



**ANNUAL REPORT &
FINANCIAL STATEMENTS
FOR
YEAR ENDED 31 MARCH 2014**

(FINANCIAL YEAR 2013 / 2014)

**In Compliance with
Section 38 (13) & (14)
Town Councils Act (Chapter 329A)**

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2013/2014 IN PERSPECTIVE

Dear Residents,

On behalf of Tampines Town Council, I am pleased to present our financial report for FY 2013/2014.

I have served as the Chairman of Tampines Town Council since June 2013.

Working with the management team from CPG FM, the Town Council has since implemented several measures aimed at improving services provided.

For instance, to expedite repairs to residents' homes, we have engaged an additional building contractor to manage cases of roof leakages and external wall seepages.

Last June, we organised our first 'No Cleaning Day' on 16 June 2013, in conjunction with the International Cleaners Day and, in support of the National Trades Union Congress' (NTUC) call to recognise the important role played by our cleaners.

Support from our residents has been tremendous. Many wrote to me to express support for our proposal to grant cleaners Sundays off, as well as share their views on how residents can do more to keep their estates clean.

In view of the strong support we received, we decided to implement a 6-month "No Cleaning Sunday" pilot programme that was launched in July 2014. Beyond reminding everyone that keeping the estate clean is a collective responsibility, the programme also gives us the

opportunity to recognise our cleaners' efforts, and reward them by giving them time-off on the first Sunday of every month.

However, residents can be assured that important conservancy services such as rubbish collection, and cleaning of areas such as markets, hawker centres and neighbourhood centres will carry on as per normal on the scheduled days. Furthermore, any localised emergency cleaning needs will still be attended to by our cleaning team.



Residents who called and visited our service counters would have noticed that their requests and queries are attended to promptly after the formation of our Front Desk in August 2013.

Since January, residents requesting for Bulky Refuse Removal Service (up to 3 pieces) by phone are channelled directly to our Operations room. A special upgrade was made to "Our Home@Tampines" mobile application to provide more convenient disposal options for residents.

BULKY ITEM REMOVAL SERVICE

Step- by-Step Instructions

1) Tap on "Bulky Item Removal Service"

2) Select preferred Date/Time slot

3) Enter preferred date in dd/mm/yyyy format

4) Tap on "Select Bulky Items"

5) Enter particulars: Name, Address, Temp. A, Contact No.

6) Select preferred Date/Time slot

7) Tap the "Back Arrow" button when done

8) Select the preferred item(s) from list of 20

9) Tap the "Back Arrow" button when done

1) Attach photo of this bulky item (max 1 photo required)

2) Tap the "Submit" button when done

1) Tap the "OK" button when you are done

As our Town estate ages, we will strive to look for more solutions to manage whatever maintenance issues may arise in the Town. The management team and I will continue to work towards providing better services to our residents, whilst managing our finances prudently.

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FINANCIAL OVERVIEW

Financial Overview

With prudent planning and management, the Town Council's finances remained healthy achieving an operating surplus of \$1.76 million after taking into account government grants.

As at 31 March 2014, the Town Council's total funds stood at \$51.21 million.

IMPROVING HOMES AND ESTATES

Town Improvement/Cyclical Projects

The Town Council completed a total of 33 Town Improvement Projects with a total budget of \$2.6 million.

These included covered link-ways, drop off porches, replacement of older illuminated block signages with new energy-saving light-emitting diode (LED) block signages and community spaces such as children playgrounds, senior citizens' corners, fitness corners, and sensory gardens to encourage residents to lead active and healthy lifestyles.

A total of \$8.54 million was spent on Redecoration and Repainting Works (R&R) and re-roofing works.



Lift Upgrading Programme (LUP)

Currently 6 lifts are scheduled for completion by October 2014. We are pleased that all LUP-eligible blocks would have lifts serving residents on every floor by end of this year.

Neighbourhood Renewal Programme (NRP)



Artist's Impression for NRP Illustration Purpose Only

Home Improvement Programme (HIP)

The HIP helps the flat owners, to deal with common maintenance problems associated with ageing flats, such as spalling concrete and ceiling leaks, in a systematic and comprehensive manner.

Residents who are Singapore citizens will be heavily subsidised by the government for this programme.



MANAGING RISING COSTS

Tampines started as a new town in 1983, and over the years our buildings and facilities required constant upkeep. Understandably, older blocks also required more manpower to maintain.

As cleaners and horticulturists are now paid higher wages under the Progressive Wage Model (PWM), we need to be more efficient in carrying out work that requires more labour.

In our latest conservancy contract awarded in January 2014, we introduced new machines such as the single-man operated rubbish collection compactors and mechanical sweepers.



In FY 14/15, we shall review our horticulture contract in order to obtain value services as we transform our Town's landscape.

We applied for contestable status for 726 accounts to purchase electricity direct from the retail market. I am pleased that Tuas Power was appointed as our electricity supplier for two years until March 2016 at a 10 percent discount off prevailing tariff rates.

We have been actively working with Housing and Development Board (HDB) to install Solar Photovoltaic (PV) panels on the rooftops of over 150 blocks in Tampines. More details will be shared with residents once they are available. The management team will continue to explore new ways to manage cost for the sustainability of our estate.



BUILDING A STRONGER COMMUNITY

To build a stronger community, Town Council staff has also been actively fostering closer working relationship with our Voluntary Welfare Organisations (VVO) and Schools. We also engaged seniors through games and karaoke sessions at a corporate social responsibility event.

The Town Council has also supported Community Involvement Programme for Primary School children to inculcate good civic behaviour. Students were given the opportunity to keep the parks clean and attended an educational talk by Town Council staff on the

importance of keeping the estate clean.

Events such as Annual Tree Planting were also organised in November to bring the community together and to add more green to our surroundings.



Serving with a Heart

Besides routine maintenance of common spaces, the Town Council, goes out of its way to help residents when the need arises. There have been collaborative efforts established among the Town Council, grassroots organisations and residents. We go beyond upkeeping the estate and serve with a heart to make Tampines a warmer and caring home for all.



