

FY 2023/2024

ANNUAL REPORT

& FINANCIAL STATEMENTS





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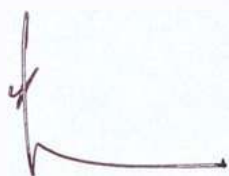
CHAIRMAN'S REVIEW

Dear Residents,

The maintenance and enhancement of Tampines remain our top priorities. In the last financial year, with support from various sources, including CIPC and NRP funding, we invested S\$14.5 million to enhance your living environment with new and upgraded amenities. Additionally, we carried out S\$17.3 million worth of cyclical maintenance work to improve your estate's condition. To ensure that our lifts function optimally, we implemented S\$6.3 million worth of lift replacements and upgraded 136 lifts with better features.

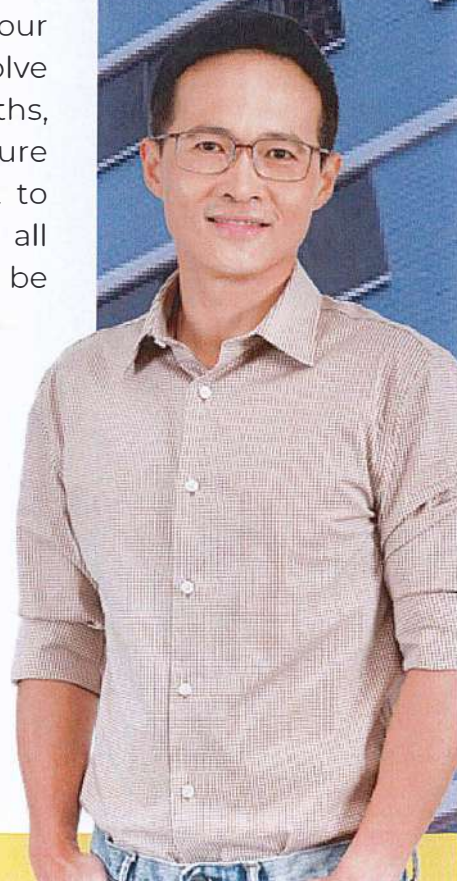
Tampines has also made significant progress as an Eco-Town, becoming the first HDB town in Singapore to set up a container fish farm. This farm can produce 1,200 kg of jade perch annually, allowing Tampines residents to purchase fresh and competitively priced fish from the Round Market, farmed locally in our neighbourhood. I hope residents will support our local farmers and contribute to strengthening the community's food resilience by participating in our urban farming projects, such as corridor farming and community gardening. Together, we can contribute to the nation's "30 by 30" food goal.

None of these achievements would have been possible without your support. We will continue to gather your feedback for our town improvement projects and involve you in our community programmes. In the coming months, we will hold events to share information about future developments in Tampines. Please feel free to reach out to us with your ideas. I look forward to working with all residents to build a better Tampines, a place we can all be proud to call home.



Mr Desmond Choo

Chairman
Tampines Town Council



TOWN COUNCIL MANAGEMENT REPORT

RESULTS FOR APRIL 2023 - MARCH 2024

The Ministry of National Development (MND) regularly monitors our performance and services. The Town Council Management Report (TCMR) is a framework that measures the Town Councils' performance across five categories:



The report is colour-coded to reflect performance. Green is the top band, followed by Amber and then Red. For the assessment period from April 2023 to March 2024, Tampines Town Council scored Green for Estate Cleanliness and Maintenance, Lift Performance, S&CC Arrears Management and Corporate Governance.

We would like to thank our residents for working with us to keep the estate clean and well-maintained. We will continue to work hard to ensure that Tampines is a clean and green town. With your support and feedback, we will build a better and more beautiful home for everyone.



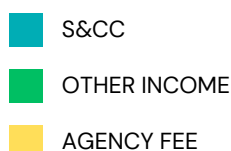
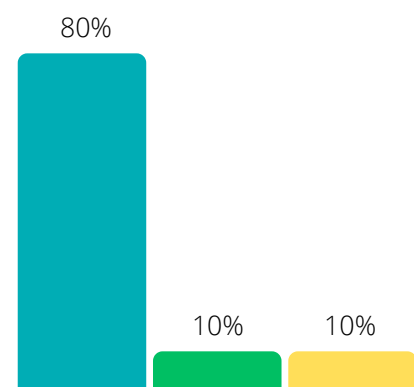
FINANCIAL REVIEW

In FY 2023/2024, Tampines Town Council had an operating deficit of S\$0.7 million before taking into account government grants. Our sinking fund was S\$49.5 million, our Lift Replacement Fund had a balance of S\$57.0 million and our total funds closed at S\$130.9 million.

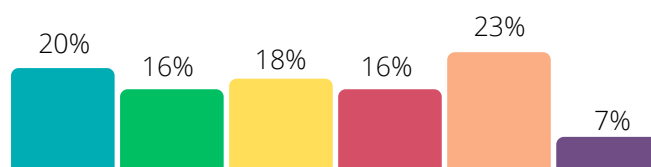
The Town Council is required to allocate at least 14% of their Service and Conservancy Charges (S&CC) collections and government grants to their Lift Replacement Funds. This requirement is in addition to their regular contributions of at least 26% of their collections to the Sinking Fund. These measures are designed to ensure the sustainability and ongoing cyclical maintenance of common properties in HDB estates, including lifts.

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 measures to utilise the S&CC fees in ways that serve our residents better.

OPERATING REVENUE



OPERATING EXPENDITURE





CODE OF GOVERNANCE

The Ministry of National Development (MND) has developed a Code of Governance to guide the Town Councils in better executing their fiduciary responsibilities and improving accountability. The Code sets out principles of good governance and highlights best practices that Town Councils are encouraged to adopt through a comply-or-explain regime.

In compliance with the Code using a checklist, the Council has implemented a comprehensive Risk Management Framework where key risks are identified and reported to the Council. An annual risk assessment has been performed and the effectiveness of internal control has been assessed. The Council is of the opinion that the Risk Management Framework and supporting internal control policies and procedures are adequate to address the risks of the Town Council.

SELECTION AND APPOINTMENT OF TOWN COUNCILLORS

We have established the processes in place for the selection and appointment of Town Councillors. Generally, the selection, appointment and reappointment process of Town Councillors will take into account the composition of the Town Council and the characteristic of the Town.

In appointing the Town Councillors, the Council considers various factors, including their relevant skills, time commitment, and prior experience. At least two-thirds of the appointed Town Councillors must be residents of the HDB housing estates within the Town. In addition, the selection and appointment process are conducted in consultation with the Town Council Chairman and the elected members as and when necessary.

PROJECTS IN FINANCIAL YEAR

FY 2023/2024

Cyclical and Improvement Works

Over the last 12 months, the Town Council carried out S\$17.3 million worth of cyclical maintenance projects through the Repairs and Redecoration (R&R) Programme. Tampines has received S\$1.7 million of fundings from the Community Improvement Projects Committee (CIPC) for town improvement works. The Neighbourhood Renewal Programme (NRP) provided S\$9.3 million in funding for precinct improvements.

Together with the R&R Programme, Tampines Central and West HDB blocks were painted with heat-reflective cool paint under HDB Green Towns Programme. The pilot project aims to reduce ambient temperatures by up to two degrees Celsius and therefore help tackle the urban heat island effect.



