Development ('MND') will provide a 50% matching grant to the following contributions Town Councils make to the LRF:

- (i) Quarterly contributions to the LRF from service and conservancy charges collections and other grants-in-aids, including voluntary contributions beyond the minimum LRF contribution rate; and
- (ii) Voluntary contributions of Operating Fund surpluses to the LRF at the end of a financial year, as allowed under Section 33(9) of the amended Town Councils Act.

Under the Town Councils Act, the Minister for National Development may, from time to time, prescribe the minimum amount of service and conservancy charges and grants-in-aid to be paid into the Lift Replacement Fund. These lift replacement fund are maintained as part of the Town Council fund.

The minimum amounts to be paid into the Lift Replacement Fund is 14% of service and conservancy charges and grants-in-aid, excluding the LRF matching grant-in-aid for Residential Property and Commercial Property.

This minimum contribution is treated as operating transfers and netted off against the service and conservancy charges and government grants in the income and expenditure statement.

**TOWN IMPROVEMENT AND PROJECT FUND**

Town Improvement and Project Fund is established and maintained as part of the Town Council Fund. These Funds are utilised for improvement and development works in the Town.

These funds are set up by transfer from the Accumulated Surplus based on specific projects to be carried out. In addition, the Town Council receives payments from Citizens' Consultative Committees for approved projects.

Expenditure on Town Improvement Projects is taken directly to the Town Improvement and Project Fund. Payments from Citizens' Consultative Committee ("CCC") are shown as part of Government Grants in the income and expenditure statement and then transferred to the Town Improvement and Project Fund.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) ALLOCATION OF GENERAL OVERHEADS**

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

| <u>Property type</u>                              | <u>Equivalent Dwelling Unit(s)</u> |
|---|------------------------------------|
| 1 residential property unit                       | 1                                  |
| 1 commercial property unit                        | 2                                  |
| 6 car lots or 36 motor cycle lots or 4 lorry lots | 1                                  |

**(e) GOVERNMENT GRANTS**

The Town Council receives five types of grants from the Government, namely, Service and Conservancy Charge Grant, payments from Citizens' Consultative Committees, GST Subvention Grant, Lift Maintenance Grant and LRF Matching Grant.

Service and Conservancy Charge Grants are given to meet the current year's operating expenditure are taken to the income and expenditure statement.

Payments from Citizen's Consultative Committees are given as reimbursement claims under the Community Improvement Projects Committee scheme.

The GST subvention grant is given as a grants-in-aid and is granted to Town Councils for absorbing the GST increases in service and conservancy charge for HDB residential flats.

The Lift Maintenance Grant helps Town Councils cope with the higher lift-related servicing and maintenance costs.

The LRF Matching Grant is to assist Town Councils in building up the LRF.

Government grants are recognised at their fair value where there is reasonable assurance that the grants will be received and all required conditions will be complied with. Grants to meet the current year's operating expenditure are taken to the income and expenditure statement.

**(f) PLANT AND EQUIPMENT**

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in the income and expenditure statement. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the charges are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Town Council. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Subsequent costs are recognized as an asset only when it is probable that future economic benefits associated with the item will flow to the Town Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income and expenditure statement when they are incurred.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(f) PLANT AND EQUIPMENT (CONT'D)**

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

|                                  |         |
|----------------------------------|---------|
| Furniture, Fixtures and Fittings | 5 years |
| Data Processing Equipment        | 3 years |
| Office Equipment                 | 3 years |
| Renovation                       | 5 years |

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Depreciation is charged from the month of asset acquisition. For disposal of assets, depreciation is charged up to the previous month of disposal. Plant and equipment costing below S\$1,000 each and purchase of computer software are charged to the income and expenditure statement in the year of purchase.

**(g) IMPAIRMENT OF NON-FINANCIAL ASSETS**

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on the non-financial assets. The carrying amount of non-financial assets is reviewed at each reporting date for indications of impairment and where impairment is found, the asset is written down through the income and expenditure statement to its estimated recoverable amount.

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

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

**(h) FINANCIAL ASSETS****POLICY APPLICABLE FROM 1 APRIL 2018****(i) Initial recognition and measurement**

Financial assets are recognised when, and only when the entity becomes 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 fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Conservancy and service fee receivables are measured at the amount of consideration to which the Town Council expects to be entitled in exchange for transferring promised services, excluding amounts collected on behalf of third party, if the conservancy and service fee receivables do not contain a significant financing component at initial recognition.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) FINANCIAL ASSETS (CONT'D)****POLICY APPLICABLE FROM 1 APRIL 2018 (CONT'D)****(ii) Subsequent measurement**

Debt instruments mainly comprise of receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme, conservancy and service fee receivables, other receivables, and cash and cash equivalents.

There are three subsequent measurement categories, depending on the Town Council's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost;
- Fair value through other comprehensive income; and
- Fair value through profit or loss.

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

The Town Council only has debt instruments at amortised cost.

**(iii) Derecognition**

The Town Council derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Town Council neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**(iv) Impairment**

The Town Council recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Town Council expects to receive, discounted at an approximation of the original effective interest rate.

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

For conservancy and service fee receivables, the Town Council applies a simplified approach in calculating ECLs. Therefore, the Town Council does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Town Council uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for conservancy and service fee receivables, where the loss allowance is equal to lifetime ECL.

Any subsequent changes in lifetime ECL, both positive and negative, will be recognised immediately in profit or loss.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) FINANCIAL ASSETS (CONT'D)****POLICY APPLICABLE FROM 1 APRIL 2018 (CONT'D)****(iv) Impairment (cont'd)**

The Town Council considers a financial asset to be in default when internal or external information indicates that the Town Council is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Town Council. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**POLICY APPLICABLE BEFORE 1 APRIL 2018****(i) Initial recognition and measurement**

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value, normally represented by the transaction price.

Except for loan and receivables, there are no financial assets classified at fair value through profit or loss or held to maturity during the financial year.

**Loans and receivables:** Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Conservancy and services receivables, other receivables, cash and cash equivalents are classified in this category.

**(ii) Impairment**

Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the income and expenditure statement.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the amortised cost had no impairment loss been recognised in prior periods.

**(iii) Derecognition of financial assets**

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(i) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include bank and cash balances and on demand deposits that are readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

**(j) FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying values of current financial assets and financial liabilities including cash, accounts receivable, accounts payable approximate their fair values due to the short-term maturity of these instruments. Disclosures of fair value are not made when the carrying amount is a reasonable approximation of fair value. The fair values of non-current financial instruments may not be disclosed unless there are significant items at the end of the year and in that event, the fair values are disclosed in the relevant notes. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the reporting period. The fair value of a financial instrument is derived from an active market. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price. If there is no market, or the markets available are not active, the fair value is established by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of similar instruments and incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. As far as unquoted equity instruments are concerned, in cases where it is not possible to reliably measure the fair value, such instruments are carried at cost less accumulated allowance for impairment.