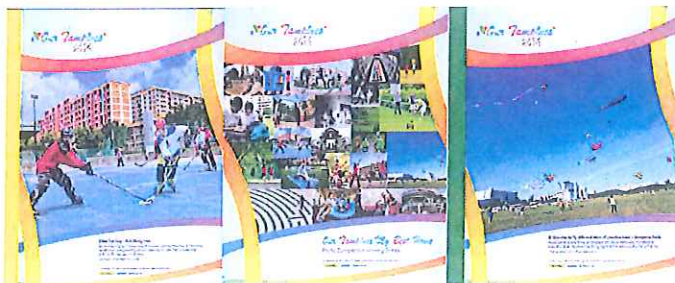
OUR
PUBLICATIONS
-TEMPO,
CALENDAR AND
SOCIAL MEDIA

Our Tampines Tempo remains our main medium to reach out to our residents by keeping them in touch with events and happenings in our town.

We have been increasing our presence on social media such as Facebook to connect with more Internet savvy residents and other Facebook friends.



Our table calendar continues to be well-received by residents. This year's calendar features Tampines as seen through the eyes of photographers, many of whom are Tampines residents.



Establishing our presence on Facebook to connect with our Facebook friends.



Finally, I would like to express my heartfelt appreciation to our residents, grassroots leaders, Councillors, and my fellow Parliamentary colleagues for their strong and unwavering support and to our Staff for their dedication, commitment and hard work in faithfully discharging their duties. We look forward to partnering residents to make Tampines a home we can be proud of.



Baey Yam Keng
Chairman
Tampines Town Council

INDEPENDENT AUDITORS' REPORT TO MEMBERS OF TAMPINES TOWN COUNCIL

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

Report on the Financial Statements

We have audited the accompanying financial statements of Tampines Town Council (the "Town Council"), which comprise the balance sheet of the Town Council as at 31 March 2014 the income and expenditure statement, statement of comprehensive income, the statement of changes in Town Council funds and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 3 to 30.

Management's Responsibility for the Financial Statements

The Town Council's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Town Councils Act, Cap 329A (the "Act") and Singapore Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Town Council are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Town Council as at 31 March 2014 and the results, changes in Town Council funds and cash flows of the Town Council for the year ended on that date.

Report on Other Legal and Regulatory Requirements

Management's responsibility for compliance with legal and regulatory requirements

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

Auditors' responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Town Council management's compliance.

Opinion

In our opinion:

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



Ecovis Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

18 August 2014

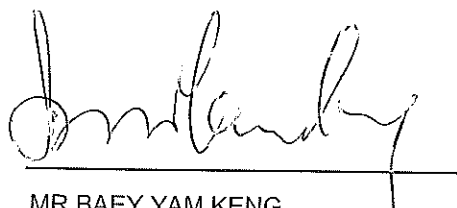
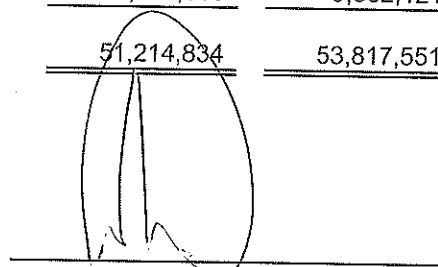
TAMPINES TOWN COUNCIL

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

BALANCE SHEET

As at 31 March 2014

	Note	2013/2014 \$	2012/2013 \$
TOWN COUNCIL FUNDS			
Residential Property Funds			
Accumulated Surplus	3	-	-
Sinking Funds	4	28,813,461	33,389,512
Town Improvement and Project Funds	5	(625,155)	95,818
		28,188,306	33,485,330
Commercial Property Funds			
Accumulated Surplus	3	2,518,999	2,762,376
Sinking Funds	4	14,713,833	15,038,958
Town Improvement and Project Funds	5	2,011,834	575,953
		19,244,666	18,377,287
Carpark Fund			
Accumulated Surplus	3	1,558,367	1,015,283
Neighbourhood Renewal Programme Fund			
	6	2,223,495	939,651
		<u>51,214,834</u>	<u>53,817,551</u>
Represented By :			
Non-Current Asset			
Property, Plant and Equipment	7	203,568	132,178
Current Assets			
Conservancy and Service Fee Receivables	8	1,173,002	1,194,614
Other Receivables	9	2,365,384	4,882,638
Cash and Cash Equivalents	10	53,295,449	57,490,242
		56,833,835	63,567,494
Total Assets		<u>57,037,403</u>	<u>63,699,672</u>
Less :			
Current Liabilities			
Conservancy and Service Fees Received-in-Advance	11	573,376	635,233
Payables and Accrued Expenses	16(b)	4,745,856	8,705,781
Income Tax Payable		503,337	541,107
		5,822,569	9,882,121
Total Liabilities		<u>5,822,569</u>	<u>9,882,121</u>
NET ASSETS		<u>51,214,834</u>	<u>53,817,551</u>


