



**ANNUAL REPORT &  
FINANCIAL STATEMENTS  
FOR  
YEAR ENDED 31 MARCH 2015**

**(FINANCIAL YEAR 2014 / 2015)**

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

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## Chairman's Review

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Dear Residents,

It gives me great pleasure to present the Town Council's Annual Report for 2014/15, highlighting major projects in the last year and a summary of its budget.



In the coming years, we are going to see major changes, including the extension of Tampines North housing estate. Together with my fellow Councillors, I will serve you to the best of my abilities to get the best for our community.

Tampines estate would be given an added boost by the government through the extension of the Neighbourhood Renewal Programme (NRP) to upgrade blocks built up to 1995. This will allow more homes to benefit from NRP earlier and assistance in the form of grant for Repair & Redecoration. With such schemes in place, the Government will help the Town Council save on upgrading and cyclical maintenance cost.

## Financial Review

The Town Council reported a lower operating surplus of \$80,000 after taking into account government grants. It remains healthy over the past few years. Our sinking fund closed with \$50.92 million. Despite the challenges of increasing manpower costs, our stringent selection of contractors enabled the Town Council to achieve green band for the Town Council Management Report (TCMR) by the Ministry of National Development (MND) in Cleanliness and S&CC arrears management.

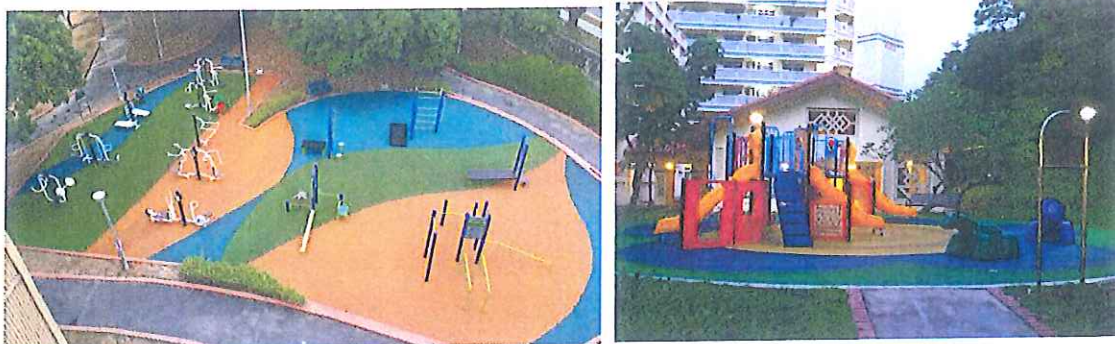
As at 31 March 2015, the Town Council's total funds are \$56.97 million.

### *Help is at hand for Residents who face Financial Difficulties*

We remain mindful that a small segment of our residents do face some temporary financial hardship. Residents who face difficulty paying their S&CC were invited to meet their Members of Parliament for further assistance at Meet-the-People Sessions. Many responded to our invitation and I would like to encourage those who continue to face difficulties to see us.

## Town Improvement Projects

The Town Council has invested \$4.34 million on improvements over the past 12 months. To cater to the needs of our residents for recreational and leisure facilities, we have added and upgraded playgrounds, elderly and fitness corners.



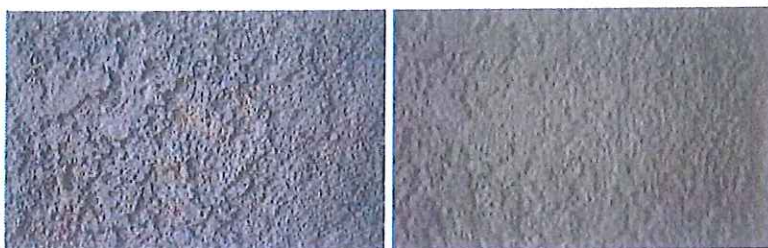
*L-R Fitness corner at Block 105 and Playground at Block 304A*



## Cyclical Projects

A total of \$13.5 million was spent on Redecoration and Repainting Works (R&R) and re-roofing works. Over 100 blocks are undergoing R&R works in phases to ensure the blocks' façade are kept in good condition.

Timely repairs were made to repair and water proofed bin chutes walls of older flats to stop seepages into resident's home and improvement works were carried out on bin chutes to prevent rodent infestation. In addition, using elastomeric paint that protects against wall seepages into residents' homes are now standard features for our repainting works.