**(k) FINANCIAL LIABILITIES**

Initial recognition and measurement:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value 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 is expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories is as follows:

- #1. Liabilities at fair value through profit or loss: As at year end date, there were no financial liabilities classified in this category.
- #2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Creditors and accrued expenses are classified in this category. Items classified within current payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(l) PROVISIONS**

A 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 the income and expenditure statement in the period they occur.

**(m) LEASES AS A LESSEE**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in the income and expenditure statement on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in the income and expenditure statement as an integral part of the total lease expense.

**(n) INCOME TAX**

Income tax is provided on the following income:

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

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

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

**(o) RECOGNITION OF INCOME**

Income is measured based on the consideration to which the Town Council expects to be entitled in exchange for performance of services, excluding amounts collected on behalf of third parties. Income is recognised based on the identified performance obligations as follows:

- (i) Conservancy and service fees which measures the continuous service performance are recognised over time.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(o) RECOGNITION OF INCOME (CONT'D)**

- (ii) Agency fees are fees received for routine maintenance of HDB's carparks and are recognised over time.
- (iii) Interest income from fixed deposits is recognised on a time proportion basis that takes into account the effective yield on the asset.

**(p) INTER-FUND TRANSFER**

The Town Council may make inter-fund transfers in accordance to Sections 33(9) and 43(1)(i) of the Town Councils Act (Cap. 329A), and Rule 11A of the Town Councils Financial Rules.

**(q) FUNCTIONAL CURRENCY**

Items included in the financial statements of the Town Council are measured using the currency of the primary economic environment in which the Town Council operates ("the functional currency"). The financial statements of the Town Council are presented in Singapore dollars which is also the functional currency of the Town Council.

**(r) RECEIVABLES/ADVANCES RECEIVED FOR NEIGHBOURHOOD RENEWAL PROGRAMME**

Neighbourhood Renewal Programme (NRP) is established in respect of the NRP works carried out on the qualifying properties to upgrade the quality of HDB estates. It is implemented by the Town Council with full funding from the Government.

The funding for the programme belongs to the government which is for the specific use of projects under the programme. The Town Council receives a funding of S\$3,400 per dwelling unit to cover NRP construction costs, professional and consultancy fees. In addition, the Town Council shall be entitled to a sum of S\$150 per dwelling unit or S\$125,000, whichever is higher, to cover miscellaneous costs relating to the NRP project. However, if the cost of project works incurred exceeds the funding provided, the Town Council has to bear the cost of excess expenditure.

**(s) RECEIVABLES/ADVANCES RECEIVED FOR ELECTRICAL LOAD UPGRADING PROGRAMME**

The Electrical Load Upgrading Programme (ELU) was introduced to upgrade the incoming electrical supply for HDB apartment blocks with a 40amps main switch instead of 30amps.

This programme is fully funded by HDB and implemented by the Town Council. HDB reimburses the Town Council for the expenses incurred on behalf.

**(t) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Apart from information disclosed elsewhere in these financial statements, the following summarises estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and significant judgements made in the process of applying the Town Council's accounting policies.

The key assumptions and judgements concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(t) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)****(i) Expected credit loss on receivables**

The Town Council uses provision matrix to calculate ECLs for conservancy and service fee receivables. The provision rates are estimated based on age of debts, results recovery efforts and historical experience.

The provision matrix is based on the Town Council's historical observed default rates calibrated to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimates. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Town Council's historical credit loss experience and forecast economic conditions may also not be representative of the actual default in the future. The information about the ECLs on the Town Council's conservancy and service fee receivables is disclosed in Note 9.

The ECL for conservancy and service fee receivables amounted to S\$2,339,588 (2017/2018: S\$2,057,254).

For other receivables, the allowance for ECL is based on the Town Council's assessment of the collectability of each debtor taking into consideration the credit worthiness and financial condition of those debtors. If there is deterioration of debtor's financial condition, the Town Council may have to adjust the allowance for credit losses, which would affect the profit or loss in the period that adjustments are made.

**(ii) Depreciation of plant and equipment**

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant and equipment between 3 to 5 years. The carrying amount of the plant and equipment as at 31 March 2019 was S\$104,228 (2017/2018 - S\$103,695). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

**(iii) Income tax**

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

**TAMPINES TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2019**

**3 ACCUMULATED SURPLUS**

The surplus/(deficit) for the year attributable to the various activities is carried forward as Accumulated Surplus in the respective funds as follows:

|  | Note | TOTAL              |                    | RESIDENTIAL PROPERTY |                    | COMMERCIAL PROPERTY |                    | CARPARK            |                    |
|--|------|--------------------|--------------------|----------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
|  |      | 2018/2019<br>\$ \$ | 2017/2018<br>\$ \$ | 2018/2019<br>\$ \$   | 2017/2018<br>\$ \$ | 2018/2019<br>\$ \$  | 2017/2018<br>\$ \$ | 2018/2019<br>\$ \$ | 2017/2018<br>\$ \$ |
| <b>OPERATING INCOME</b>  |      |                    |                    |                      |                    |                     |                    |                    |                    |
| Conservancy and service fees   |      | 48,866,911         | 45,306,767         | 45,961,114           | 42,589,392         | 2,905,797           | 2,717,375          | -                  | -                  |
| Less: Operating transfer to sinking fund<br>(minimum required by law)    | 4    | (12,705,397)       | (11,779,772)       | (11,949,891)         | (11,073,253)       | (755,506)           | (706,519)          | -                  | -                  |
| Operating transfer to lift replacement fund<br>(minimum required by law) | 5    | (6,841,379)        | (6,342,966)        | (6,434,569)          | (5,962,531)        | (406,810)           | (380,435)          | -                  | -                  |
|  |      | 29,320,135         | 27,184,029         | 27,576,654           | 25,553,608         | 1,743,481           | 1,630,421          | -                  | -                  |
| Agency fees  | 14   | 3,389,046          | 3,202,217          | 2,594,634            | 3,043,650          | 1,047,520           | 516,005            | 3,389,046          | 3,202,217          |
| Other income   | 15   | 3,688,112          | 3,599,696          | 30,171,288           | 28,597,258         | 2,791,001           | 2,146,426          | 45,958             | 40,041             |
|  |      | 36,397,293         | 33,985,942         | (30,833,400)         | (30,366,500)       | (1,633,631)         | (1,547,741)        | 3,435,004          | 3,242,258          |
| Less:<br>OPERATING EXPENDITURE   |      | (34,850,653)       | (34,368,958)       | (662,112)            | (1,769,242)        | 1,157,370           | 598,685            | (2,383,622)        | (2,454,717)        |
| Operating surplus/(deficit)  |      | 1,546,640          | (383,016)          |                      |                    |                     |                    | 1,051,382          | 787,541            |
| <b>NON-OPERATING INCOME</b>  |      |                    |                    |                      |                    |                     |                    |                    |                    |
| NON-OPERATING INCOME – interest income                                   |      | 218,425            | 33,562             | 175,092              | 29,396             | 6,301               | 1,102              | 37,032             | 3,064              |
| <b>SURPLUS/(DEFICIT) BEFORE TAXATION AND GOVERNMENT GRANTS</b>           |      | 1,765,065          | (349,454)          | (487,020)            | (1,739,846)        | 1,163,671           | 599,787            | 1,088,414          | 790,605            |
| Less:<br>INCOME TAX  | 21   | (373,041)          | (419,387)          | (327,418)            | (367,338)          | (11,937)            | (13,743)           | (33,686)           | (38,306)           |
| <b>SURPLUS/(DEFICIT) AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS</b>     |      | 1,392,024          | (768,841)          | (814,438)            | (2,107,184)        | 1,151,734           | 586,044            | 1,054,728          | 752,299            |
| Add:<br>Government grants  |      | 19,803,855         | 13,246,077         | 19,138,549           | 13,028,526         | 665,306             | 217,551            | -                  | -                  |
| Less: Transfer to sinking fund   | 4    | (2,301,122)        | (2,214,126)        | (2,300,498)          | (2,213,970)        | (624)               | (156)              | -                  | -                  |
| Transfer to lift replacement fund  | 5    | (11,287,440)       | (4,789,514)        | (10,624,198)         | (4,613,039)        | (663,242)           | (176,475)          | -                  | -                  |
| Town improvement and project fund  | 6    | (905,009)          | (1,132,929)        | (905,009)            | (1,092,369)        | -                   | (40,560)           | -                  | -                  |
|  |      | 5,310,284          | 5,109,508          | 5,308,844            | 5,109,148          | 1,440               | 360                | -                  | -                  |
| <b>SURPLUS FOR THE YEAR</b>  |      | 6,702,308          | 4,340,667          | 4,494,406            | 3,001,964          | 1,153,174           | 586,404            | 1,054,728          | 752,299            |
| Add:<br>Accumulated surplus at 1 April                                   |      | 8,270,534          | 4,678,900          | 4,641,441            | 2,325,139          | 1,615,298           | 1,092,265          | 2,013,795          | 1,261,496          |
| Inter-fund transfer  |      | -                  | -                  | 3,068,523            | -                  | -                   | -                  | (3,068,523)        | -                  |
| Less:<br>Voluntary contribution to lift replacement fund                 | 5    | (12,000,000)       | -                  | (11,000,000)         | -                  | (1,000,000)         | -                  | -                  | -                  |
| Appropriation to town improvement and project fund                       | 6    | (902,000)          | (749,033)          | (902,000)            | (685,662)          | -                   | (63,371)           | -                  | -                  |
| Accumulated surplus at 31 March  |      | 2,070,842          | 8,270,534          | 302,370              | 4,641,441          | 1,768,472           | 1,615,298          | -                  | 2,013,795          |

**TAMPINES TOWN COUNCIL**

(Established under the Town Councils Act, Cap. 329A)

Notes to the financial statements for the financial year ended 31 March 2019

**4 SINKING FUND**

|  | Note   | 2018/2019<br>\$ | TOTAL<br>2017/2018<br>\$ | RESIDENTIAL PROPERTY |                 | COMMERCIAL PROPERTY<br>2018/2019<br>\$ | 2017/2018<br>\$ |
|--|--------|-----------------|--------------------------|----------------------|-----------------|--|-----------------|
|  |        |                 |                          | 2018/2019<br>\$      | 2017/2018<br>\$ |  |                 |
| Balance at 1 April                                       |        | 48,127,773      | 48,647,967               | 32,774,622           | 31,166,596      | 15,353,151                             | 17,481,371      |
| Less:  |        |                 |                          |                      |                 |  |                 |
| Transfer to lift replacement fund                        | 5      |                 |                          | (6,810,716)          |                 | (4,363,324)                            | (2,447,392)     |
| Add :  |        |                 |                          |                      |                 |  |                 |
| INCOME OPERATING TRANSFERS FROM :                        | 17 (a) | 656,041         | 378,196                  | 632,923              | 364,561         | 23,118                                 | 13,635          |
| - Conservancy and service fees (minimum required by law) | 3      | 12,705,397      | 11,779,772               | 11,949,891           | 11,073,253      | 755,506                                | 706,519         |
| - Government Grants                                      | 3,23   | 2,301,122       | 2,214,126                | 2,300,498            | 2,213,970       | 624                                    | 156             |
| Less : EXPENDITURE                                       | 17 (b) | (11,938,303)    | (8,016,340)              | (11,280,481)         | (7,617,554)     | (657,822)                              | (398,786)       |
| Less : INCOME TAX  | 21     |                 | (111,007)                | (65,232)             | (107,111)       | (62,880)                               | (3,896)         |
| SURPLUS FOR THE YEAR                                     |        |                 | 3,613,250                | 6,290,522            | 3,495,720       | 5,971,350                              | 117,530         |
| Balance at 31 March                                      |        | 51,741,023      | 48,127,773               | 36,270,342           | 32,774,622      | 15,470,681                             | 15,353,151      |

Represented by :

**CURRENT ASSETS**

Conservancy and service fee receivables

Amount due from Operating Fund

Other receivables

Cash and cash equivalents

Total assets

Less :

**CURRENT LIABILITIES**

Current tax payable

Payables and accrued expenses

Total liabilities

|            |            |            |
|------------|------------|------------|
| NET ASSETS | 51,741,023 | 48,127,773 |
|------------|------------|------------|