MR BAEY YAM KENG
CHAIRMAN

MR CHAN WEE LEE
GENERAL MANAGER

Date: 18 August 2014

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

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

INCOME AND EXPENDITURE STATEMENT
For the Financial Year Ended 31 March 2014

	Note	2013/2014 \$	2012/2013 \$
OPERATING INCOME			
Conservancy and Service Fees		39,383,619	36,837,602
Less : Operating transfer to Sinking Funds (minimum required by law)	4	(14,979,527)	(13,447,547)
		<u>24,404,092</u>	<u>23,390,055</u>
Agency Fees	12	2,731,925	2,753,257
Other Income	13	2,948,384	2,618,110
		<u>5,680,309</u>	<u>5,371,367</u>
		<u>30,084,401</u>	<u>28,761,422</u>
Less :			
OPERATING EXPENDITURE			
Cleaning Works		5,330,485	5,594,144
Lift Maintenance		4,797,370	4,399,219
Managing Agent's Fees	14	3,445,019	3,431,229
Other Works and Maintenance		6,242,096	5,287,513
Water and Electricity		10,674,052	10,766,463
General and Administrative Expenditure	15	1,775,368	1,906,369
		<u>(32,264,390)</u>	<u>(31,384,937)</u>
OPERATING DEFICIT		<u>(2,179,989)</u>	<u>(2,623,515)</u>
Add :			
NON-OPERATING INCOME			
Interest Income		32,829	6,107
DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS		<u>(2,147,160)</u>	<u>(2,617,408)</u>
Less:			
TAXATION	16(a)	(179,187)	(167,283)
GOODS AND SERVICES TAX	17	(154,143)	(294,708)
DEFICIT BEFORE GOVERNMENT GRANTS		<u>(2,480,490)</u>	<u>(3,079,399)</u>
Add : Government Grants	19	7,965,569	8,841,857
Less : Transfer to Sinking Funds	19	(2,313,806)	(2,183,947)
Transfer to Town Improvement and Project Funds	5,19	(1,411,566)	(2,462,241)
		<u>4,240,197</u>	<u>4,195,669</u>
SURPLUS FOR THE FINANCIAL YEAR		<u>1,759,707</u>	<u>1,116,270</u>
ACCUMULATED SURPLUS AS AT 1 APRIL		3,777,659	3,262,389
Appropriation to Town Improvement and Project Funds		<u>(1,460,000)</u>	<u>(601,000)</u>
ACCUMULATED SURPLUS AS AT 31 MARCH		<u><u>4,077,366</u></u>	<u><u>3,777,659</u></u>

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

TAMPINES TOWN COUNCIL

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

STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2014

	<u>2013/2014</u>	<u>2012/2013</u>
	\$	\$
Deficit for the financial year	(2,602,717)	(12,190,433)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year attributable to town council funds	<u>(2,602,717)</u>	<u>(12,190,433)</u>

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

TAMPINES TOWN COUNCIL

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

STATEMENT OF CHANGES IN TOWN COUNCIL FUNDS

For the Financial Year Ended 31 March 2014

	Residential Property Funds \$	Commercial Property Funds \$	Car Park Fund \$	Neighbourhood Renewal Programme Fund \$	Total \$
2013/2014					
Balance as at 1 April 2013	33,485,330	18,377,287	1,015,283	939,651	53,817,551
Deficit for the financial year	(6,425,461)	1,995,816	543,084	1,283,844	(2,602,717)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the financial year	(6,425,461)	1,995,816	543,084	1,283,844	(2,602,717)
Inter-fund transfers	1,128,437	(1,128,437)	-	-	-
Balance as at 31 March 2014	28,188,306	19,244,666	1,558,367	2,223,495	51,214,834
2012/2013					
Balance as at 1 April 2012	47,875,138	17,240,321	488,517	404,008	66,007,984
Surplus for the financial year	(14,891,322)	1,638,480	526,766	535,643	(12,190,433)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the financial year	(14,891,322)	1,638,480	526,766	535,643	(12,190,433)
Inter-fund transfers	501,514	(501,514)	-	-	-
Balance as at 31 March 2013	33,485,330	18,377,287	1,015,283	939,651	53,817,551

The deficit for the financial year comprises the following:

	Note	2013/2014 \$	2012/2013 \$
Accumulated Surplus	3	1,759,707	1,116,270
Sinking Funds	4	(4,901,176)	(13,125,036)
Town Improvement and Project Funds	5	(745,092)	(717,310)
Neighbourhood Renewal Programme Fund	6	1,283,844	535,643
		<u>(2,602,717)</u>	<u>(12,190,433)</u>

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

TAMPINES TOWN COUNCIL

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

CASH FLOWS STATEMENT

For the Financial Year Ended 31 March 2014

	2013/2014	2012/2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit before Taxation and Government Grants	(2,147,160)	(2,617,408)
Adjustment for:		
Depreciation of Property, Plant and Equipment	64,506	52,775
Interest income	(32,829)	(6,107)
Operating transfer to Sinking Funds	14,979,527	13,447,547
Operating Surplus before Working Capital Changes	12,864,044	10,876,807
Decrease in Conservancy and Service Fee Receivables	21,612	52,835
Decrease in Other Receivables	294,426	42,687
(Decrease)/Increase in Payables and Accrued Expenses	(4,063,664)	1,780,344
Net Cash Generated from Operations	9,116,418	12,752,673
Sinking Funds Expenditure	(22,388,434)	(29,444,361)
Town Improvement and Project Expenditure	(2,161,658)	(3,180,049)
Town Improvement and Project Other Income Received	5,000	500
Neighbourhood Renewal Programme Fund Expenditure Paid	(3,465,559)	(6,927,630)
Goods and Services Tax Received / (Paid)	650,480	(1,297,105)
Income Tax Paid [Note 16(b)]	(263,045)	(210,510)
Net Cash Used in Operating Activities	(18,506,798)	(28,306,482)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(135,896)	(106,764)
Redemption of investment upon maturity	-	16,047,898
Interest and Investment Income Received	431,174	899,234
Net Cash Generated from Investing Activities	295,278	16,840,368
CASH FLOWS FROM FINANCING ACTIVITIES		
Government Grants Received [Note 19]	9,267,324	8,886,161
Funding Received for Neighbourhood Renewal Programme [Note 6]	4,749,403	7,463,273
Net Cash Generated from Financing Activities	14,016,727	16,349,434
Net (Decrease)/Increase in Cash and Cash Equivalents	(4,194,793)	4,883,320
Cash and Cash Equivalents at Beginning of Year	57,490,242	52,606,922
Cash and Cash Equivalents at End of Year [Note 10]	53,295,449	57,490,242

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

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

1 GENERAL

Tampines Town Council was formed on 5 August 1990 under the Town Councils Act (Cap 329A). 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 Development Board (HDB) within the Town. The Town consists of the Tampines Group Representation Constituency.

The Town Council commenced its functions on 1 February 1991.

The principal office of Tampines Town Council is situated at:
Blk 136 Tampines Street 11
Singapore 521136

2(a) BASIS OF PREPARATION

The financial statements, expressed in Singapore dollars, are prepared in accordance with the provisions of the Town Councils Act, Cap 329A and Singapore Financial Reporting Standards ("FRS") including related Interpretations. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Town Council takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

Significant accounting estimates and judgments

The preparation of the financial statements in conformity with FRS requires the use of 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 financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a high degree of judgments or complexity, are described below.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

2(a) BASIS OF PREPARATION (Cont'd)

Critical accounting estimates and judgments

Estimates and judgments 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.