*Before and after proper application of Elastomeric coating*



*A unique television test pattern emerged as residents' favourite during the R&R polling*

We encourage residents to participate in the selection process for the colour scheme when R & R is carried out in their precinct. By doing so, we hope to enhance the sense of ownership in the estate.



*Re-roofing to Block 267 where the roof tiles of blocks are checked, with maintenance and replacement works carried out where necessary*



*Levelling of the void deck apron facilitates wheel-chair movement*

## **Selective Lift Replacement Programme (SLRP)**

Funding has been given by the government to replace 57 lifts that have reached its cyclical operating life. These lifts will be undergoing total replacement in 2015/16 and 2016/17. More details would be made available when the works starts.



## Neighbourhood Renewal Programme (NRP)

Several Neighbourhood Renewal Programmes (NRP) are in various stages of design, planning and implementation which include improvement works to existing park facilities, new entrance plaza, park signages, covered linkways, gateball court and new playgrounds.

Our first NRP completion party was also held for residents of Block 902, 903, 906 to 916, 921, 922 & 924 to 946 Street 91, I would like to thank our Tampines West residents for putting up with the noise and inconvenience during upgrading works.



*Some of the 3000 households of Tampines Neighbourhood 9 (N9) met and mingled with Mr Masagos, MP for Tampines GRC*

Several NRPs at Block 830 to 841, 865 to 867, 867A, 868 to 871, 871A, 872 to 874, 874A, 880A, 881 to 886 & 886A Street 82/ 83/ Avenue 5 and Block 231 to 248, 501 to 506, 508 to 509 Street 21 & Tampines Central 1 are in progress.



*A bustling pedestrian walkway lined with shops between Block 503 and 505*



*L-R New Amphitheatre and Multi-purpose Hall at Block 504 and Playground at Block 234*

We are fortunate to receive \$2.3 million funding from the government for two town-wide projects which include the expansion of the butterfly garden located at Block 124, Street 11 and building of additional cycling tracks for the pioneer cycling town along Street 11 for greater accessibility to the Round Market. Over 1 km in length, the track adds to our vision of a well-connected cycling town.



*L-R Artist's impression of the upgraded butterfly garden and Block 124 to 127, 138 and 139 on Street 11 are slated for the NRP*

## Revitalisation of Shops Scheme (ROS)

The town council also works with HDB and Merchant Associations to carry out upgrading works in the common areas of Neighbourhood centres where heartlanders come together not just for shopping but also to meet friends and join in community activities.

The revitalisation at N2 neighbourhood centre has been completed while works at the neighbourhood centre at N8 has started. N4 has been earmarked for ROS and the project is in consultation stage. Once completed, all our major Neighbourhood centre



will offer our residents and visitors a vibrant and shopper friendly experience when they shop in the neighbourhood.



*An Electronic Directory assist users to find shops conveniently around the neighbourhood in N2*

As a gesture to shop owners, Town Council has waived the Temporary Occupational Licence (TOL) charges at outdoor display areas (yellow box) at shop front units during NRP and ROS construction period to defray their loss of income.



*Exhibition at Multi-purpose Hall at Block 482 for Merchants at N4*



*Consensus Gathering cum Block Party for Block 485A - 490B*



*L-R Current versus proposed awning, light fittings and floor tiles*



*Artist's impressions of a rain screen and community zone at N8*



*Artist's impressions of an Open plaza and Pavilion at N8*



## Home Improvement Programme (HIP)

As Tampines is an ageing estate, I am glad that more blocks have been selected for HIP. The table below shows the blocks undergoing HIP and new blocks selected for HIP.

Blocks undergoing HIP	New Blocks Selected for HIP
202-209	215-223 & 230
408-417	231-238
425-428	267-271
811-820	401-407
	418-424
	444-450
	451-453
	455-459
	801-810
	821, 822, 824 to 829

## Pilot Schemes with Grassroots Organisations and Government Agencies

The Neighbours Hub Efforts at Block 842 is an example of a pilot scheme by various community partners to enhance the current Senior Citizens' Corner (a void deck outside Tampines Ville RC) to become a "Neighbours' Hub" comprising a community kitchen and a community space where many social activities can take place.

The project aims to promote neighbourliness turning void deck spaces into cosy and inspiring places for residents to initiate their own community activities.

Another collaboration with Participate in Design PID, a non-profit organisation encourages Changkat residents to take a proactive approach in shaping the area they live in rather than select from a pre-set list of upgrading programmes.