**TAMPINES TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2019**

**5 LIFT REPLACEMENT FUND**

|  | Note             | 2018/2019<br>S\$<br>12,888,466                             | 2017/2018<br>S\$ -                                       | TOTAL<br>S\$ -   | RESIDENTIAL PROPERTY<br>S\$ 9,901,815                    | 2017/2018<br>S\$ -                                 | COMMERCIAL PROPERTY<br>S\$ 2,986,651             | 2017/2018<br>S\$ - |
|--|------------------|--|--|--|--|--|--|--------------------|
|  |                  |  |  |  |  |  |  |                    |
| Balance at 1 April   |                  |  |  |  |  |  |  |                    |
| Add :<br>INCOME<br>Operating transfer from Conservancy and service fees (minimum<br>required by law) | 18(a)<br>3       | <b>148,579</b><br><b>6,841,379</b><br><b>6,989,958</b>     | <b>22,301</b><br><b>6,342,966</b><br><b>6,365,267</b>    | <b>143,350</b><br><b>6,434,569</b><br><b>6,577,919</b>     | <b>21,500</b><br><b>5,962,531</b><br><b>5,984,031</b>    | <b>5,229</b><br><b>406,810</b><br><b>412,039</b>   | <b>801</b><br><b>380,435</b><br><b>381,236</b>   |                    |
| Add:<br>Transfer from Government Grants<br>- LRF Matching Grant *<br>- Other government grants       |                  | <b>10,048,371</b><br><b>1,239,069</b>                      | <b>3,597,292</b><br><b>1,192,222</b>                     | <b>9,385,465</b><br><b>1,238,733</b>                       | <b>3,420,901</b><br><b>1,192,138</b>                     | <b>662,906</b><br><b>336</b>                       | <b>176,391</b><br><b>84</b>                      |                    |
| Less : EXPENDITURE<br>Less : INCOME TAX  | 3<br>18(b)<br>21 | <b>11,287,440</b><br><b>(5,099,039)</b><br><b>(24,053)</b> | <b>4,789,514</b><br><b>(5,074,647)</b><br><b>(2,384)</b> | <b>10,624,198</b><br><b>(4,982,051)</b><br><b>(23,214)</b> | <b>4,613,039</b><br><b>(5,056,281)</b><br><b>(2,298)</b> | <b>663,242</b><br><b>(116,988)</b><br><b>(844)</b> | <b>176,475</b><br><b>(18,366)</b><br><b>(86)</b> |                    |
| SURPLUS FOR THE YEAR   |                  | <b>13,154,301</b>  | <b>6,077,750</b>   | <b>12,196,852</b>  | <b>5,538,491</b>   | <b>957,449</b>                                     | <b>539,259</b>                                   |                    |
| Add:<br>Transfer from sinking fund<br>Voluntary contribution from operating fund                     | 4<br>3           | -<br><b>12,000,000</b>                                     | <b>6,810,716</b><br>-                                    | <b>11,000,000</b><br>-                                     | <b>4,363,324</b><br>-                                    | <b>1,000,000</b><br>-                              | <b>2,447,392</b><br>-                            |                    |
| Balance at 31 March  |                  | <b>25,154,301</b>  | <b>12,888,466</b>  | <b>23,196,852</b>  | <b>9,901,815</b>   | <b>1,957,449</b>                                   | <b>2,986,651</b>                                 |                    |
| Represented by :   |                  |  |  |  |  |  |  |                    |
| CURRENT ASSETS   |                  |  |  |  |  |  |  |                    |
| Conservancy and service fee receivables  |                  | <b>273,733</b>   |  |  |  |  |  |                    |
| Amount due from Operating Fund   |                  | <b>13,858,773</b>  |  |  |  |  |  |                    |
| Other receivables  |                  | <b>9,542,603</b>   |  |  |  |  |  |                    |
| Cash and cash equivalents  |                  | <b>15,596,947</b>  |  |  |  |  |  |                    |
| Total assets   |                  | <b>39,272,056</b>  |  |  |  |  |  |                    |
| Less :   |                  |  |  |  |  |  |  |                    |
| CURRENT LIABILITIES  |                  |  |  |  |  |  |  |                    |
| Current tax payable  |                  | <b>26,442</b>  |  |  |  |  |  |                    |
| Payables and accrued expenses  |                  | <b>1,202,847</b>   |  |  |  |  |  |                    |
| Total liabilities  |                  | <b>1,229,289</b>   |  |  |  |  |  |                    |
| NET ASSETS   |                  | <b>38,042,767</b>  |  |  |  |  |  |                    |
|  |                  |  |  |  |  |  |  |                    |

\* Included the LRF Matching Grant of S\$6,000,000 (2017/2018: S\$Nil) for the voluntary contribution made during the financial year ended 31 March 2019. This voluntary contribution is made in accordance with Section 33(9) of the Town Councils Act. With the voluntary contribution of S\$12,000,000 (2017/2018: S\$Nil) from the Operating Fund to the Lift Replacement Fund, the Town Council is entitled to receive a matching grant of S\$6,000,000 (2017/2018: S\$Nil).

**TAMPINES TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2019**

**6 TOWN IMPROVEMENT AND PROJECT FUND**

|  | Note | 2018/2019<br>S\$ | TOTAL<br>2017/2018<br>S\$ | RESIDENTIAL PROPERTY |                  | 2018/2019<br>S\$ | COMMERCIAL PROPERTY<br>2017/2018<br>S\$ |
|--|------|------------------|---------------------------|----------------------|------------------|------------------|---|
|  |      |                  |                           | 2018/2019<br>S\$     | 2017/2018<br>S\$ |                  |   |
| Balance at 1 April                     |      | 1,620,987        | 1,320,988                 | 488,457              | 199,287          | 1,132,530        | 1,121,701                               |
| Add :                                  |      |                  |                           |                      |                  |                  |   |
| Transfer from Government Grants        | 3    | 905,009          | 1,132,929                 | 905,009              | 1,092,369        | -                | 40,560                                  |
| Less :                                 |      |                  |                           |                      |                  |                  |   |
| Expenditure                            |      | (1,488,255)      | (1,581,963)               | (1,445,015)          | (1,488,861)      | (43,240)         | (93,102)                                |
| Deficit for the year                   |      | (583,246)        | (449,034)                 | (540,006)            | (396,492)        | (43,240)         | (52,542)                                |
| Appropriation from accumulated surplus | 3    | 902,000          | 749,033                   | 902,000              | 685,662          | 63,371           |   |
| Balance at 31 March                    |      | 1,939,741        | 1,620,987                 | 850,451              | 488,457          | 1,089,290        | 1,132,530                               |

These projects are funded by Town Council using the Town Council Fund and by the Citizens' Consultative Committee ("CCC").

Out of the total of S\$1,488,255 (2017/2018 - S\$1,581,963) spent on town improvement projects, S\$905,009 (2017/2018 - S\$1,132,929) was met by payment from CCC.

**7 (RECEIVABLES) / ADVANCES RECEIVED FOR NEIGHBOURHOOD RENEWAL PROGRAMME AND ELECTRICAL LOAD UPGRADING PROGRAMME**

|   | 2018/2019<br>S\$   | 2017/2018<br>S\$ |
|---|--------------------|------------------|
| Balance at 1 April  | 699,984            | 367,505          |
| Funding from government   | 2,501,136          | 6,169,072        |
| Payment to contractors  | (5,295,157)        | (5,836,593)      |
| <b>Balance at 31 March</b>  | <b>(2,094,037)</b> | <b>699,984</b>   |
| Represented by:   |                    |                  |
| (Receivables)/advances received for Neighbourhood Renewal Programme | (2,083,499)        | 961,319          |
| Receivables for Electrical Load Upgrading Programme                 | (10,538)           | (261,335)        |
|   | <b>(2,094,037)</b> | <b>699,984</b>   |