(a) Critical accounting estimates and assumptions

The Town Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Allowance for bad and doubtful debts

Allowance for doubtful conservancy and service debts amounting to \$1,038,914 (2012/2013 – \$815,106) have been estimated on the basis of age of debts, results of recovery efforts and historical experience.

(ii) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates that the useful lives of property, plant and equipment are between 3 to 5 years. The carrying amount of the property, plant and equipment as at 31 March 2014 was \$203,568 (2012/2013: \$132,178). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Income tax

Significant judgment is required in determining the provision for income taxes. There are also claims for which the ultimate tax determination is uncertain during the ordinary course of business. 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.

(b) Key sources of estimation uncertainty

Management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Interpretations and amendments to published standards effective in 2013

The Town Council has adopted the new or revised FRS and INT FRS that are mandatory for application on that date. The adoption of the relevant FRS and INT FRS did not result in any substantial changes to the Town Councils accounting policies nor any impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

2(a) BASIS OF PREPARATION (Cont'd)

FRS and INT FRS issued but not yet effective

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

2(b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) FUNDS

Town Council Funds

In accordance with Section 33 (1) of the Town Councils Act, separate funds are established to account for the management of the various types of properties.

The types of properties currently under the management of the Town Council are as follows:

Residential Property
Commercial Property

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

These funds, together with Sinking Funds, Town Improvement and Project Funds and Neighbourhood Renewal Programme Fund form the Town Council Funds.

All monies received by the Town Council are paid into and related expenditure 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 Balance Sheet.

Sinking Funds

In accordance with Section 33(4) of the Town Councils Act, separate Sinking Funds are established for the improvement to, management and maintenance of residential property and commercial property. These Sinking Funds are maintained as part of the Town Council Funds.

Under the Town Councils Act, the Minister for National Development may, from time to time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid to be paid into the Sinking Funds.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

2(b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) FUNDS (Cont'd)

Sinking Funds (Cont'd)

Currently, the amounts to be paid into the Sinking Funds are as follows:

- | | | |
|------|--------------------------------|---|
| i) | 1-room to 3-room | 30% of conservancy and service fees and grants-in-aid |
| ii) | 4-room | 40% of conservancy and service fees and grants-in-aid |
| iii) | 5-room and Executive | 40% of conservancy and service fees |
| iv) | Shop with living accommodation | 35% of conservancy and service fees |
| v) | Commercial Property | 35% of conservancy and service fees |

In the prior financial year, there was a change in the amounts to be paid into Sinking Funds. Prior to the change, the amounts paid were as follows:

- | | | |
|------|--------------------------------|---|
| i) | 1-room to 3-room | 30% of conservancy and service fees and grants-in-aid |
| ii) | 4-room | 35% of conservancy and service fees and grants-in-aid |
| iii) | 5-room and Executive | 35% of conservancy and service fees |
| v) | Shop with living accommodation | 35% of conservancy and service fees |
| v) | Commercial Property | 35% of conservancy and service fees |

These contributions are treated as operating transfers and netted off against the conservancy and service fees and government grants in the Income and Expenditure Statement.

The Sinking Funds are utilised for cyclical major repainting, renewal, or replacement of roofing systems, water tanks, pumps and water supply systems, lightning protection systems and lifts, installation of any sensor and starter controller to the time-controlled booster pumping system, installation or replacement of any video lift monitoring devices, 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 & Development Act.

The Town Council apportions 5% of General and Administrative expenses from Routine Funds to Sinking Funds.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

2(b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) FUNDS (Cont'd)

Town Improvement And Project Funds

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

The funds are set up by transfer from the Accumulated Surplus to fund specific town improvement projects to be carried out. In addition the Town Council receives the Community Improvement Projects Committee Grant from the Citizens' Consultative Committee (CCC) for approved projects.

Neighbourhood Renewal Programme Fund

Neighbourhood Renewal Programme Fund is maintained as part of the Neighbourhood Renewal Programme (NRP) and is established in respect of the neighbourhood renewal programme works carried out on the qualifying properties. This upgrading scheme was entered into between the Town Council, HDB and the Ministry of National Development. The funding for the programme came from the Government and is for the specific use of projects under the programme. The Town Council is entitled to keep the surplus from the \$3,400 per dwelling unit to cover NRP expenditure and \$150 per dwelling unit or \$125,000, whichever is higher to cover miscellaneous NRP expenditure if the actual expenditure is lower. However, if the cost of improvement works incurred exceeds the NRP funds, the Town Council has to bear the cost of excess expenditure.

(b) ALLOCATION OF GENERAL OVERHEADS

Expenditure not related 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 Units(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

(c) GOVERNMENT GRANTS

The Town Council receives three types of grants from the Government, namely, Service and Conservancy grant, payments from the Citizens' Consultative Committee and GST subvention grant.

Government grants are accounted for on an accrual basis. Grants to meet the current year's operating expenditure are taken to the Income and Expenditure Statement, except to the extent which is required to be transferred to Sinking Funds based on the amount prescribed.

The GST subvention is given as grants-in-aid and is granted to Town Councils to assist them to absorb the GST increases in service and conservancy charges for HDB residential flats.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

2(b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight line basis to write off the cost of the property, plant and equipment over their estimated useful lives as follow:-

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

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Depreciation is charged from the month of acquisition. For disposal of property, plant and equipment, depreciation is charged up to the month prior to disposal. Property, plant and equipment costing below \$1,000 each are charged to the Income and Expenditure Statement in the year of purchase. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

The carrying amounts of property, plant and equipment are reviewed yearly in order to assess whether their carrying amounts need to be written down to recoverable amounts. Recoverable amount is defined as the higher of value in use and net selling price.