REPAIRS & REDECORATION WORKS

Completed & On-going Projects

TAMPINES CENTRAL

- Blk 842, 844, 846, 848, 850, 852, 856 (on-going)
- Blk 881-886, 885A (on-going)
- Blk 864-874A
- Blk 857, 857A, 857B, 862, 862A, 863-863B, 864, 864A

TAMPINES EAST

- Blk 201A-201E (on-going)
- Blk 230B-230J (on-going)
- Blk 267-271 (on-going)

TAMPINES WEST

- Blk 156-166 (on-going)
- Blk 887-899A (on-going)
- Blk 870A, 870C, 871B & 871C (on-going)
- Blk 902-946

TAMPINES NORTH

- Blk 401-424, 433-443, 444-450 (on-going)
- Blk 425-432, 472-484, 450A-G, 451-460 (on-going)





NEIGHBOURHOOD RENEWAL PROGRAMME

Completed & On-going Projects

TAMPINES CENTRAL

- Blk 701-734 (on-going)

TAMPINES CHANGKAT

- Blk 124-127, 138 & 139 (on-going)

TAMPINES EAST

- Blk 230B-230J (on-going)

TAMPINES NORTH

- Blk 425-432, 472-484, 450A-G, 451-460 (on-going)
- Blk 485A, 485B, 486A, 486B, 486C, 487A, 487B, 487C, 488A, 488B, 489A, 489B, 489C, 490A & 490B (on-going)
- Blk 497A -497D, 497E(MSCP), 497F-497H, 497J, 497K(MSCP), 497L(MSCP), 498A, 498B, 498C(MSCP), 498D- 498H, 498J, 498K(MSCP), 498L, 498M, 498N(Pavillion) (on-going)
- Blk 491A-H, 492A-492D, 493A-493E, 494A-494C, 495A-495F, 496A-496G





TOWN IMPROVEMENT PROJECTS (CIPC)

Completed & On-going Projects

TAMPINES CENTRAL

- Construction of drop-off porch at Blk 740
- Upgrading of Senior Citizens' Corner at Blk 839
- Constructing of accoustics panels/gates at Blk 840/842 Basketball court
- Upgrading of Neighbours' Hub at Blk 842

TAMPINES CHANGKAT

- Construction of high-Low sheltered linkway from Blk 102 to 138 (on-going)
- Construction of sheltered BFA ramp from Blk 276 to MRT Viaduct (on-going)
- Construction of high-low sheltered linkway from Blk 283 to 285 (on-going)
- Upgrading of landscape (bamboo garden) at Blk 312 (on-going)
- Upgrading of playground at Blk 295
- Upgrading of playground at Blk 335

TAMPINES EAST

- Construction of drop-off porch at Blk 203
- Construction of sheltered Linkway at Blk 228
- Upgrading of Senior Citizens' Corner at Blk 234
- Upgrading of hardcourt at Blk 257 Festival Park
- Construction of drop-off porch at Blk 260



TOWN IMPROVEMENT PROJECTS (CIPC)

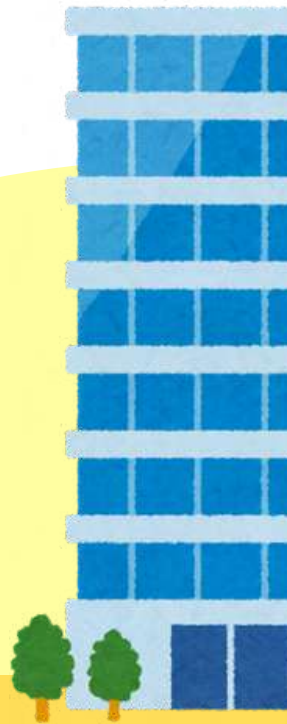
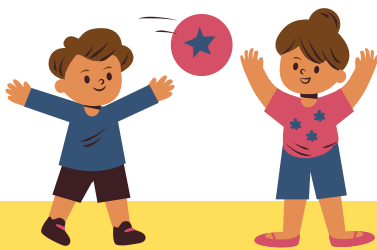
Completed & On-going Projects

TAMPINES NORTH

- Construction of high-low sheltered linkway from Blk 408 to 409
- Construction of high-low sheltered linkway from Blk 408 to 410 (on-going)
- Construction of high-low sheltered linkway from Blk 410 to 411 (on-going)
- Construction of high-low sheltered linkway from Blk 412 to 414
- Construction of high-low sheltered linkway from Blk 416 to 417
- Installation of smart lift surveillance system at Blk 451, 453, 408 - 417, 425 (on-going)
- Construction of linkway/drop-off porch from Blk 442 to 443 (on-going)
- Construction of low linkway, drop-off porch from Blk 409 to 413 to 414 (on-going)

TAMPINES WEST

- Construction of covered linkway from Blk 802 to 811 (on-going)
- Construction of covered linkway from Blk 811 to 812 (on-going)
- Construction of covered linkway from Blk 887 (on-going)
- Construction of barrier-free access ramp at Blk 887 (on-going)
- Construction of barrier-free access ramp at Blk 888 (on-going)
- Construction of drop-off porch at Blk 823A



LIFT REPLACEMENT AND ENHANCEMENT PROJECTS

To ensure that our lifts function optimally, the Town Council has carried out S\$6.3 million worth of lift replacements.

In FY 2023/2024, we continued to enhance our lifts under the Lift Enhancement Programme. 136 lifts are being enhanced with better features such as high-tech sensors to monitor the lift speed and emergency communication system.

Additionally, all lifts in Tampines are installed with the lift surveillance system to curb the misuse of lifts, such as jamming of the doors, damaging of buttons and vandalism. Real-time functional status of lifts is tracked by our officers and 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 implement a stringent maintenance regime to minimise lift breakdowns, and incidents, ensuring better service delivery for our residents.

We will continue to work closely with authorities i.e HDB and BCA to ensure that lift procurement and technical specifications are optimised for efficiency and regulatory compliance throughout their lifecycle.



BLOCKS THAT HAVE BENEFITTED FROM LIFT ENHANCEMENT PROGRAMME (LEP)

TAMPINES

Blk 249-253, 271, 292, 371-374, 381- 396

Blk 433, 434, 436-438, 440, 443-446, 448-450, 495A, 495C-495F

Blk 518D

Blk 809 - 817, 827A, 839, 840, 848, 850, 852, 854, 856, 858A, 859, 861, 870A, 871B, 871C

Blk 878A, 878B, 879A, 879B, 898A

Blk 913, 921-935

BLOCKS THAT HAVE BENEFITTED FROM LIFT REPLACEMENT PROGRAMME (LRP)