**8 PLANT AND EQUIPMENT**

|                                 | <u>Total</u><br>S\$ | <u>Furniture,<br/>fixtures<br/>and fittings</u><br>S\$ | <u>Data<br/>processing<br/>equipment</u><br>S\$ | <u>Office<br/>equipment</u><br>S\$ | <u>Renovation</u><br>S\$ |
|---------------------------------|---------------------|--|---|------------------------------------|--------------------------|
| <b><u>Cost</u></b>              |                     |  |   |                                    |                          |
| Balance at 1 April 2018         | 1,201,713           | 529,718  | 140,195   | 184,028                            | 347,772                  |
| Additions during the year       | 68,916              | -  | 28,460  | 40,456                             | -                        |
| <b>Balance at 31 March 2019</b> | <b>1,270,629</b>    | <b>529,718</b>   | <b>168,655</b>                                  | <b>224,484</b>                     | <b>347,772</b>           |

**Accumulated depreciation**

|                                     |                  |                |                |                |                |
|-------------------------------------|------------------|----------------|----------------|----------------|----------------|
| Balance at 1 April 2018             | 1,098,018        | 464,305        | 138,667        | 168,702        | 326,344        |
| Depreciation for the year (Note 19) | 68,383           | 21,215         | 9,061          | 23,578         | 14,529         |
| <b>Balance at 31 March 2019</b>     | <b>1,166,401</b> | <b>485,520</b> | <b>147,728</b> | <b>192,280</b> | <b>340,873</b> |

**Net book value**

|                          |         |        |        |        |       |
|--------------------------|---------|--------|--------|--------|-------|
| Balance at 31 March 2019 | 104,228 | 44,198 | 20,927 | 32,204 | 6,899 |
|--------------------------|---------|--------|--------|--------|-------|

**Cost**

|                                 |                  |                |                |                |                |
|---------------------------------|------------------|----------------|----------------|----------------|----------------|
| Balance at 1 April 2017         | 1,206,642        | 534,477        | 140,195        | 184,198        | 347,772        |
| Additions during the year       | 37,120           | 26,550         | -              | 10,570         | -              |
| Written off                     | (42,049)         | (31,309)       | -              | (10,740)       | -              |
| <b>Balance at 31 March 2018</b> | <b>1,201,713</b> | <b>529,718</b> | <b>140,195</b> | <b>184,028</b> | <b>347,772</b> |

**Accumulated depreciation**

|                                     |                  |                |                |                |                |
|-------------------------------------|------------------|----------------|----------------|----------------|----------------|
| Balance at 1 April 2017             | 1,078,341        | 473,105        | 136,355        | 167,683        | 301,198        |
| Depreciation for the year (Note 19) | 61,726           | 22,509         | 2,312          | 11,759         | 25,146         |
| Written off                         | (42,049)         | (31,309)       | -              | (10,740)       | -              |
| <b>Balance at 31 March 2018</b>     | <b>1,098,018</b> | <b>464,305</b> | <b>138,667</b> | <b>168,702</b> | <b>326,344</b> |

**Net book value**

|                          |         |        |       |        |        |
|--------------------------|---------|--------|-------|--------|--------|
| Balance at 31 March 2018 | 103,695 | 65,413 | 1,528 | 15,326 | 21,428 |
|--------------------------|---------|--------|-------|--------|--------|

**9 CONSERVANCY AND SERVICE FEE RECEIVABLES**

|   | 2018/2019<br>S\$   | 2017/2018<br>S\$   |
|---|--------------------|--------------------|
| Conservancy and service fee receivables | 2,113,251          | 2,007,791          |
| Interest receivable on late payments    | 1,246,693          | 1,054,951          |
| Legal fees receivable                   | 150,391            | 127,723            |
| Disbursement fees receivable            | 317                | 316                |
| Less : Allowance for impairment         | <u>(2,339,588)</u> | <u>(2,057,254)</u> |
|   | 1,171,064          | 1,133,527          |

Movements in above allowance :

|   |                  |                  |
|---|------------------|------------------|
| Balance at 1 April                              | 2,057,254        | 1,946,639        |
| Written off during the financial year           | (2,609)          | -                |
| Allowance made for the financial year (Note 19) | 284,943          | 110,615          |
| Balance at 31 March                             | <u>2,339,588</u> | <u>2,057,254</u> |

Conservancy and service fee receivables are due on the first day of the month and are generally on 30 day's credit terms. Payments made within the month will not be liable for late payment penalty. Conservancy and service fee receivables with short duration are not discounted and the carrying amounts are assumed to be a reasonable approximation of fair value.

The Town Council's conservancy and service fee receivables do not have a significant financing component. In order to determine the amount of ECL to be recognised in the financial statements, it has set up a provision matrix based on its historical observed default rates, adjusted for forward-looking estimates as follows:

|  | Current<br>S\$ | Past due                  |                          |                           |                               | Total<br>S\$       |
|--|----------------|---------------------------|--------------------------|---------------------------|-------------------------------|--------------------|
|  |                | Within 6<br>months<br>S\$ | 7 to 12<br>months<br>S\$ | 13 to 24<br>months<br>S\$ | More than<br>24 months<br>S\$ |                    |
| <b>2018/2019</b>                           |                |                           |                          |                           |                               |                    |
| Conservancy and service fee<br>receivables | 44,465         | 727,669                   | 339,597                  | 467,477                   | 1,931,444                     | 3,510,652          |
| Loss allowance                             | -              | (89,506)                  | (84,899)                 | (233,739)                 | (1,931,444)                   | <u>(2,339,588)</u> |
|  |                |                           |                          |                           |                               | <u>1,171,064</u>   |
| <b>2017/2018</b>                           |                |                           |                          |                           |                               |                    |
| Total gross carrying amount                | 125,928        | 683,737                   | 343,780                  | 458,301                   | 1,579,035                     | 3,190,781          |
| Allowance for impairment                   |                |                           |                          |                           |                               | (2,057,254)        |
|  |                |                           |                          |                           |                               | <u>1,133,527</u>   |

**10 OTHER RECEIVABLES**

|  | 2018/2019<br>S\$        | 2017/2018<br>S\$       |
|--|-------------------------|------------------------|
| Deposits   | 279,357                 | 244,584                |
| Claims for Citizens' Consultative Committee funding receivable         | 1,366,161               | 2,549,645              |
| Receivables from Housing & Development Board ("HDB")                   | 351,642                 | 2,858,031              |
| Interest receivable  | 238,577                 | 104,458                |
| Goods and services tax receivable                                      | 6,121                   | 116,637                |
| GST subvention grant receivable  | 458,695                 | 420,259                |
| Conservancy and service grant receivable                               | 29,878                  | 28,178                 |
| Revitalisation of shop ("ROS") costs recoverable                       | 736,193                 | 758,885                |
| Sundry receivables   | 134,974                 | 97,210                 |
| LRF matching grant receivables   | 6,905,764               | 834,514                |
| Recoverable from HDB for Selective Lift Replacement Programme ("SLRP") | 2,503,268               | 1,390,486              |
|  | <hr/> <u>13,010,630</u> | <hr/> <u>9,402,887</u> |

Current receivables with a short duration are not discounted and the carrying amounts are assumed to be a reasonable approximation of fair values.