(e) FINANCIAL ASSETS

Financial assets are recognised when, and only when, the Town Council becomes a party to the contractual provisions of the financial instrument. The Town Council determines the classification of its financial assets at initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

2(b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) FINANCIAL ASSETS (Cont'd)

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Town Council provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except those maturing more than 12 months after the balance sheet date, in which case, these are classified as non-current assets. Loans and receivables include cash and cash equivalents, trade receivables, other receivables and current assets on the balance sheet. Loans and receivables are measured at amortised cost using the effective interest method less impairment losses.

Impairment

The Town Council assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account.

For receivables, an allowance for impairment is established when there is objective evidence that Town Council is not able to collect all amounts due according to the original terms of the receivables.

Such objective evidence is determined on the following basis:

- (i) Rental/Sold property (live) - in arrears of more than 12 months
- (ii) Rental/Sold property (Ex-accounts) - full amount in arrears

Debts not recovered are written off as bad debts in accordance with the Town Councils Financial Rules.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in Income and Expenditure Statement.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in Income and Expenditure Statement.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

2(b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and bank deposits.

(g) PAYABLES

Payables are initially measured at fair value, which is the consideration to be paid in the future for goods and services rendered, whether or not billed and subsequently measured at amortised cost using the effective interest method.

(h) PROVISIONS

Provisions are recognised when the Town Council has 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.

(i) OPERATING LEASES

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Rental on operating leases are charged to the income and expenditure statement on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the income and expenditure statement when incurred.

(j) IMPAIRMENT OF NON-FINANCIAL ASSETS

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating-units ("CGU") to which the asset belongs to.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

2(b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) IMPAIRMENT OF NON-FINANCIAL ASSETS (Cont'd)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income and expenditure statement.

An impairment loss for an asset is reversed if, and only, if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income and expenditure statement.

(k) TAXATION

Tax is provided on the following income:

- (i) Income derived from investments;
- (ii) Fees, rent and other charges received from non-residents or non-owners of properties in the Town for maintenance and use of carpark where the Town Council opts to manage and maintain them;
- (iii) Donations from non-residents or non-owners of properties in the Town Council; and
- (iv) Agency fees derived from acting as agents for statutory boards.

The liability method of tax effect accounting is adopted by the Town Council. Deferred taxation is provided at current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

2(b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) RECOGNITION OF INCOME

Conservancy and service fees and agency fees are recognised on a time-proportion basis for the period when the service is rendered.

Interest income from fixed deposits are recognised on a time-proportion basis using the effective interest method.

Income from temporary occupation licences and usage of void deck or other common property is recognised on a straight line basis over the rental period.

(m) INTER-FUND TRANSFERS

Under Section 33(9) of the Town Councils Act, the Town Council may transfer an amount not exceeding the surplus from any of its funds constituting the Town Council fund, to a fund, which is in deficit.

(n) FUNCTIONAL CURRENCY

Items included in the financial statements of the Town Council are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Town Council ("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.

(o) FINANCIAL INSTRUMENTS

Financial instruments carried on the balance sheet include cash and cash equivalents, conservancy and service fees receivables, payables and accrued expenses, conservancy and service fees received-in-advance and other payables and receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures on financial risk management are provided in Note 22.

3 ACCUMULATED SURPLUS

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

Note	Total		Residential Property		Commercial Property		Carpark	
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
	\$	\$	\$	\$	\$	\$	\$	\$
OPERATING INCOME								
Conservancy and Service Fees	39,383,619	36,837,602	37,017,269	34,612,800	2,366,350	2,224,802	-	-
Less: Operating Transfer to Sinking Funds (minimum required by law)	(14,979,527)	(13,447,547)	(14,151,304)	(12,668,867)	(828,223)	(778,680)	-	-
Agency Fees	2,731,925	2,753,257	775,187	889,458	2,147,486	1,708,458	2,731,925	2,753,257
Other Income	2,948,384	2,618,110	23,641,152	22,813,391	3,685,613	3,154,580	25,711	40,194
	30,084,401	28,761,422					2,757,636	2,793,451
Less:								
OPERATING EXPENDITURE								
OPERATING (DEFICIT) / SURPLUS	(32,264,390)	(31,384,937)	(28,727,360)	(27,867,423)	(1,335,636)	(1,251,628)	(2,201,394)	(2,265,886)
Add:								
NON-OPERATING INCOME								
(DEFICIT) / SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS	(2,179,989)	(2,623,515)	(5,086,208)	(5,054,032)	2,349,977	1,902,952	556,242	527,565
	32,829	6,107	28,780	5,351	1,103	207	2,946	549
	(2,147,160)	(2,617,408)	(5,057,428)	(5,048,681)	2,351,080	1,903,159	559,188	528,114
Less:								
TAXATION								
IRRECOVERABLE GOODS AND SERVICES TAX	(179,187)	(167,283)	(157,063)	(11,261)	(6,020)	(154,674)	(16,104)	(1,348)
(DEFICIT) / SURPLUS BEFORE GOVERNMENT GRANTS	(154,143)	(294,708)	(154,143)	(294,708)	-	-	-	-
	(2,480,490)	(3,079,399)	(5,368,634)	(5,354,650)	2,345,060	1,748,485	543,084	526,766
Add : Government Grants	7,965,569	8,841,857	7,910,528	8,754,135	55,041	87,722	-	-
Less : Transfer to Sinking Funds	(2,313,806)	(2,183,947)	(2,313,806)	(2,183,947)	-	-	-	-
Transfer to Town Improvement and Project Funds	(1,411,566)	(2,462,241)	(1,356,525)	(2,374,519)	(55,041)	(87,722)	-	-
	4,240,197	4,195,669	4,240,197	4,195,669	-	-	-	-
	1,759,707	1,116,270	(1,128,437)	(1,158,981)	2,345,060	1,748,485	543,084	526,766
	3,777,659	3,262,389	-	657,467	2,762,376	2,116,405	1,015,283	488,517
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR								
ACCUMULATED SURPLUS AS AT 1 APRIL								
Transfer from commercial Property to Residential Property	-	-	1,128,437	501,514	(1,128,437)	(501,514)	-	-
Appropriation to Town Improvement and Project Funds	(1,460,000)	(601,000)	-	-	(1,460,000)	(601,000)	-	-
ACCUMULATED SURPLUS AS AT 31 MARCH								
	4,077,366	3,777,659	-	-	2,518,999	2,762,376	1,558,367	1,015,283