TAMPINES

Blk 497A, 497C - 497J

Blk 498A - 498M

Blk 718-734





GREEN AND SUSTAINABILITY INITIATIVES

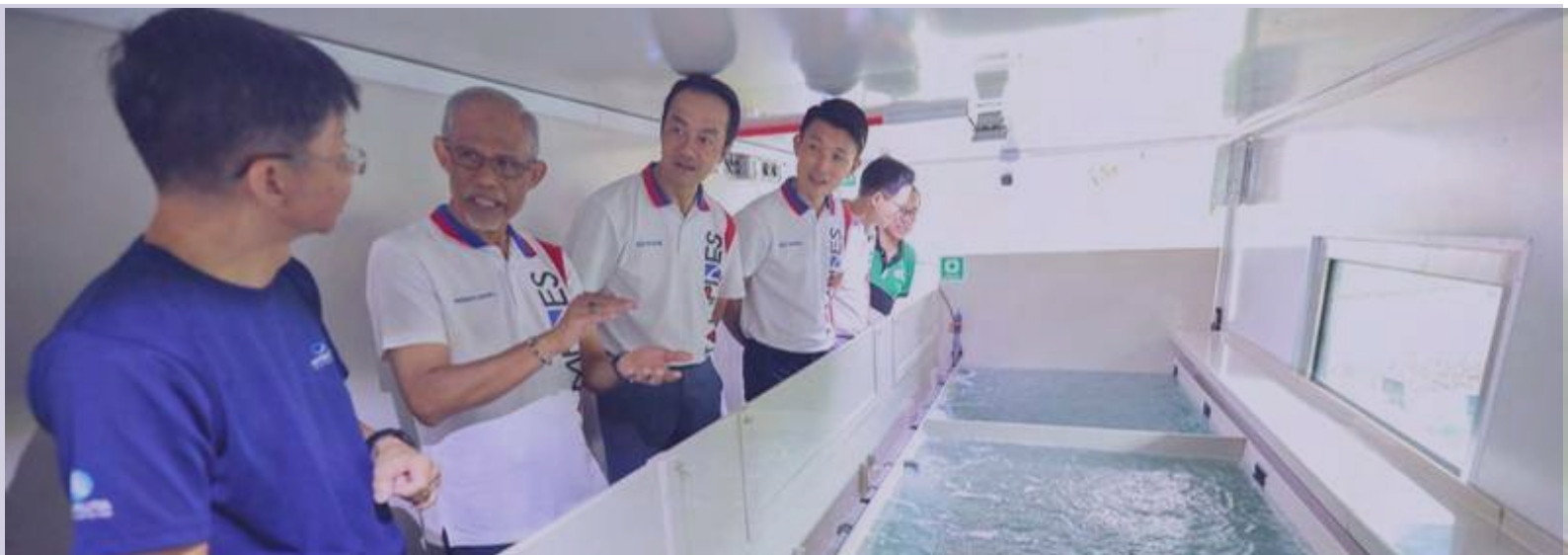


LEADING THE WAY IN SUSTAINABLE FISH FARMING

NOVEMBER 2023

Affordable, fresh, and sustainably grown fish is no longer just a goal but a delicious reality in Tampines. Singapore's first urban fish farm in a container, Our Fish Storey, was launched next to Tampines Round Market and Food Centre at Blk 137.

A collaboration between Aqualita Ecotechnology, a spin-off company from Temasek Life Sciences Laboratory (TLL), and Tampines Town Council, the 15-square-metre modular fish farm produces 1,200 kg of jade perch annually therefore contributing to Singapore's 30 by 30 food goal that is to produce 30% of its food domestically by 2030.





PLANTING A SUSTAINABLE FUTURE

NOVEMBER 2023

MPs for Tampines GRC were joined by more than 300 residents in the open field beside Tampines Blk 156 to commemorate LKY100, an initiative that marks the 100th anniversary of the birth of Singapore's founding Prime Minister, Mr Lee Kuan Yew. One hundred trees were planted to mark the meaningful day.

Tampines has community-based programmes that engage residents to contribute to the success of our green initiatives. Residents learned more about these projects in an exhibition set up during the event.





CORRIDOR FARMING

MARCH 2024

With the support from our partner, Nature's International Commodity, Tampines launched corridor farming to instill a farm-to-table lifestyle among the residents.

Tampines Town Council introduced a horizontal planter that can be attached to the railing of the corridor walls, making corridor farming manageable and clutter-free. This initiative has benefitted 50 households, strengthening the community's food security and supporting the nation's 30 by 30 food goal that is to produce 30% of its food domestically by 2030.





COMMUNITY ENGAGEMENT EVENTS



CLEANERS' APPRECIATION

MAY 2023

Tampines Town Council held a special event to honour our hardworking cleaners. Tampines Blk 842's basketball court was converted into a place for the cleaners' appreciation dinner, which was graced by our MPs.

The MPs took this opportunity to commend the dedication and hard work of the cleaners, emphasising their invaluable contribution in maintaining the cleanliness and hygiene of the estate especially during the pandemic.

The evening started with a delightful buffet of delicious Bengali cuisine and continued with stage games and some dancing.



LASTING POWER OF ATTORNEY TALKS

AUGUST 2023

Our MP Masagos Zulkifli hosted a coffee talk attended by Tampines residents who wanted to learn more about Lasting Power of Attorney (LPA).

Many misconceptions about LPA were addressed during the talk, and residents' questions about the subject were also clarified in the Q&A session.

Through the talk, many residents understand that it is important for them to do an LPA, and that they are aware of the support available in Tampines to help them with their applications.





TAMPINES NORTH ZONE 7 NEIGHBOURHOOD RENEWAL PROGRAMME

SEPTEMBER 2023

Neighbourhood Renewal Programme (NRP) Public Consultation at Tampines North Zone 7 was held on 30 September 2023.

The proposed upgrades are inspired by communal living and included designated areas for residents to live, work, and play. Residents can look forward to a rejuvenated estate marker and iconic courtyard while preserving the identity of these blocks. Covered linkways with barrier-free access will cater to residents of various needs in the beloved older estate.





LITTER PICKING DAY

OCTOBER 2023

In conjunction with #SGCleanDay, residents joined our MP, Mr Baey Yam Keng to pick litter around Tampines N4 Neighbourhood Centre.

It was heartening to see multi-generational families spending their weekend to keep the neighbourhood clean. Through this litter-picking activity, children learnt to appreciate the hard work put in by our cleaners.





FINANCIAL STATEMENTS

TAMPINES TOWN COUNCIL

(ESTABLISHED UNDER THE TOWN COUNCILS ACT 1988)
FOR THE YEAR ENDING 31 MARCH 2024

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

(Established under the Town Councils Act 1988)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tampines Town Council (the "Town Council"), which comprise the statement of financial position as at 31 March 2024, 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 Councils Act 1988 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Town Council as at 31 March 2024, and of the financial performance, changes in Town Council funds and cash flows of the Town Council for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Annual Report set out on pages 1 to 20 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 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 maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

(Established under the Town Councils Act 1988)

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

A Town Council is established under the Act and may be dissolved by the Minister's order published in the Gazette. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as 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.

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

(Established under the Town Councils Act 1988)

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

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

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

Basis for Opinion

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

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditor's Responsibilities for the Compliance Audit

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

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

(Established under the Town Councils Act 1988)

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 Town Council's internal control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.



AT ADLER

Public Accountants and Chartered Accountants

Singapore, 24 September 2024

Statement of financial position as at 31 March 2024

	Note	2023/2024 S\$	2022/2023 S\$
TOWN COUNCIL FUND			
RESIDENTIAL PROPERTY			
Accumulated surplus	3	17,499,787	7,587,941
Sinking fund	4	33,254,592	30,364,017
Lift Replacement fund	5	49,041,151	39,146,723
Town improvement and project fund	6	1,824,569	1,834,773
		101,620,099	78,933,454
COMMERCIAL PROPERTY			
Accumulated surplus	3	4,587,672	3,581,704
Sinking fund	4	16,248,372	16,229,534
Lift Replacement fund	5	7,909,866	7,298,800
Town improvement and project fund	6	530,345	665,135
		29,276,255	27,775,173
CARPARK			
Accumulated surplus	3	-	4,390,505
		130,896,354	111,099,132
Represented by:			
NON-CURRENT ASSETS			
Plant and equipment	8	452,080	699,321
Right-of-use assets	9	1,077,402	689,798
		1,529,482	1,389,119
CURRENT ASSETS			
Receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	7	7,055,512	3,451,472
Conservancy and service fee receivables	10	1,713,640	1,535,320
Other receivables	11	10,226,830	8,479,508
Prepayments		285,625	266,540
Cash and cash equivalents	12	122,080,894	107,543,209
		141,362,501	121,276,049
TOTAL ASSETS		142,891,983	122,665,168
Less:			
NON-CURRENT LIABILITIES			
Payables and accrued expenses	14	78,610	123,530
Provision for restoration costs		82,270	-
Lease liabilities	15	884,579	550,636
		1,045,459	674,166
CURRENT LIABILITIES			
Conservancy and service fee received in advance	13	1,585,049	1,255,018
Advances for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	7	1,838,696	630,270
Payables and accrued expenses	14	4,849,165	7,760,523
Lease liabilities	15	160,052	183,424
Grants received in advance	16	849,084	-
Current tax payable		1,668,124	1,062,635
		10,950,170	10,891,870
TOTAL LIABILITIES		11,995,629	11,566,036
NET ASSETS		130,896,354	111,099,132