The Town Council assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in credit risk since the initial recognition of the financial assets. Accordingly, the Town Council measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

**11 CASH AND CASH EQUIVALENTS**

|                        | 2018/2019<br>S\$        | 2017/2018<br>S\$        |
|------------------------|-------------------------|-------------------------|
| Fixed deposits         | 69,450,413              | 60,027,373              |
| Cash and bank balances | 20,068,058              | 17,857,308              |
|                        | <hr/> <u>89,518,471</u> | <hr/> <u>77,884,681</u> |

The fixed deposits mature within 12 months (2017/2018 – within 12 months) from the end of the financial year. The weighted average effective interest rate of fixed deposits as at 31 March 2019 was 2% (2017/2018 – 1.46%) per annum.

**12 CONSERVANCY AND SERVICE FEE RECEIVED IN ADVANCE**

Conservancy and service fee received in advance is a contract liability relating to the Town Council's obligation to transfer goods or services to customers for which the Town Council has received advances from customers for goods or services to be delivered. Contract liabilities are recognised as income as the Town Council performs under the contract.

Conservancy and service fee income recognised during the financial year ended 31 March 2019 included in contract liabilities at the beginning of the financial year was S\$810,146.

**13 PAYABLE AND ACCRUED EXPENSES**

|                            | 2018/2019<br>S\$  | 2017/2018<br>S\$  |
|----------------------------|-------------------|-------------------|
| Accrued operating expenses | 4,013,819         | 4,671,080         |
| Refundable deposits        | 298,439           | 164,318           |
| Payables to contractors*   | 6,137,199         | 9,924,573         |
| Other creditors            | 94,172            | 663,395           |
|                            | <b>10,543,629</b> | <b>15,423,366</b> |

\* Included the payables to contractors for SLRP of S\$447,783 (2017/2018 – S\$237,157).

**14 AGENCY FEES**

Agency fees are for routine maintenance of HDB's car parks and common property within the Town Council.

**15 OTHER INCOME**

|  | 2018/2019<br>S\$ | 2017/2018<br>S\$ |
|--|------------------|------------------|
| Liquidated damages                         | 180,671          | 55,860           |
| Sundry fines                               | 125,907          | 81,487           |
| Others                                     | 48,676           | 134,095          |
| Rental of community hall                   | 15,068           | 15,265           |
| Late payment penalty                       | 327,447          | 316,510          |
| Sale of tender documents                   | 84,135           | 63,168           |
| Temporary Occupation Licence income        | 2,731,782        | 2,742,741        |
| Use of common property and void decks      | 116,222          | 121,100          |
| Use of water and electricity in void decks | 58,204           | 69,470           |
|  | <b>3,688,112</b> | <b>3,599,696</b> |

**16 MANAGING AGENT'S FEES**

The Town Council does not have any employees on its payroll and all its daily operations have been outsourced to a managing agents during the financial year. The managing agents' fee for the year ended are as follows:

|   | 2018/2019<br>S\$ | 2017/2018<br>S\$ |
|---|------------------|------------------|
| Facility management and maintenance     | 3,922,825        | 3,872,112        |
| Community engagement and communications | 660,012          | 440,008          |
|   | <b>4,582,837</b> | <b>4,312,120</b> |

**17 SINKING FUND INCOME AND EXPENDITURE****(a) Income**

|   | 2018/2019<br>S\$ | 2017/2018<br>S\$ |
|---|------------------|------------------|
| Interest Income - Bank fixed deposits/current account | 656,041          | 378,159          |
| Others  | -                | 37               |
|   | <b>656,041</b>   | <b>378,196</b>   |

**17 SINKING FUND INCOME AND EXPENDITURE (CONT'D)****(b) Expenditure**

|  | 2018/2019<br>S\$  | 2017/2018<br>S\$ |
|--|-------------------|------------------|
| Reroofing works                                | 863,747           | 550,770          |
| Electrical rewiring                            | 147,374           | 133,245          |
| Redecoration and repainting                    | 7,191,301         | 3,308,783        |
| Replacement of water pipes                     | 2,132,273         | 2,207,923        |
| Replacement of water tank lining               | 1,406,968         | 1,026,350        |
| General and administrative expenses            | 852               | 240              |
| Project management fees                        | 102,763           | 226,882          |
| Irrecoverable goods and services tax (Note 20) | 93,025            | 98,267           |
| Centralised Refuse Chute System                | -                 | 463,880          |
|  | <b>11,938,303</b> | <b>8,016,340</b> |

**18 LIFT REPLACEMENT FUND INCOME AND EXPENDITURE****(a) Income**

|   | 2018/2019<br>S\$ | 2017/2018<br>S\$ |
|---|------------------|------------------|
| Interest income from fixed deposits/current account | 148,579          | 22,301           |
|   | <b>148,579</b>   | <b>22,301</b>    |

**(b) Expenditure**

|  | 2018/2019<br>S\$ | 2017/2018<br>S\$ |
|--|------------------|------------------|
| Replacement of Main Sheaves/Ropes                    | 2,723,780        | 254,193          |
| Replacement of ARD Battery                           | 234,293          | 238,837          |
| Replacement of EBOPS Battery                         | 216,969          | 155,597          |
| Lift overhauls/total replacement works *             | 1,093,845        | 3,763,970        |
| Replacement of Lift Position Display Panel (CPI/HPI) | 73,129           | 50,324           |
| Replacement of Inverter Units                        | 250,739          | 254,081          |
| Project management fees                              | 174,348          | 242,329          |
| General and administrative charges                   | 170              | 70               |
| Irrecoverable goods and services tax (Note 20)       | 331,766          | 70,052           |
| Lift Upgrading Programme ("LUP") claims              | -                | 45,194           |
|  | <b>5,099,039</b> | <b>5,074,647</b> |

\* Net of funding for SLRP of S\$1,112,781 (2017/2018 – S\$3,893,754). SLP was introduced to replace selected old lifts with new ones that come with better safety and security features on a cost-sharing basis with the Town Council. The SLP is a one-off programme and would be spent when cyclical lift replacement is carried out. The Government co-funds 50% of the lift replacement costs (capped at S\$125,000 per lift).