*L-R Fill a sticker card with your idea or thoughts on how your neighbourhood should be and a young volunteer reaches out to a resident*

## Renewable Energy

As part of our country's drive to reduce dependence on fossil fuel on power generation, 163 blocks in Tampines will be installed with solar panels. Electricity generated in the day will be used to power common facilities such as lifts and pumps, any unconsumed electricity will then be supplied to the grid. In doing so, the town council will save on electricity usage.



*New energy-efficient light-emitting diode (LED) lighting has been implemented in 300 blocks at common corridors, staircases and lift lobbies and presents more than 60% in cost savings and achieving a reduction in energy consumption.*



## Community Outreach

The Town Council continues to partner schools through its Values-in-Action programmes for students to own their learning and application of values, knowledge and skills in contributing meaningfully to the community. It instills a sense of responsibility to love the environment and town.



*280 Secondary 1 students from Tampines Secondary School paint bins provided by the Town Council with educational messages.*



*Town Council volunteers spring into action to sweep, mop and clean the home of a resident.*



*Under the Town Council's CSR programme, staff took time-off to spend time with the Metta Rehabilitation Centre day care elderly and served food at a Chinese New Year celebration on 27 February.*



## Fostering Social Cohesion



*Tampines Town Council provided logistical support in hosting the community site set up for the public to come together to pay their last respects and honour late founding Prime Minister Lee Kuan Yew.*



*20 Paris Ris Secondary School students from Secondary 3, spread message of kindness to encourage residents to reduce clutter along the corridor.*

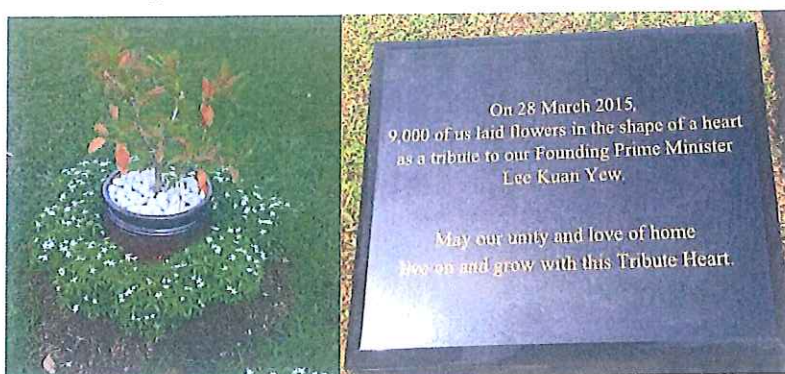


### *Tribute Heart Flowerbed planted in the Tampines Community Plaza*



*A flowerbed was re-created at Tampines Community Plaza to remember the day, 9000 residents came together in floral tribute to Mr Lee Kuan Yew.*

The flowerbed is made up of three varieties namely *Gardenia mutabilis*, *Leucophyllum frutescens* and *Hamamelidaceae*, which are Mr Lee's favourite blooms. Alongside are two potted fiddlewood plants gifted by the Istana and a heart-felt display allowing us to reflect on the meaning of home.



## **Two-way communication and Engagement**



Tampines Tempo is sent to around 59,000 households three times a year. It remains the main media to keep residents up to date with Town Council projects, issues and activities. However

with the growing use of social media, we recognise the opportunity to connect with our community online as it allows a two-way communication and engagement with our residents, visitors and others with the chance to share their thoughts, ideas, feelings with us and vice versa.



*We have garnered over 6000 likes in the past year*

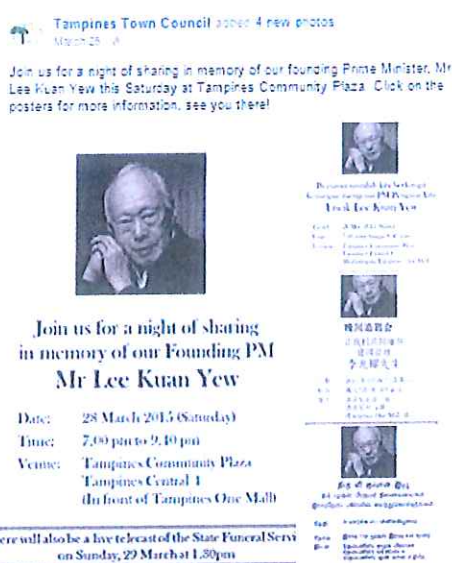
It is an easier way to disseminate information to residents including community events and public works projects. Utilising social media will further connect Tampines Town Council to our residents and furthers the goals of openness and transparency.