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

MR DESMOND CHOO PEY CHING
Chairman

MR WANG YAM PENG
Secretary

Date: 24 September 2024

Income and expenditure statement for the financial year ended 31 March 2024

	Note	2023/2024 S\$	2022/2023 S\$
OPERATING INCOME			
Conservancy and service fees	3	59,151,333	54,409,173
Less: Operating transfer to sinking fund (minimum required by law)	3, 4	(15,379,355)	(14,146,381)
Operating transfer to lift replacement fund (minimum required by law)	3, 5	(8,281,194)	(7,617,295)
		35,490,784	32,645,497
Agency fees	17	4,441,127	4,199,444
Other income	18	4,392,872	3,861,293
		44,324,783	40,706,234
Less:			
OPERATING EXPENDITURE			
Cleaning works		9,049,444	8,551,330
Managing agent's fees	19	7,289,606	6,308,804
Lift maintenance		8,133,425	8,527,138
Other works and maintenance		7,156,749	6,751,097
Water and electricity		10,450,044	11,220,105
General and administrative expenditure	20	3,004,882	2,763,467
		(45,084,150)	(44,121,941)
OPERATING DEFICIT		(759,367)	(3,415,707)
Add:			
NON-OPERATING INCOME			
Interest income	3	495,712	184,888
DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS		(263,655)	(3,230,819)
Less:			
Income tax	3, 21	(470,562)	(403,160)
DEFICIT AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS		(734,217)	(3,633,979)
Add:			
Government grants	3, 26	20,572,658	15,924,322
Less: Transfer to sinking fund	3, 4, 26	(3,579,999)	(2,632,592)
Less: Transfer to lift replacement fund	3, 5, 26	(7,074,224)	(5,928,840)
Less: Transfer to town improvement and project fund	3, 6, 26	(1,656,909)	(1,287,680)
		8,261,526	6,075,210
SURPLUS FOR THE YEAR		7,527,309	2,441,231
Add:			
Accumulated surplus at 1 April		15,560,150	13,918,919
Less:			
Appropriation to town improvement and project fund	3, 6	(1,000,000)	(800,000)
ACCUMULATED SURPLUS AT 31 MARCH		22,087,459	15,560,150

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 2024

		TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY		CARPARK	
	Note	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$
Surplus/(deficit) for the year:									
- Accumulated surplus	3	7,527,309	2,441,231	5,562,738	477,020	1,005,968	1,006,504	958,603	957,707
- Sinking fund	4	2,909,413	(4,205,822)	2,890,575	(4,593,254)	18,838	387,432	-	-
- Lift replacement fund	5	10,505,494	3,728,391	9,894,428	3,185,045	611,066	543,346	-	-
- Town improvement and project fund	6	(1,144,994)	(1,106,924)	(1,010,204)	(884,276)	(134,790)	(222,648)	-	-
Total surplus/(deficit) for the year		19,797,222	856,876	17,337,537	(1,815,465)	1,501,082	1,714,634	958,603	957,707
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year attributable to Town Council Fund		19,797,222	856,876	17,337,537	(1,815,465)	1,501,082	1,714,634	958,603	957,707

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 2024

	TOTAL S\$	RESIDENTIAL PROPERTY S\$	COMMERCIAL PROPERTY S\$	CARPARK S\$
Balance at 1 April 2022	110,242,256	80,748,919	26,060,539	3,432,798
Total comprehensive income/(loss) for the year	856,876	(1,815,465)	1,714,634	957,707
Balance at 31 March 2023	111,099,132	78,933,454	27,775,173	4,390,505
Balance at 1 April 2023	111,099,132	78,933,454	27,775,173	4,390,505
Total comprehensive income for the year	19,797,222	17,337,537	1,501,082	958,603
Transfer of Surplus from Carpark to Residential Property	-	5,349,108	-	(5,349,108)
Balance at 31 March 2024	130,896,354	101,620,099	29,276,255	-

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 2024

	Note	2023/2024 S\$	2022/2023 S\$
Cash Flows from Operating Activities			
Deficit in income and expenditure statement before taxation and government grants		(263,655)	(3,230,819)
Adjustments for:			
Conservancy and service fees transferred to sinking fund	3, 4	15,379,355	14,146,381
Conservancy and service fees transferred to lift replacement fund	3, 5	8,281,194	7,617,295
Depreciation of plant and equipment	8, 20	329,363	402,069
Depreciation of right-of-use assets	9, 20	183,961	184,678
Reversal for impairment in conservancy and service fees	10, 20	(94,934)	(182,142)
Bad debts written off	20	100,875	48,197
Lease interest expense	20	32,113	35,314
Interest and investment income	3	(495,712)	(184,888)
Operating surplus before working capital changes		23,452,560	18,836,085
Increase in conservancy and service fee and other receivables		(286,918)	(317,406)
Increase in prepayments		(19,085)	(10,809)
(Decrease)/increase in payables and accrued expenses and conservancy and service fee received in advance		(2,626,247)	5,573,732
(Increase)/decrease in Lift Enhancement Programme receivables		(1,423,603)	3,470,810
Net movement in advances received or receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme		(2,395,614)	(585,643)
Cash generated from operations		16,701,093	26,966,769
Sinking fund expenditure	4	(17,333,926)	(21,561,784)
Lift replacement fund expenditure	5	(6,341,523)	(10,366,035)
Town improvement and project fund expenditure	6	(2,801,903)	(2,394,604)
Income tax paid		(431,158)	(515,111)
Net cash used in operating activities		(10,207,417)	(7,870,765)
Cash Flows from Investing Activities			
Purchase of plant and equipment	8	(82,122)	(61,559)
Interest and investment income received		3,343,815	835,919
Net cash generated from investing activities		3,261,693	774,360
Cash Flows from Financing Activities			
Government grants received	26	21,694,246	15,262,814
Lease payments	15	(178,724)	(177,662)
Interest paid		(32,113)	(35,314)
Net cash generated from financing activities		21,483,409	15,049,838
Net increase in cash and cash equivalents		14,537,685	7,953,433
Cash and cash equivalents at beginning of year		107,543,209	99,589,776
Cash and cash equivalents at end of year	12	122,080,894	107,543,209

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 2024

1 GENERAL INFORMATION

The Town Council was established on 5 August 1990 under the Town Councils Act 1988. The functions of the Town Council are to control, manage, maintain and improve the common property of residential and commercial property 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 2024 were authorised for issue by the members of Town Council on 24 September 2024.

The head office of the Town Council is situated at:

Blk 136 Tampines Street 11
Singapore 521136

2 SUMMARY OF MATERIAL 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 1988. 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 amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Town Council has adopted all the new and amended standards which are relevant to the Town Council and are effective for annual financial periods beginning on 1 April 2023. The adoption of these standards did not have any material effect on the disclosures or on the accounts reported in these financial statements except as follows:

Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The Town Council has adopted the amendments to FRS 1 for the first time in the current year. The amendments change the requirements in FRS 1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)****(ii) Adoption of new and amended standards and interpretations (cont'd)**

The supporting paragraphs in FRS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Town Council has applied materiality guidance in FRS Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policies'.

(c) FUNDS**TOWN COUNCIL FUND**

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

Residential Property
Commercial Property

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 47(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.

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. The 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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**(c) FUNDS (CONT'D)****LIFT REPLACEMENT FUND ("LRF")**

In accordance with Section 47(5) 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 47(12) of the 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. The lift replacement fund is 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.

(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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**(e) GOVERNMENT GRANTS**

The Town Council receives six types of grants from the Government, namely, Service and Conservancy Charge Grant, payments from Citizens' Consultative Committees, Goods and Services Tax ("GST") Subvention Grant, Lift Maintenance Grant, LRF Matching Grant and Special Funding Support.

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 grant-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.

The Time-Limited Special Funding Support is provided to the Town Council to help buffer Town Council and residents from the full impact of the rising maintenance costs. The special Funding Support (SFS) amount is subjected to a cap of 13% based on the TC's residential S&CC income in FY2022 audited financial statements.