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

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

4 SINKING FUNDS

	Note	2013/2014	TOTAL	2012/2013	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY
		\$		2013/2014	2013/2014	2012/2013
				\$	\$	\$
Balance as at 1 April		48,428,470		33,389,512	15,038,958	15,011,923
Add:						
INVESTMENT AND OTHER INCOME						
18		321,992	940,032	310,168	11,824	32,578
3		14,979,527	13,447,547	14,151,304	828,223	778,680
3,19		2,313,806	2,183,947	2,313,806	-	-
		17,615,325	16,571,526	16,775,278	840,047	811,258
Less:						
EXPENDITURE						
4(a)		(22,388,434)	(29,444,361)	(21,224,960)	(1,163,474)	(780,367)
Less:						
TAXATION		(46,088)	(103,647)	(44,390)	(1,698)	(3,856)
16(a)		(81,979)	(148,554)	(81,979)	-	-
17		(4,901,176)	(13,125,036)	(4,576,051)	(325,125)	27,035
GOODS AND SERVICES TAX UNCLAIMABLE						
(DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR						
Balance as at 31 March		43,527,294	48,428,470	28,813,461	14,713,833	15,038,958
Represented by :						
CURRENT ASSETS						
Conservancy and Service Fee Receivables		548,133	376,696			
Other Receivables		186,184	889,545			
Interest Receivable		46,420	125,663			
Cash and Cash Equivalents		39,581,921	48,709,539			
Amount due from Operating Fund		4,892,592	4,210,792			
TOTAL ASSETS		45,255,250	54,312,235			
Less:						
CURRENT LIABILITIES						
Conservancy and Service Fees Received-in-Advance		210,947	189,290			
Payables and Accrued Expenses		1,360,296	5,490,055			
Income Tax Payable		156,714	204,420			
TOTAL LIABILITIES		1,727,956	5,883,765			
NET ASSETS		43,527,294	48,428,470			

TAMPINES TOWN COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

4(a) SINKING FUNDS (Cont'd)

	<u>2013/2014</u>	<u>2012/2013</u>
	\$	\$
Lift works	11,637,110	20,996,515
Reroofing works	2,535,502	4,447,738
Redecoration and repainting	6,007,021	3,757,613
Replacement of water tank, pipes and booster pump	1,380,728	74,585
Others	828,073	167,910
	<u>22,388,434</u>	<u>29,444,361</u>

TAMPINES TOWN COUNCIL

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2014

5 TOWN IMPROVEMENT AND PROJECT FUNDS

Note	Total		Residential Property		Commercial Property	
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
	\$	\$	\$	\$	\$	\$
Balance as at 1 April	671,771	788,081	95,818	676,088	575,953	111,993
Add:						
TRANSFER FROM GOVERNMENT GRANTS	1,411,566	2,462,241	1,356,525	2,374,519	55,041	87,722
OTHER INCOME	5,000	500	5,000	500	-	-
Less:						
EXPENDITURE	(2,161,658)	(3,180,049)	(2,082,498)	(2,955,287)	(79,160)	(224,762)
TAXATION	-	(2)	-	(2)	-	-
Deficit for the Financial Year	(745,092)	(717,310)	(720,973)	(580,270)	(24,119)	(137,040)
Appropriation from Accumulated Surplus	1,460,000	601,000	-	-	1,460,000	601,000
Balance as at 31 March	<u>1,386,679</u>	<u>671,771</u>	<u>(625,155)</u>	<u>95,818</u>	<u>2,011,834</u>	<u>575,953</u>

TAMPINES TOWN COUNCIL

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2014

6 NEIGHBOURHOOD RENEWAL PROGRAMME FUND

	2013/2014	2012/2013
	\$	\$
Balance as at 1 April	939,651	404,008
Funding from Government	4,747,403	7,462,773
Miscellaneous Income	2,000	500
Payments to Contractors	(3,465,559)	(6,927,630)
Surplus for the financial year	1,283,844	535,643
Balance as at 31 March	2,223,495	939,651

The total amount of cash received from the Government for the funding of Neighbourhood Renewal Programme is as follows:

	2013/2014	2012/2013
	\$	\$
Cumulative funding received as at 1 April	10,007,986	2,545,213
Funding from Government for the financial year	4,747,403	7,462,773
Cumulative funding received as at 31 March	14,755,389	10,007,986

7 PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Furniture, Fixtures and Fittings	Renovation	Data Processing Equipment	Total
	\$	\$	\$	\$	\$
<u>COST</u>					
As at 1 April 2012	203,999	435,288	224,053	176,158	1,039,498
Additions	-	55,600	-	51,164	106,764
Disposals	(4,396)	(11,946)	-	(83,764)	(100,106)
As at 31 March 2013	199,603	478,942	224,053	143,558	1,046,156
Additions	5,255	13,049	97,999	19,593	135,896
Disposals	(5,510)	(5,770)	-	-	(11,280)
As at 31 March 2014	199,348	486,221	322,052	163,151	1,170,772
<u>ACCUMULATED DEPRECIATION</u>					
As at 1 April 2012	186,720	391,285	224,053	159,251	961,309
Depreciation for the year	9,604	21,006	-	22,165	52,775
Disposals	(4,396)	(11,946)	-	(83,764)	(100,106)
As at 31 March 2013	191,928	400,345	224,053	97,652	913,978
Depreciation for the year	7,319	21,671	10,616	24,900	64,506
Disposals	(5,510)	(5,770)	-	-	(11,280)
As at 31 March 2014	193,737	416,246	234,669	122,552	967,204
<u>NET BOOK VALUE</u>					
As at 31 March 2014	5,611	69,975	87,383	40,599	203,568
As at 31 March 2013	7,675	78,597	-	45,906	132,178

TAMPINES TOWN COUNCIL

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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2014

8 CONSERVANCY AND SERVICE FEE RECEIVABLES

	2013/2014	2012/2013
	\$	\$
Conservancy and service fee receivables	919,043	856,312
Interest receivable on late payment	193,970	248,957
Legal fees receivables	59,968	89,324
Disbursement fees receivable	21	21
	<u>1,173,002</u>	<u>1,194,614</u>

The above receivables are stated after provision for impairment of \$1,038,914 (2012/2013: \$815,106).