### ***Mango Giveaway***

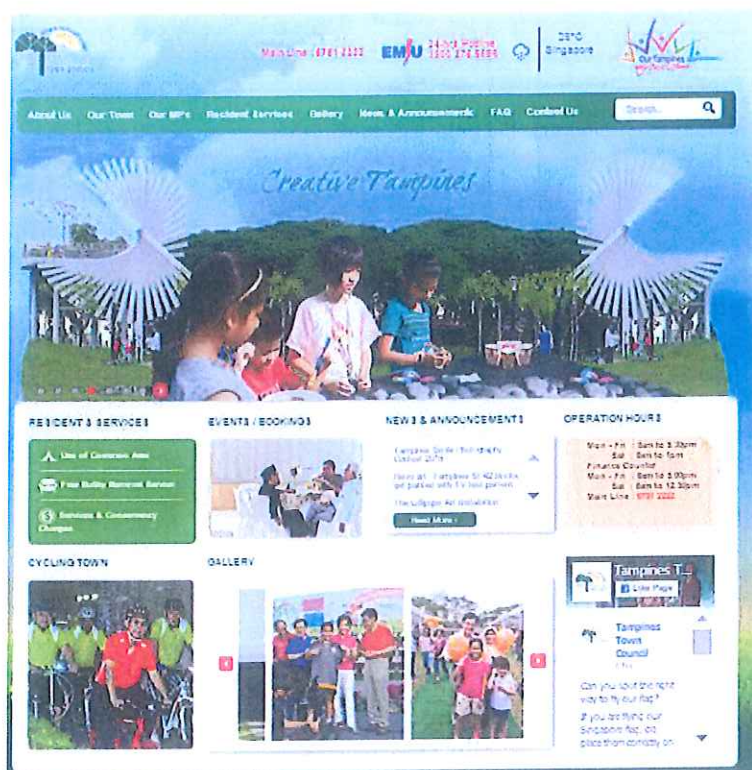
This year, we witnessed a bumper harvest of mangoes due to a hotter and drier weather. As a result, mangoes were given directly by Town Council staff from the period of 19 May to 9 June to residents.

Our first trial of Mango Giveaway on Facebook went viral as it got people talking about where would be the next location and time of the mango giveaway. It allowed residents to connect with one another through the sharing of mango creations and recipes and attracted many fans to receive daily updates on the town a daily basis.



[illegible]





*Screenshot of our new website, designed with a fresh new look and user-friendly navigation, updated with the latest information about Tampines Town Council Services*

## Tampines Celebrates SG50 Art Competition

The theme was “Tampines Celebrates SG50” and participants in the Art Competition Calendar contest came up with a creative array of art pieces, 31 of which were included in the 2015 calendar.





## Annual Clean and Green -Tree Planting Day

Every year, a tree planting day will be organised to bring the community together, instilling a sense of pride and ownership in helping to beautify their estate. 100 trees are planted each year. Types of trees include Neem, Golden Penda, Bottlebrush, Happiness and Tempinis.





## Going the extra mile

A fire broke out on New Year's Day at a Housing Board Flat, leaving the home badly damaged. With help from the town council, the melted pipes in the toilets of the affected units as well as warped pipes of the two units above were replaced and residents were able to use their toilets.



Occasionally, the Town Council would send conservancy cleaners to help hoarders clear their flat. This is important as, hoarding can be a fire safety risk. We encourage residents to take good care of their personal belongings and call the Town Council for free bulky removal service for up to three moveable items.



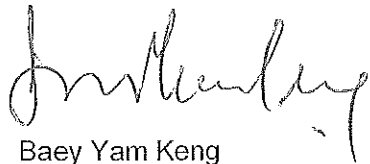


## Conclusion

It is my privilege to serve as Chairman for the last 2 years.

On behalf of the management and staff, Councillors, and my fellow Parliamentary colleagues, we would like to thank all residents for their feedback and support as we continue to do our utmost to address your needs and to ensure Tampines Town continues to be the best place for us to live, work and play.

Looking forward to your continued support.



Baey Yam Keng

Chairman

Tampines Town Council

## INDEPENDENT AUDITORS' REPORT TO THE 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 2015, 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 financial position of the Town Council as at 31 March 2015 and the financial performance, changes in Town Council funds and cash flows of the Town Council for the financial 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 financial year are, in all material respects, in accordance with the provisions of the Act.