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 estimates, 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.

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 - 6 years
Office Equipment	3 - 5 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.

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

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**(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 ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in 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.

(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.

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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**(h) FINANCIAL ASSETS (CONT'D)****(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.

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.

(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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**(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.

(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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**(m) LEASES AS A LESSEE**

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

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

Right-of-use assets

The Town Council recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Town Council at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2(g).

Lease liabilities

At the commencement date of the lease, the Town Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Town Council and payments of penalties for terminating the lease, if the lease term reflects the Town Council exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Town Council uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liabilities of the Town Council are included in Note 15.

(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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**(n) INCOME TAX (CONT'D)**

The income taxes are accounted using the liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at 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 1947.

(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.
- (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 TRANSFERS

The Town Council may make inter-fund transfers in accordance to Sections 47(12) and 57(1)(i) of the Town Councils Act 1988, and Rule 11A of the Town Councils Financial Rules.

(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") was established in 2007 to upgrade the quality of HDB estates. This programme is fully funded by the Government and implemented by the Town Councils.

The funding for the programme belongs to the government which is for the specific use of projects under the programme. For projects approved prior to 2015, the Town Council received funding of S\$3,400 per dwelling unit to cover NRP construction costs, professional and consultancy fees. In addition, the Town Council was also 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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**(r) RECEIVABLES/ADVANCES RECEIVED FOR NEIGHBOURHOOD RENEWAL PROGRAMME (CONT'D)**

From 2015, the NRP included repainting of blocks and repair works for items such as spalling concrete/crack lines, apron drains & apron floors, etc. This allows the NRP works to be better coordinated with the Town Council's routine maintenance programme, thus enabling blocks and precincts to be more comprehensively enhanced without inconveniencing residents twice. As such, the NRP budget was increased from S\$3,400 to S\$4,700 per flat to fund the additional upgrading works. In 2023, HDB has increased the NRP budget from S\$4,700 to S\$5,550 for selected NRP works.

(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:

(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 defaults 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 estimate. 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 10.

The ECL for conservancy and service fee receivables amounted to S\$2,609,081 (2022/2023 - S\$2,704,015).

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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**(t) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)****(ii) Determination of lease term of contracts with renewal options**

The Town Council has significant lease contracts for office premises that included renewal options. The Town Council applies judgement in evaluating whether it is reasonably certain that the option to renew these leases will be exercised. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Town Council reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Town Council included the lease renewal in the recognition of right-of-use assets and lease liabilities for office premises because of the Town Council's intention to exercise these renewal option.

(iii) Leases – estimating the incremental borrowing rate

The Town Council cannot readily determine the interest rate implicit in its leases, therefore, it uses estimated incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Town Council would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Town Council 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Town Council estimates the incremental borrowing rate using observable inputs (such as market interest rates) and is required to make certain entity-specific estimates.

(iv) Town Improvement Projects grant income

The Town Council receives grants under Community Improvement Projects Committee ("CIPC") scheme for approved improvement and development works in the Town. Such grants are pre-approved in principle. Accruals for grants are made at year end based on the lower of the value of work completed that is eligible for CIPC funding or the approved CIPC funding for each specific project. Judgement is required for such accrual, which are made based on the Town Council's assessment of the value of work completed and the claims made for each town improvement project.

(v) Time-limited special funding support

As disclosed in Note 2(e), the Town Council received the first tranche of the time-limited special funding support equivalent to the additional S&CC income generated from gazette S&CC increases from FY2023 to FY2024, subject to a cap of 13% S&CC increase. The Town Council exercised judgement and recognised the time-limited special funding support grant income evenly over twelve months commencing from July 2023 (the month in which the gazette S&CC was increased). As a result, the Town Council recognised the time-limited special funding support grant income of S\$2,547,254 in the financial year ended 31 March 2024 and a deferred grant of S\$849,084 which will be recognised as grant income in the next financial year.

(vi) 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 6 years. The carrying amount of the plant and equipment as at 31 March 2024 was S\$452,080 (2022/2023 - S\$699,321). 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.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**(t) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)****(vii) 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.

(u) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are offset and the net amount reported in the financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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	
		2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$
OPERATING INCOME									
Conservancy and service fees		59,151,333	54,409,173	55,889,637	51,300,244	3,261,696	3,108,929	-	-
Less: Operating transfer to sinking fund (minimum required by law)	4	(15,379,355)	(14,146,381)	(14,531,313)	(13,338,061)	(848,042)	(808,320)	-	-
Operating transfer to lift replacement fund (minimum required by law)	5	(8,281,194)	(7,617,295)	(7,824,555)	(7,182,047)	(456,639)	(435,248)	-	-
		35,490,784	32,645,497	33,533,769	30,780,136	1,957,015	1,865,361	-	-
Agency fees	17	4,441,127	4,199,444	-	-	-	-	4,441,127	4,199,444
Other income	18	4,392,872	3,861,293	3,536,658	3,071,678	783,007	745,192	73,207	44,423
		44,324,783	40,706,234	37,070,427	33,851,814	2,740,022	2,610,553	4,514,334	4,243,867
Less:									
OPERATING EXPENDITURE		(45,084,150)	(44,121,941)	(39,768,580)	(39,233,863)	(1,758,219)	(1,620,996)	(3,557,351)	(3,267,082)
Operating (deficit)/surplus		(759,367)	(3,415,707)	(2,698,153)	(5,382,049)	981,803	989,557	956,983	976,785
Add:									
NON-OPERATING INCOME – interest and investment income		495,712	184,888	437,719	162,548	14,625	5,650	43,368	16,690
(DEFICIT)/SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS		(263,655)	(3,230,819)	(2,260,434)	(5,219,501)	996,428	995,207	1,000,351	993,475
Less:									
INCOME TAX	21	(470,562)	(403,160)	(414,706)	(355,304)	(14,108)	(12,088)	(41,748)	(35,768)
(DEFICIT)/SURPLUS AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS		(734,217)	(3,633,979)	(2,675,140)	(5,574,805)	982,320	983,119	958,603	957,707
Add:									
Government Grants		20,572,658	15,924,322	20,301,085	15,664,926	271,573	259,396	-	-
Less: Transfer to sinking fund	4	(3,579,999)	(2,632,592)	(3,569,749)	(2,622,457)	(10,250)	(10,135)	-	-
Transfer to lift replacement fund	5	(7,074,224)	(5,928,840)	(6,836,549)	(5,702,964)	(237,675)	(225,876)	-	-
Transfer to Town improvement and project fund	6	(1,656,909)	(1,287,680)	(1,656,909)	(1,287,680)	-	-	-	-
		8,261,526	6,075,210	8,237,878	6,051,825	23,648	23,385	-	-
SURPLUS FOR THE YEAR		7,527,309	2,441,231	5,562,738	477,020	1,005,968	1,006,504	958,603	957,707
Add:									
Accumulated surplus at 1 April		15,560,150	13,918,919	7,587,941	7,910,921	3,581,704	2,575,200	4,390,505	3,432,798
Transfer of Surplus from Carpark to Residential Property		-	-	5,349,108	-	-	-	(5,349,108)	-
Less:									
Appropriation to town improvement and project fund	6	(1,000,000)	(800,000)	(1,000,000)	(800,000)	-	-	-	-
Accumulated surplus at 31 March		22,087,459	15,560,150	17,499,787	7,587,941	4,587,672	3,581,704	-	4,390,505

TAMPINES TOWN COUNCIL
(Established under the Town Councils Act 1988)
Notes to the financial statements for the financial year ended 31 March 2024
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4 SINKING FUND

	Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY	
		2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$
Balance at 1 April		46,593,551	50,799,373	30,364,017	34,957,271	16,229,534	15,842,102
Add:							
INCOME	23(a)	1,546,182	694,479	1,496,163	671,136	50,019	23,343
Operating transfers from Conservancy and service fees (minimum required by law)	3	15,379,355	14,146,381	14,531,313	13,338,061	848,042	808,320
		16,925,537	14,840,860	16,027,476	14,009,197	898,061	831,663
Add:							
Transfers from Government Grants							
- Special Funding Support		662,286	-	662,286	-	-	-
- Other government grants		2,917,713	2,632,592	2,907,463	2,622,457	10,250	10,135
	3, 26	3,579,999	2,632,592	3,569,749	2,622,457	10,250	10,135
Less: EXPENDITURE	23(b)	(17,333,926)	(21,561,784)	(16,453,079)	(21,111,283)	(880,847)	(450,501)
Less: INCOME TAX	21	(262,197)	(117,490)	(253,571)	(113,625)	(8,626)	(3,865)
SURPLUS/(DEFICIT) FOR THE YEAR		2,909,413	(4,205,822)	2,890,575	(4,593,254)	18,838	387,432
Balance at 31 March		49,502,964	46,593,551	33,254,592	30,364,017	16,248,372	16,229,534

Represented by:

CURRENT ASSETS

Conservancy and service fee receivables	512,883	491,099
Amount due from Operating Fund	4,735,958	3,931,278
Other receivables	2,015,502	1,802,186
Cash and cash equivalents	44,589,238	40,825,410
Total assets	51,853,581	47,049,973

Less:

CURRENT LIABILITIES

Current tax payable	379,689	154,738
Grants received in advance	220,762	-
Payables and accrued expenses	1,750,166	301,684
Total liabilities	2,350,617	456,422

NET ASSETS	49,502,964	46,593,551
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TAMPINES TOWN COUNCIL
(Established under the Town Councils Act 1988)
Notes to the financial statements for the financial year ended 31 March 2024
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5 LIFT REPLACEMENT FUND

		TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY	
	Note	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$
Balance at 1 April		46,445,523	42,717,132	39,146,723	35,961,678	7,298,800	6,755,454
Add:							
INCOME	24(a)	1,795,487	659,112	1,737,400	637,039	58,087	22,073
Operating transfer from Conservancy and service fees (minimum required by law)	3	8,281,194	7,617,295	7,824,555	7,182,047	456,639	435,248
		10,076,681	8,276,407	9,561,955	7,819,086	514,726	457,321
Add:							
Transfer from Government Grants							
- LRF Matching Grant		5,146,531	4,511,288	4,914,374	4,290,868	232,157	220,420
- Special Funding Support		356,616	-	356,616	-	-	-
- Other government grants		1,571,077	1,417,552	1,565,559	1,412,096	5,518	5,456
	3, 26	7,074,224	5,928,840	6,836,549	5,702,964	237,675	225,876
Less: EXPENDITURE	24(b)	(6,341,523)	(10,366,035)	(6,210,186)	(10,229,830)	(131,337)	(136,205)
Less: INCOME TAX	21	(303,888)	(110,821)	(293,890)	(107,175)	(9,998)	(3,646)
SURPLUS FOR THE YEAR		10,505,494	3,728,391	9,894,428	3,185,045	611,066	543,346
Balance at 31 March		56,951,017	46,445,523	49,041,151	39,146,723	7,909,866	7,298,800

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

Grants received in advance

Payables and accrued expenses

Total liabilities

NET ASSETS

276,168	264,438
2,319,206	1,957,674
3,329,852	1,538,425
51,777,831	45,768,926
57,703,057	49,529,463
414,713	141,168
118,872	-
218,455	2,942,772
752,040	3,083,940

56,951,017 **46,445,523**

6 TOWN IMPROVEMENT AND PROJECT FUND

	Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY	
		2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$
Balance at 1 April		2,499,908	2,806,832	1,834,773	1,919,049	665,135	887,783
Add:							
Transfer from Government Grants	3	1,656,909	1,287,680	1,656,909	1,287,680	-	-
Less:							
Expenditure		(2,801,903)	(2,394,604)	(2,667,113)	(2,171,956)	(134,790)	(222,648)
Deficit for the year		(1,144,994)	(1,106,924)	(1,010,204)	(884,276)	(134,790)	(222,648)
Appropriation from accumulated surplus	3	1,000,000	800,000	1,000,000	800,000	-	-
Balance at 31 March		2,354,914	2,499,908	1,824,569	1,834,773	530,345	665,135

Represented by:

CURRENT ASSETS

Other receivables	3,332,321	3,871,898
Total assets	3,332,321	3,871,898

Less:

CURRENT LIABILITIES

Payables and accrued expenses	191,435	1,343
Amount due to Operating Fund	785,972	1,370,647
Total liabilities	977,407	1,371,990

NET ASSETS	2,354,914	2,499,908
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These projects are funded using the Town Council Fund and funds administered by the Citizens' Consultative Committee ("CCC").

Out of the total of S\$2,801,903 (2022/2023 - S\$2,394,604) spent on town improvement projects, S\$1,656,909 (2022/2023 - S\$1,287,680) was met by payment from CCC.

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

	2023/2024 S\$	2022/2023 S\$
Balance at 1 April	2,821,202	2,235,559
Funding from government	(9,269,416)	(11,528,780)
Payment to contractors	11,665,030	12,114,423
Balance at 31 March	5,216,816	2,821,202
Represented by:		
Receivables for Neighbourhood Renewal Programme	6,970,933	2,637,469
Receivables for Electrical Load Upgrading Programme	84,579	814,003
Receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	7,055,512	3,451,472
Advances received for Neighbourhood Renewal Programme	(1,496,215)	(554,820)
Advances received for Electrical Load Upgrading Programme	(342,481)	(75,450)
Advances received for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	(1,838,696)	(630,270)
	5,216,816	2,821,202

8 PLANT AND EQUIPMENT

	Total S\$	Furniture, fixtures and fittings S\$	Data processing equipment S\$	Office equipment S\$	Renovation S\$
Cost					
Balance at 1 April 2023	2,416,926	379,461	1,059,774	265,985	711,706
Additions during the year	82,122	3,850	31,592	46,680	-
Balance at 31 March 2024	2,499,048	383,311	1,091,366	312,665	711,706

Accumulated depreciation

Balance at 1 April 2023	1,717,605	376,426	556,682	258,645	525,852
Additions during the year	329,363	988	188,680	17,545	122,150
Balance at 31 March 2024	2,046,968	377,414	745,362	276,190	648,002

Net book value

Balance at 31 March 2024	452,080	5,897	346,004	36,475	63,704
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Cost

Balance at 1 April 2022	2,361,678	376,822	1,005,119	268,031	711,706
Additions during the year	61,559	2,639	56,572	2,348	-
Written off	(6,311)	-	(1,917)	(4,394)	-
Balance at 31 March 2023	2,416,926	379,461	1,059,774	265,985	711,706

Accumulated depreciation

Balance at 1 April 2022	1,321,847	374,970	323,784	219,391	403,702
Depreciation for the year	402,069	1,456	234,815	43,648	122,150
Written off	(6,311)	-	(1,917)	(4,394)	-
Balance at 31 March 2023	1,717,605	376,426	556,682	258,645	525,852

Net book value

Balance at 31 March 2023	699,321	3,035	503,092	7,340	185,854
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9 RIGHT-OF-USE ASSETS

The Town Council has leases for office premises and office equipment. No renewal options were granted for the leases of the office equipment. The lease term for the office premises was 3 years with a renewal option for another 3 years. The Town Council renewed the office premises during the financial year ended 31 March 2024.

Management exercises significant judgement and determined that these renewal options are reasonably certain to be exercised.

Town Council has obtained quotation for office restoration costs. Town Council has assessed the impact of the cost restoration and provision for office restoration costs is recognised during the financial year ended 31 March 2024.