The movement in provision for impairment is as follows:

	Note	2013/2014	2012/2013
		\$	\$
Balance as at 1 April		815,106	542,572
Provision made for the financial year	15	240,993	275,022
Provision written off during the financial year		(17,185)	(2,488)
Balance as at 31 March		<u>1,038,914</u>	<u>815,106</u>

9 OTHER RECEIVABLES

	2013/2014	2012/2013
	\$	\$
Goods and services tax receivable	126,845	1,013,447
Goods and services tax subvention receivable	369,518	347,849
Interest receivable	50,048	126,401
Deposits and Prepayment	227,870	205,666
Receivables from Citizen's Consultative Committee	1,346,450	2,627,992
Sundry receivables	244,653	561,283
	<u>2,365,384</u>	<u>4,882,638</u>

10 CASH AND CASH EQUIVALENTS

	2013/2014	2012/2013
	\$	\$
Fixed deposits	44,389,678	47,856,093
Cash and bank balances	8,905,771	9,634,149
	<u>53,295,449</u>	<u>57,490,242</u>

The fixed deposits with financial institutions mature within 12 months (2012/2013: within 9 months) after the financial year end and bear a weighted average effective interest rate of 0.79% (2012/2013: 0.74%) per annum.

TAMPINES TOWN COUNCIL

(Established under Town Councils Act, Cap 329A)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2014

11 PAYABLES AND ACCRUED EXPENSES

	<u>2013/2014</u>	<u>2012/2013</u>
	\$	\$
Accrued operating expenses	3,004,545	1,741,328
Conservancy and service grant receivable-in-advance	(1,884)	(43,766)
Other creditors	1,531,565	1,152,405
Payables to contractors	8,862	5,735,729
Refundable deposits	202,768	120,085
	<u>4,745,856</u>	<u>8,705,781</u>

12 AGENCY FEES

These are fees received for routine maintenance of HDB's carparks in the Town.

13 OTHER INCOME

	<u>2013/2014</u>	<u>2012/2013</u>
	\$	\$
Temporary Occupational Licence income	2,135,218	1,681,637
Use of water and electricity	228,571	250,365
Usage of Void Deck and Common Property	153,785	147,768
Liquidated damages	123,957	224,178
Late payment penalty	154,067	103,493
Sale of tender documents	78,300	59,550
Sundry fines and income	55,174	84,237
Rental of community hall	18,416	16,176
Others	896	50,706
	<u>2,948,384</u>	<u>2,618,110</u>

14 MANAGING AGENT'S FEES

The Town Council's management of its daily operations have been outsourced to a managing agent for a fee of \$3,445,019 for the current year (2012/2013: \$3,431,229).

TAMPINES TOWN COUNCIL

(Established under Town Councils Act, Cap 329A)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2014

15 GENERAL AND ADMINISTRATIVE EXPENDITURE

The general and administrative expenditure comprises the following:

	<u>Note</u>	<u>2013/2014</u>	<u>2012/2013</u>
		\$	\$
Advertising and public relations		282,401	277,620
Audit fee		26,000	25,800
Computer services		68,089	284,741
Depreciation of property, plant and equipment	7	64,506	52,775
Fees and charges		225,508	323,060
Office rental and upkeep expenditure		363,298	363,995
Office supplies and stationery		171,098	183,461
Others		72,542	61,876
Property, plant and equipment not capitalised		6,636	1,706
Property tax		245,177	18,271
Provision for impairment of receivables	8	240,993	275,022
Town Councillors' allowance		165,980	210,751
		<u>1,932,228</u>	<u>2,079,078</u>
Allocation to Sinking Fund			
- Provision for impairment of receivables and bad debts written-off		(72,298)	(82,506)
- 5% of remaining General and Administrative Expenditure		(84,562)	(90,203)
		<u>1,775,368</u>	<u>1,906,369</u>

16 TAXATION

(a) <u>Tax expense</u>	<u>Note</u>	<u>2013/2014</u>	<u>2012/2013</u>
		\$	\$
Income tax expense attributable to chargeable			
Current income tax provision		232,395	270,943
Overprovision of income tax in prior years		(7,120)	(11)
		<u>225,275</u>	<u>270,932</u>
Taken up in:			
Accumulated Surplus	3	179,187	167,283
Sinking Fund	4	46,088	103,647
Town Improvement and Project Fund	5	0	2
		<u>225,275</u>	<u>270,932</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2014

16 TAXATION (cont'd)

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Town Council's deficit as a result of the following:

	2013/2014	2012/2013
	\$	\$
Deficit before taxation and government grants	<u>(2,147,160)</u>	<u>(2,617,408)</u>
Tax at statutory rate of 17%	(365,017)	(444,959)
Tax effect on non-deductible expenses	5,484,946	5,335,440
Tax effect on non-taxable income	(4,933,622)	(4,723,187)
Tax effect on taxable income on Sinking Fund	46,088	103,647
Tax effect on taxable income on Town Improvement & Project Fund	-	2
Overprovision of income tax in prior years	<u>(7,120)</u>	<u>(11)</u>
	<u>225,275</u>	<u>270,932</u>

(b) Movement in income tax payable

	2013/2014	2012/2013
	\$	\$
Balance as at 1 April	541,107	480,685
Current financial year's income tax expenses	232,395	270,943
Tax paid during the year	(263,045)	(210,510)
Over provision of income tax in prior years	(7,120)	(11)
Balance as at 31 March	<u>503,337</u>	<u>541,107</u>

17 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 / Sinking Fund Statement during the financial year.