**19 GENERAL AND ADMINISTRATIVE EXPENDITURE**

The general and administrative expenditure comprises the following:

|  | 2018/2019<br>S\$ | 2017/2018<br>S\$ |
|--|------------------|------------------|
| Advertising, publicity and public relations    | 237,541          | 250,616          |
| Audit fee                                      | 34,000           | 34,000           |
| Computer services fee                          | 186,535          | 194,400          |
| Depreciation of plant and equipment (Note 8)   | 68,383           | 61,726           |
| Doubtful debts (Note 9)                        | 284,943          | 110,615          |
| Fees and charges                               | 171,735          | 175,577          |
| Plant and equipment not capitalised            | 3,120            | 204              |
| Office rental and upkeep expenses              | 320,129          | 313,189          |
| Office supplies and stationery                 | 184,100          | 174,443          |
| Property tax                                   | 289,108          | 272,995          |
| Town Councillors' allowances                   | 134,080          | 132,596          |
| Irrecoverable goods and services tax (Note 20) | 141,755          | 214,413          |
| Others   | 267,952          | 23,041           |
|  | <b>2,323,381</b> | <b>1,957,815</b> |

**20 IRRECOVERABLE GOODS AND SERVICES TAX**

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

**21 INCOME TAX**

|                               | Income &<br>Expenditure<br>Statement<br>S\$ | Sinking Fund<br>Statement<br>S\$ | Lift Replacement<br>Fund Statement<br>S\$ | Total<br>S\$   |
|-------------------------------|---|----------------------------------|---|----------------|
| Taken up in:                  |   |                                  |   |                |
| <b>2018/2019</b>              |   |                                  |   |                |
| Current income tax provision  | <b>373,041</b>                              | 111,007                          | 24,058                                    | <b>508,106</b> |
| <b>2017/2018</b>              |   |                                  |   |                |
| Current income tax provision  | 363,051                                     | 63,499                           | 2,384                                     | 428,934        |
| Under provision in prior year | 56,336                                      | 1,733                            | -   | 58,069         |
|                               | <b>419,387</b>                              | 65,232                           | 2,384                                     | <b>487,003</b> |

The income tax expense on the surplus for the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to taxable income due to the following factors:

|  | 2018/2019<br>S\$     | 2017/2018<br>S\$  |
|--|----------------------|-------------------|
| Interest income received   | 1,023,008            | 434,023           |
| Grant and other income   | 22,050,108           | 14,764,611        |
| Allowable expenses   | (262,065)            | (237,948)         |
|  | <b>22,811,051</b>    | <b>14,960,686</b> |
| <br>Tax at statutory rate of 17%   | <br><b>3,877,879</b> | <br>2,543,317     |
| Tax exempt income  | (17,425)             | (25,925)          |
| Tax remission of government grants under section 92(2) of Singapore Income Tax | (3,352,348)          | (2,088,458)       |
| Underprovision in respect of prior years                                       | -                    | 58,069            |
|  | <b>508,106</b>       | <b>487,003</b>    |

**22 SIGNIFICANT RELATED PARTY TRANSACTIONS**

Related party relates to the managing agent of the Town Council which manages the operations of the Town Council and town councillors. The following significant transactions with related parties on terms mutually agreed during the financial year are as follows:

- a) E M Services Pte Ltd, as managing agent with effect from 1 August 2017

|   | <b>2018/2019<br/>S\$</b> | <b>2017/2018<br/>S\$</b> |
|---|--------------------------|--------------------------|
| Management agent fee                        | 3,922,825                | 2,473,267                |
| Project management fee                      | 463,259                  | 7,623                    |
| Energy saving costs *                       | 2,081,046                | 1,132,603                |
| Repairs and maintenance service fee         | 1,410,437                | 497,716                  |
| Essential Maintenance Service Unit Services | -                        | 562,779                  |

\* The Town Council has entered into an agreement with the related party to supply and install Light Emitting Diode ("LED") luminaries at the HDB blocks at no costs to the Town Council. Under the terms of the agreement, certain percentage of the energy cost saved from the usage of the LED will be shared with the related party.

The balances due to E M Services Pte Ltd was S\$770,687 (2017/2018 - S\$285,352) as at 31 March 2019.

- b) Town Councillors

During the financial year, the town councillor allowances that payable to town councillors was S\$134,080 (2017/2018 - S\$132,596).

- c) CPG Facilities Management Pte Ltd, as managing agent up to 31 July 2017

|                        | <b>2018/2019<br/>S\$</b> | <b>2017/2018<br/>S\$</b> |
|------------------------|--------------------------|--------------------------|
| Management agent fee   | -                        | 1,398,845                |
| Project management fee | -                        | 253,461                  |

**TAMPINES TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2019**

**23 GOVERNMENT GRANTS**

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

|   | PAYMENT FROM                     |                  |                         |                  |                  |                  | LIFT MAINTENANCE<br>GRANT<br>2018/2019<br>S\$ | LRF MATCHING<br>GRANT<br>2017/2018<br>S\$ |  |  |
|---|----------------------------------|------------------|-------------------------|------------------|------------------|------------------|---|---|--|--|
|   | CONSERVANCY AND<br>SERVICE GRANT |                  | GST SUBVENTION<br>GRANT |                  | 2018/2019<br>S\$ | 2017/2018<br>S\$ |   |   |  |  |
|   | TOTAL<br>2018/2019<br>S\$        | 2017/2018<br>S\$ | 2018/2019<br>S\$        | 2017/2018<br>S\$ |                  |                  |   |   |  |  |
| Government Grants received/receivable during the year | 19,803,855                       | 13,246,077       | 6,022,195               | 5,825,715        | 905,009          | 1,132,929        | 1,784,880                                     | 1,653,941                                 |  |  |
| Less: Transfer to                                     |                                  |                  |                         |                  |                  |                  |   |   |  |  |
| - Sinking fund  | (2,301,122)                      | (2,214,126)      | (1,565,770)             | (1,514,686)      | -                | -                | (464,068)                                     | (430,028)                                 |  |  |
| - Lift replacement fund                               | (11,287,440)                     | (4,789,514)      | (843,108)               | (815,600)        | -                | -                | (249,885)                                     | (231,554)                                 |  |  |
| - Town improvement and project fund                   | (905,009)                        | (1,132,929)      | -                       | -                | (905,009)        | (1,132,929)      | -   | (146,076)                                 |  |  |
| <b>5,310,284</b>                                      | <b>5,109,508</b>                 | <b>3,613,317</b> | <b>3,495,429</b>        | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>1,070,927</b>                              | <b>(10,048,371)</b>                       |  |  |
|   |                                  |                  |                         |                  |                  |                  |   |   |  |  |
|   |                                  |                  |                         |                  |                  |                  |   |   |  |  |

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

|   | 2018/2019<br>S\$   | 2017/2018<br>S\$   |
|---|--------------------|--------------------|
| Total grants received at 1 April            |                    | 199,042,584        |
| Grants received during the year             | 212,890,910        | 13,848,326         |
| <b>Total grants received as at 31 March</b> | <b>227,766,863</b> | <b>212,890,910</b> |

## **24 OPERATING LEASE COMMITMENTS**

The future minimum lease payments payable under non-cancellable operating leases for office premises, rental of equipment and computer support and maintenance services contracted for at the reporting date but not recognised as payables, are as follows:

|                                     | <b>2018/2019</b><br>S\$ | <b>2017/2018</b><br>S\$ |
|-------------------------------------|-------------------------|-------------------------|
| Due within 1 year                   | 382,409                 | 381,809                 |
| Due after 1 year but within 5 years | 171,500                 | 540,809                 |
|                                     | <b>553,909</b>          | <b>922,618</b>          |

The lease of the Town Council's premises and computer system on which rentals are payable will expire on 31 January 2021 (2017/2018 – 1 February 2021) and 31 March 2020 (2017/2018 – 31 March 2019) respectively. The current rent payable on the leases range from S\$650 to S\$16,500 (2017/2018 – S\$550 to S\$16,500) per month, which are subject to revision and renewal.