	Office premises S\$	Office equipment S\$	Total S\$
<u>Cost</u>			
Balance at 1 April 2023	1,410,912	30,706	1,441,618
Additions during the year	571,565	-	571,565
Written-off	-	(15,703)	(15,703)
Balance at 31 March 2024	1,982,477	15,003	1,997,480

Accumulated depreciation

Balance at 1 April 2023	727,859	23,961	751,820
Depreciation for the year	179,215	4,746	183,961
Written-off	-	(15,703)	(15,703)
Balance at 31 March 2024	907,074	13,004	920,078

Net book value

Balance at 31 March 2024	1,075,403	1,999	1,077,402
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Cost

Balance at 1 April 2022 and 31 March 2023	1,410,912	30,706	1,441,618
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Accumulated depreciation

Balance at 1 April 2022	549,671	17,471	567,142
Depreciation for the year	178,188	6,490	184,678
Balance at 31 March 2023	727,859	23,961	751,820

Net book value

Balance at 31 March 2023	683,053	6,745	689,798
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10 CONSERVANCY AND SERVICE FEE RECEIVABLES

	2023/2024 S\$	2022/2023 S\$
Conservancy and service fee receivables	2,338,069	2,272,745
Interest receivable on late payments	1,828,731	1,799,327
Legal fees receivable	155,798	166,946
Disbursement fees receivable	123	317
Less: Allowance for impairment	(2,609,081)	(2,704,015)
	1,713,640	1,535,320

10 CONSERVANCY AND SERVICE FEE RECEIVABLES (CONT'D)

	2023/2024 S\$	2022/2023 S\$
Movements in above allowance:		
Balance at 1 April	2,704,015	2,886,157
Reversal made for the financial year (Note 20)	(94,934)	(182,142)
Balance at 31 March	2,609,081	2,704,015

Conservancy and service fee receivables are due on the first day of the month and are generally on a credit term of 30 days. 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 expected credit loss 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 S\$	Past due				Total S\$
		Less than 6 months S\$	6 to 12 months S\$	12 to 24 months S\$	More than 24 months S\$	
2023/2024						
Conservancy and service fee receivables	361,727	682,750	541,146	697,294	2,039,804	4,322,721
Loss allowance	-	(85,344)	(135,286)	(348,647)	(2,039,804)	(2,609,081)
						1,713,640
2022/2023						
Conservancy and service fee receivables	362,648	550,818	454,291	699,976	2,171,602	4,239,335
Loss allowance	-	(68,852)	(113,573)	(349,988)	(2,171,602)	(2,704,015)
						1,535,320

11 OTHER RECEIVABLES

	2023/2024 S\$	2022/2023 S\$
Claims for Citizens' Consultative Committee Funding	3,332,321	3,871,898
Conservancy and Service Grant Receivable	63,683	100,071
Deposits	564,022	959,219
GST Subvention Grant Receivable	825,157	627,698
Interest Receivable	1,337,496	843,930
Lift Replacement Fund Matching Grant Receivable	1,103,945	997,943
Receivables from Housing & Development Board ("HDB")	1,486,270	1,022,739
Recoverable from HDB for Lift Enhancement Programme ("LEP")	1,438,113	14,510
Sundry Receivables	75,823	41,500
	10,226,830	8,479,508

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

12 CASH AND CASH EQUIVALENTS

	2023/2024 S\$	2022/2023 S\$
Fixed deposits	108,823,740	92,890,747
Cash and bank balances	13,257,154	14,652,462
	122,080,894	107,543,209

The fixed deposits mature within 12 months (2022/2023 - within 12 months) from the end of the financial year. The interest rates of fixed deposits as at 31 March 2024 ranged from 3.20% to 4.61% (2022/2023 – 1.10% to 4.50%) per annum.

13 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 2024 included in contract liabilities at the beginning of the financial year was S\$1,255,018 (2022/2023 - S\$1,088,185).

14 PAYABLES AND ACCRUED EXPENSES

	2023/2024 S\$	2022/2023 S\$
Accrued operating expenses	270,234	159,117
Goods and Services Tax Payable	167,758	208,596
Refundable deposits	318,138	309,069
Payables to contractors	3,722,585	6,221,561
Other creditors	449,060	985,710
	4,927,775	7,884,053
Current: Due within 12 months	4,849,165	7,760,523
Non-current: Due after 1 year but within 5 years	78,610	123,530
	4,927,775	7,884,053

15 LEASE LIABILITIES

The Town Council has leases for office premises and office equipment. The carrying amount of lease liabilities are as follows:

	2023/2024 S\$	2022/2023 S\$
Current: Due within 12 months	160,052	183,424
Non-current: Due after 1 year but within 5 years	716,456	550,636
Due more than 5 years	168,123	-
	884,579	550,636
	1,044,631	734,060

15 LEASE LIABILITIES (CONT'D)**Reconciliation of liabilities arising from financing activities**

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

	At 1 April S\$	Non-cash - additions S\$	Financing cash flows - lease payments S\$	At 31 March S\$
2023/2024				
Lease liabilities	734,060	489,295	(178,724)	1,044,631
2022/2023				
Lease liabilities	911,722	-	(177,662)	734,060

16 GRANTS RECEIVED IN ADVANCE

	2023/2024 S\$	2022/2023 S\$
Government grant		
- Current	849,084	-
	849,084	-

17 AGENCY FEES

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

18 OTHER INCOME

	2023/2024 S\$	2022/2023 S\$
Late Payment Penalty	283,854	247,129
Liquidated Damages	454,251	209,057
Others Income	133,775	21,578
Rental of Community Hall	11,000	9,000
Sale of Tender Documents	16,265	18,167
Sundry Fines & Income	244,370	262,183
Temporary Occupation Licence Income	2,909,209	2,928,626
Use of Common Property and Void Decks	31,030	22,180
Use of Water & Electricity in Void Decks	309,118	143,373
	4,392,872	3,861,293

19 MANAGING AGENT'S FEES

The Town Council's daily operations have been outsourced to a managing agent during the financial year. The managing agent's fee for the year ended are as follows:

	2023/2024 S\$	2022/2023 S\$
Facility Management & Maintenance	6,637,303	5,661,890
Community Engagement & Communications	652,303	576,514
New Sustainability Initiatives	-	70,400
	7,289,606	6,308,804

20 GENERAL AND ADMINISTRATIVE EXPENDITURE

The general and administrative expenditure comprises the following:

	2023/2024 S\$	2022/2023 S\$
Advertising, publicity and public relations	376,103	377,659
Audit fee	64,400	83,512
Bad Debts written off	100,875	48,197
Computer services fee	356,165	346,379
Depreciation of plant and equipment (Note 8)	329,363	402,069
Depreciation of right-of-use assets (Note 9)	183,961	184,678
Doubtful Debts (S&CC - Note 10)	(94,934)	(182,142)
Fees and charges	300,925	296,511
Irrecoverable goods and services tax (Note 22)	305,594	258,978
Lease Interest Expense	32,113	35,314
Office upkeep expenses	175,545	188,090
Office supplies and stationery	219,562	177,726
Property tax	296,304	294,504
Town Councillors' allowances *	310,938	208,764
Others	47,968	43,228
	3,004,882	2,763,467

* With effect from 1 August 2022, Town Council started to have payroll expenses. Salaries and other related staff costs are included herein.

21 INCOME TAX

	Income & Expenditure Statement S\$	Sinking Fund Statement S\$	Lift Replacement Fund Statement S\$	Total S\$
Taken up in:				
2023/2024				
Current income tax provision	469,434	262,175	303,898	1,035,507
Under/(over) provision in prior year	1,128	22	(10)	1,140
	470,562	262,197	303,888	1,036,647
2022/2023				
Current income tax provision	403,160	117,492	110,825	631,477
Over provision in prior year	-	(2)	(4)	(6)
	403,160	117,490	110,821	631,471

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:

	2023/2024 S\$	2022/2023 S\$
Interest income received	3,837,381	1,537,498
Grant and other income	23,186,126	18,467,743
Allowable expenses	(336,428)	(310,006)
	26,687,079	19,695,235
Tax at statutory rate of 17%	4,536,803	3,348,190
Tax exempt income	(17,425)	(17,425)
Tax remission of government grants under section 92(2) of Singapore Income Tax	(3,483,919)	(2,699,288)
Under/(over) provision in prior year	1,140	(6)
Others	48	-
	1,036,647	631,471

22 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 and Lift Replacement Fund Statement during the financial year.