18 INVESTMENT AND OTHER INCOME

	2013/2014	2012/2013
	\$	\$
Income arising from changes in fair value of funds with fund managers at fair value through profit or loss	6	579,304
Interest income from fixed deposits / bonds	317,223	350,291
Others	4,763	10,437
	<u>321,992</u>	<u>940,032</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2014

19 GOVERNMENT GRANTS

i) Government grants taken to the Income and Expenditure Statement during the year are as follows:

	Note	Total		Conservancy and Service Grant		Payment from Citizens' Consultative Committee		GST Subvention Grant	
		2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
		\$	\$	\$	\$	\$	\$	\$	\$
Government Grants received/ receivable during the financial year	3	7,965,569	8,841,857	5,116,418	5,035,676	1,411,566	2,462,241	1,437,585	1,343,940
Less: Transfer to -									
Sinking Funds	3,4	(2,313,806)	(2,183,947)	(1,764,233)	(1,692,047)	-	-	(549,573)	(491,900)
Town Improvement and Project Funds	3,5	(1,411,566)	(2,462,241)	-	-	(1,411,566)	(2,462,241)	-	-
		<u>4,240,197</u>	<u>4,195,669</u>	<u>3,352,185</u>	<u>3,343,629</u>	<u>-</u>	<u>-</u>	<u>888,012</u>	<u>852,040</u>

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

	2013/2014	2012/2013
	\$	\$
Grants received as at 1 April	165,690,645	156,804,484
Add: Grants received during the financial year	9,267,324	8,886,161
Total Grants received as at 31 March	<u>174,957,969</u>	<u>165,690,645</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2014

20 OPERATING LEASE COMMITMENTS

Rental expenses for the year amounted to \$218,623 (2012/2013: \$201,600).

Computer and software service charges under operating lease for the year amounted to \$9,916 (2012/2013: \$236,007)

At the balance sheet date, the Town Council was committed to making the following payments in respect of operating leases with a term of more than one year:

	2013/2014	2012/2013
	\$	\$
Not later than one year	349,867	384,119
Later than one year and not later than five years	724,466	900,077
Later than five years	180,867	182,519
	<u>1,255,200</u>	<u>1,466,715</u>

Operating lease payments represent payables by the Town Council for its office space and leases on the computer and software.

The leases will expire earliest on 31 January 2015 and no later than 31 March 2019, and the current rent payable on the respective leases ranged from \$500 to \$16,300 per month.

21 COMMITMENTS FOR CAPITAL EXPENDITURE

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

	2013/2014	2012/2013
	\$	\$
Amount approved and contracted for	<u>23,894,148</u>	<u>47,422,109</u>

22 GENERAL RISK MANAGEMENT PRINCIPLES

The Town Council's major financial instruments comprise cash and cash equivalents, conservancy and services debtors and other receivables, trade payables and accrued expenses and other payables. The main risks arising from the Town Council's financial instruments are credit risk, market risk and liquidity risk. Regular reviews are performed by the Finance Committee of the Town Council to monitor and ensure that exposure to these areas, if any, are minimised:

CREDIT RISK ON FINANCIAL ASSETS

Credit risk is the risk that counterparty to a financial asset fail to discharge an obligation or commitment that it has entered into with the Town Council. The financial assets of the Town Council comprises mainly cash and cash equivalents, conservancy and service fees receivables and other receivables.

TAMPINES TOWN COUNCIL

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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2014

22 GENERAL RISK MANAGEMENT PRINCIPLES (Cont'd)

CREDIT RISK ON FINANCIAL ASSETS (Cont'd)

Credit risk on cash and cash equivalents are limited because the counter-parties are with Singapore regulated financial institutions. An ongoing credit evaluation is performed on the debtors (conservancy and service fees receivables) financial condition and loss from impairment is recognised in the income and expenditure and sinking fund statements when there is objective evidence of an impairment loss. There is no significant concentration risk as the exposure is spread over a large number of residents.

Conservancy and service fees receivables that are past due and/or impaired as at 31 March 2014 are as follows:

	Gross 2013/2014 \$	Impairment 2013/2014 \$	Gross 2012/2013 \$	Impairment 2012/2013 \$
Past due < 3 months	473,807	-	402,907	-
Past due 3 to 6 months	257,234	-	276,596	-
Past due over 6 months	1,480,875	1,038,914	1,330,217	815,106
	<u>2,211,916</u>	<u>1,038,914</u>	<u>2,009,720</u>	<u>815,106</u>

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

The other receivables, comprised mainly grants receivables due from government bodies are not past due or impaired as at 31 March 2014.

The Town Council's maximum exposure to credit risk arising from cash and cash equivalents, conservancy and service fees receivables and other receivables as at 31 March 2014 is equal to the carrying amount of these financial assets in the balance sheet.

OTHER RISK ON FINANCIAL INSTRUMENTS

The main risk arising from the Town Council's cash and cash equivalents include:

(a) Market risk

Market risk is the risk of potential adverse changes to the value of the financial instruments because of changes in market conditions such as interest and volatility in security prices.

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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2014

22 GENERAL RISK MANAGEMENT PRINCIPLES (Cont'd)

OTHER RISK ON FINANCIAL INSTRUMENTS (Cont'd)

(a) Market risk (Cont'd)

(i) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Town Council has interest-bearing fixed deposits with financial institutions. The interest-bearing fixed deposits are at fixed rates at the balance sheet date and the interest rates are disclosed in note 10 to the financial statements. Therefore the Town Council's net assets, income and expenditure statement and sinking fund statement are not likely to be materially affected by changes in market interest rates had these occurred at the balance sheet date and had these been applied to the risk exposures as at the balance sheet date.

(ii) Foreign exchange risk

The Town Council does not have any assets and liabilities denominated in currencies other than the Singapore dollar and hence is not exposed to foreign currency exchange risk.

(b) Liquidity risk

The Town Council manages its liquidity risk by maintaining sufficient cash and cash equivalents to meet its routine and sinking fund expenditure. This is managed via the regular monitoring of the Town Council's operating cash flow requirements and the budget set for capital expenditure.

23 KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Town Council. Key management refers to the Town Councillors. They are paid an allowance and the allowance paid are disclosed in Note 15.