## **25 COMMITMENTS FOR CAPITAL EXPENDITURE**

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

|   | <b>2018/2019</b><br>S\$ | <b>2017/2018</b><br>S\$ |
|---|-------------------------|-------------------------|
| Amounts approved and contracted for     | 22,022,745              | 23,981,584              |
| Amounts approved but not contracted for | 73,888,817              | 31,069,452              |
|   | <b>95,911,562</b>       | <b>55,051,036</b>       |

Included in the amount approved and contracted for are commitments for Neighbourhood Renewal Programme of S\$10,858,954 (2017/2018 - S\$8,323,886).

## **26 RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS**

### **GENERAL RISK MANAGEMENT PRINCIPLES**

The Town Council has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. The main risks arising from the Town Council's financial instruments are credit risk and market price risk comprising interest rate risk. The Town Council is not exposed to any foreign exchange risk and there is no significant liquidity risk as it maintains sufficient cash to meet its operating cash flow requirements. The Town Council reviews and monitors policies for managing each of these risks and they are summarised below.

### **CREDIT RISK ON FINANCIAL ASSETS**

Financial assets that are potentially subject to credit risk and failures by counterparties to discharge their obligations consist principally of cash and cash equivalents, conservancy and service fee receivables and other receivables.

The carrying amount of conservancy and service fee receivables, other receivables, cash and cash equivalents represent the Town Council's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Credit risk on bank balances is limited because the counter-parties are banks with high credit ratings.

Ongoing credit evaluation is performed on the debtors' financial condition and any loss on impairment is recognised in the income and expenditure statement. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers, unless otherwise disclosed in the notes to the financial statements.

**26 RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (CONT'D)****CREDIT RISK ON FINANCIAL ASSETS (CONT'D)**

The Town Council considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Town Council has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which include significant difficulty of the counterparty.

Regardless of the analysis above, an increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

Cash and cash equivalents are subject to immaterial credit loss.

**INTEREST RATE RISK**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Fair value interest rate risk is the risk that the value of financial instrument will fluctuate because of changes in market interest rates.

The Town Council's exposure to movements in market interest rates relate primarily to its fixed deposits placed with financial institutions.

The Town Council's policy is to obtain the most favourable interest rates available for placement of its fixed deposits.

Surplus funds are placed with reputable banks.

If Singapore dollar interest rates had been 25 (2017/2018 - 25) basis points lower/higher with all other variables held constant, the Town Council's deficit before government grants for the year would have been S\$265,849 (2017/2018 - S\$215,200) higher/lower, arising mainly as a result of lower/higher interest income from the Town Council's fixed deposits with banks.

**LIQUIDITY RISK**

The Town Council adopts prudent liquidity risk management by maintaining sufficient funds to meet its operating, sinking fund and lift replacement expenditure.

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

|   | Total<br>S\$       | Less than<br>1 year<br>S\$ |
|---|--------------------|----------------------------|
| <b>As at 31 March 2019</b>  |                    |                            |
| Receivables for Neighbourhood Renewal Programme and Electrical Load |                    |                            |
| Upgrading Programme   | 2,094,037          | 2,094,037                  |
| Conservancy and service receivables                                 | 1,171,064          | 1,171,064                  |
| Other receivables   | 13,010,630         | 13,010,630                 |
| Cash and cash equivalents   | 89,518,471         | 89,518,471                 |
|   | <b>105,794,202</b> | <b>105,794,202</b>         |
| Payables and accrued expenses                                       | <b>10,543,629</b>  | <b>10,543,629</b>          |
| <br><b>As at 31 March 2018</b>                                      |                    |                            |
| Conservancy and service receivables                                 | 1,133,527          | 1,133,527                  |
| Other receivables   | 9,402,887          | 9,402,887                  |
| Cash and cash equivalents   | 77,884,681         | 77,884,681                 |
|   | <b>88,421,095</b>  | <b>88,421,095</b>          |
| Payables and accrued expenses                                       | <b>15,423,366</b>  | <b>15,423,366</b>          |

**27 MANAGEMENT OF TOWN COUNCIL'S FUNDS**

The Town Council's objectives when managing the funds are:

- (a) To safeguard the Town Council's ability to continue as a going concern;
- (b) To support the Town Council's stability and growth; and
- (c) To provide funds for the purpose of strengthening the Town Council's risk management capability.

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

The Town Council is not subject to externally imposed requirements. As at end of the reporting date, the Town Council's total funds amounted to S\$93,794,373 (2017/2018: S\$70,907,760).

**28 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED**

At the date of authorisation of these financial statements, the FRS and INT FRS that are relevant to the Town Council which were issued but not yet effective and which the Town Council has not early adopted are as follows:

| Reference | Description | Effective date (Annual periods beginning on or after) |
|-----------|-------------|---|
| FRS 116   | Leases      | 1 January 2019  |

**FRS 116: Leases**

FRS 116 will fundamentally alter the impact of leases on lessees' profit or loss and statement of financial position – the current divide between finance and operating leases is removed, along with the off-statement of financial position treatment for lessees in the latter. FRS 116 introduces a single on-statement of financial position lease accounting model for lessees that is similar to current finance lease accounting. FRS 116 largely preserved the accounting for lessors other than enhanced disclosures about their risk exposures, in particular residual value risk. Lessors continue to assess whether an arrangement is an operating or a finance lease by using criteria similar to the current lease classification test.

The management is currently assessing the potential impact of adopting this new standard on the financial statements of the Town Council and expects an increase in right-to-use assets and increase in lease liabilities.

**29 COMPARATIVE FIGURES**

The Town Council reclassified prepayments from other receivables in the statement of financial position. Comparative figures have been adjusted to conform to the current year's presentation.

The items were reclassified as follows:

|   | Currently<br>reported<br>2017/2018<br>S\$ | Previously<br>reported<br>2017/2018<br>S\$ |
|---|---|--|
| <b><u>Statement of financial position</u></b>                 |   |  |
| Other receivables   | 9,402,887                                 | 9,645,892                                  |
| Prepayments   | 243,005                                   | -  |
| <b><u>Statement of cash flows</u></b>                         |   |  |
| Changes in working capital:-                                  |   |  |
| Increase in conservancy and service fee and other receivables | (2,539,503)                               | (2,576,667)                                |
| Increase in prepayments                                       | <u>(37,164)</u>                           | <u>-</u>                                   |