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

	2023/2024 S\$	2022/2023 S\$
Interest Income - Bank fixed deposits/current account	1,546,182	694,303
Other income	-	176
	1,546,182	694,479

(b) Expenditure

	2023/2024 S\$	2022/2023 S\$
Centralised Refuse Chute System's Refuse Hand	25,900	-
Electrical Rewiring	894,241	2,477,531
General & Administrative Expenses	110	90
Irrecoverable Goods & Services Tax (Note 22)	186,822	139,819
Project Management Fees	636,265	829,265
Redecoration & Repainting	12,080,777	11,646,180
Replacement of Transfer Pumpsets	561,500	733,888
Replacement of Water Pipes	825,821	27,500
Replacement of Alert Alarm System	-	306,280
Replacement of Lamp Post	1,671,105	-
Re-roofing Works	429,385	5,384,294
Replacement of Escalator Parts	22,000	16,937
	17,333,926	21,561,784

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

	2023/2024 S\$	2022/2023 S\$
Interest income from fixed deposits/current account	1,795,487	659,112
	1,795,487	659,112

24 LIFT REPLACEMENT FUND INCOME AND EXPENDITURE (CONT'D)**(b) Expenditure**

	2023/2024 S\$	2022/2023 S\$
General & Administrative Expenses	110	110
Irrecoverable Goods & Services Tax (Note 22)	360,749	316,729
Lift Enhancement Programme ("LEP") *	560,080	136,362
Lift Overhaul / Total Replacement Works	1,173,717	6,819,429
Project Management Fees	308,113	340,672
Replacement of ARD Battery	114,749	114,317
Replacement of EBOPS Battery	89,171	51,984
Replacement of Inverter Units	375,701	244,951
Replacement of Lift Position Display Panel (CPI/HPI)	1,382,907	999,969
Replacement of Main Sheaves / Ropes	1,944,150	1,280,312
Replacement of Heat Detector	32,076	61,200
	6,341,523	10,366,035

* The LEP was introduced to help town councils modernise their existing Housing and Development Board ("HDB") lifts. Under this programme, the HDB will fund 92.5% of the town council's costs to install the recommended enhancement features identified by the Building and Construction Authority ("BCA").

25 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

	2023/2024 S\$	2022/2023 S\$
Management agent fee	7,289,606	6,308,804
Project management fee	1,395,808	1,537,149
Energy saving costs *	1,213,134	1,634,675
Repairs and maintenance service fee	1,399,845	1,572,054
Lift Upgrading Programme	731,475	6,364,430

* 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\$180,979 (2022/2023 - S\$2,871,534) as at 31 March 2024.

b) Town Councillors and key management compensation

During the financial year, the town councillors' allowances and key management compensation was S\$310,938 (2022/2023 - S\$208,764).

26 GOVERNMENT GRANTS

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

	TOTAL		SERVICE AND CONSERVANCY CHARGE GRANT		PAYMENTS FROM CITIZENS' CONSULTATIVE COMMITTEE		GST SUBVENTION GRANT		LIFT MAINTENANCE GRANT		LRF MATCHING GRANT		SPECIAL FUNDING SUPPORT	
	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$	2023/2024 S\$	2022/2023 S\$
Government grants received/ receivable during the year	20,572,658	15,924,322	7,212,163	6,886,483	1,656,909	1,287,680	2,841,601	2,113,271	1,168,200	1,125,600	5,146,531	4,511,288	2,547,254	-
Less: Transfer to														
- Sinking fund	(3,579,999)	(2,632,592)	(1,875,163)	(1,790,486)	-	-	(738,818)	(549,450)	(303,732)	(292,656)	-	-	(662,286)	-
- Lift replacement fund	(7,074,224)	(5,928,840)	(1,009,703)	(964,108)	-	-	(397,826)	(295,860)	(163,548)	(157,584)	(5,146,531)	(4,511,288)	(356,616)	-
- Town improvement and project fund	(1,656,909)	(1,287,680)	-	-	(1,656,909)	(1,287,680)	-	-	-	-	-	-	-	-
	8,261,526	6,075,210	4,327,297	4,131,889	-	-	1,704,957	1,267,961	700,920	675,360	-	-	1,528,352	-

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

	2023/2024 S\$	2022/2023 S\$
Total grants received at 1 April	294,342,632	279,079,818
Grants received during the year	21,694,246	15,262,814
Total grants received as at 31 March	316,036,878	294,342,632

27 COMMITMENTS FOR CAPITAL EXPENDITURE

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

	2023/2024 S\$	2022/2023 S\$
Amounts approved and contracted for	42,086,698	39,938,415
Amounts approved but not contracted for	38,724,180	66,121,585
	80,810,878	106,060,000

28 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.

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.

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.

28 RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (CONT'D)**INTEREST RATE RISK (CONT'D)**

If Singapore dollar interest rates had been 25 (2022/2023 - 25) basis points lower/higher with all other variables held constant, the Town Council's surplus before government grants for the year would have been S\$244,033 (2022/2023 - S\$211,014) 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:

As at 31 March 2024	Carrying amount S\$	Contractual cash flows S\$	Less than 1 year S\$	Within 1 to 5 S\$	After 5 years S\$
Receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	7,055,512	7,055,512	7,055,512	-	-
Conservancy and service fee receivables	1,713,640	1,713,640	1,713,640	-	-
Other receivables	10,226,830	10,226,830	10,226,830	-	-
Cash and cash equivalents	122,080,894	122,080,894	122,080,894	-	-
	141,076,876	141,076,876	141,076,876	-	-
Advances for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	1,585,049	1,585,049	1,585,049	-	-
Payables and accrued expenses	4,927,775	4,927,775	4,849,165	78,610	-
Lease liabilities	1,044,631	1,206,224	208,624	825,600	172,000
	7,557,455	7,719,048	6,642,838	904,210	172,000
As at 31 March 2023					
Receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	3,451,472	3,451,472	3,451,472	-	-
Conservancy and service fee receivables	1,535,320	1,535,320	1,535,320	-	-
Other receivables	8,479,508	8,479,508	8,479,508	-	-
Cash and cash equivalents	107,543,209	107,543,209	107,543,209	-	-
	121,009,509	121,009,509	121,009,509	-	-
Advances for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	630,270	630,270	630,270	-	-
Payables and accrued expenses	7,884,053	7,884,053	7,760,523	123,530	-
Lease Liabilities	734,060	1,002,180	211,056	791,124	-
	9,248,383	9,516,503	8,601,849	914,654	-

29 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\$130,896,354 (2022/2023 - S\$111,099,132).

30 STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following FRS and INT FRS relevant to the Town Council were issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: Classifications of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 and FRS 107: Supplier Finance Arrangements	1 January 2024

The management is currently assessing the potential impact of adopting these new FRSs on the financial statements of the Town Council.

31 EVENTS OCCURRING AFTER THE REPORTING DATE

To manage the cost increases relating to manpower, materials and energy and other external factors, the Town Council revised its S&CC for residential flats, commercial premises, and market/food stalls on 1 July 2024.

Town Council will receive a time-limited special funding support from Ministry of National Development ("MND") to help buffer Town Council and residents from the full impact of the rising maintenance costs. On 3 June 2024, the Town Council received the second tranche of the special funding of S\$2,851,114 from MND. The Special Funding Support (SFS) amount is subjected to a cap of 13% based on the TC's residential S&CC income in FY2022 audited financial statements.