**ECOVIS Assurance LLP**

**Ecovis Assurance LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

12 August 2015

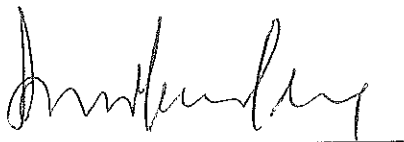
# TAMPINES TOWN COUNCIL

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

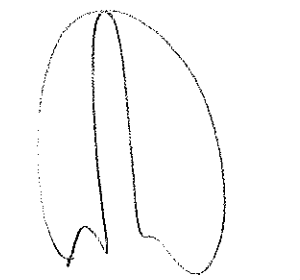
## BALANCE SHEET

As at 31 March 2015

	Note	2014/2015 \$	2013/2014 \$ (Restated)	2012/2013 \$ (Restated)
<b>TOWN COUNCIL FUNDS</b>				
<b>Residential Property Funds</b>				
Accumulated Surplus	3	-	-	-
Sinking Funds	4	35,570,815	28,813,461	33,389,512
Town Improvement and Project Funds	5	-	(625,156)	95,818
		35,570,815	28,188,306	33,485,330
<b>Commercial Property Funds</b>				
Accumulated Surplus	3	2,694,992	2,518,999	2,762,376
Sinking Funds	4	15,349,418	14,713,833	15,038,958
Town Improvement and Project Funds	5	1,430,000	2,011,834	575,953
		19,474,410	19,244,666	18,377,287
<b>Carpark Fund</b>				
Accumulated Surplus	3	1,922,803	1,558,367	1,015,283
		<u>56,968,028</u>	<u>48,991,339</u>	<u>52,877,900</u>
<b>Represented By :</b>				
<b>Non-Current Asset</b>				
Property, Plant and Equipment	7	143,788	203,568	132,178
<b>Current Assets</b>				
Conservancy and Service Fee Receivables	8	976,430	1,173,002	1,194,614
Other Receivables	9	3,500,584	2,365,384	4,882,638
Cash and Cash Equivalents	10	63,527,216	53,295,449	57,490,242
		68,004,230	56,833,835	63,567,494
<b>Total Assets</b>		<u>68,148,018</u>	<u>57,037,403</u>	<u>63,699,672</u>
<b>Less :</b>				
<b>Current Liabilities</b>				
Neighbourhood Renewal Programme Fund Received-in-Advance	6	3,079,502	2,223,495	939,651
Conservancy and Service Fees Received-in-Advance		635,278	573,376	635,233
Payables and Accrued Expenses	11	6,781,224	4,745,856	8,705,781
Income Tax Payable	16(b)	683,986	503,337	541,107
		11,179,990	8,046,064	10,821,772
<b>Total Liabilities</b>		<u>11,179,990</u>	<u>8,046,064</u>	<u>10,821,772</u>
<b>NET ASSETS</b>		<u>56,968,028</u>	<u>48,991,339</u>	<u>52,877,900</u>



MR BAEY YAM KENG  
CHAIRMAN  
12 August 2015



MR CHAN WEE LEE  
GENERAL MANAGER

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**  
As at 31 March 2015

	Note	2014/2015 \$	2013/2014 \$
<b>OPERATING INCOME</b>			
Conservancy and Service Fees	3	41,782,042	39,383,619
Less : Operating transfer to Sinking Funds (minimum required by law)	4	(15,872,864)	(14,979,527)
		<u>25,909,178</u>	<u>24,404,092</u>
Agency Fees	12	2,891,013	2,731,925
Other Income	13	3,241,473	2,948,384
		6,132,486	5,680,309
		<u>32,041,664</u>	<u>30,084,401</u>
Less :			
<b>OPERATING EXPENDITURE</b>			
Cleaning Works		6,545,048	5,330,485
Lift Maintenance		5,667,872	4,797,370
Managing Agent's Fees	14	3,915,176	3,445,019
Other Works and Maintenance		6,641,283	6,242,096
Water and Electricity		10,001,775	10,674,052
General and Administrative Expenditure	15	2,012,506	1,775,368
		(34,783,660)	(32,264,390)
<b>OPERATING DEFICIT</b>		<u>(2,741,996)</u>	<u>(2,179,989)</u>
Add :			
<b>NON-OPERATING INCOME</b>			
Interest Income		87,141	32,829
Less:			
Town Improvement Project Works	5	(1,213,161)	-
<b>DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS</b>		<u>(3,868,016)</u>	<u>(2,147,160)</u>
Less:			
<b>TAXATION</b>	16(a)	(375,320)	(179,187)
<b>GOODS AND SERVICES TAX</b>	17	(146,468)	(154,143)
<b>DEFICIT BEFORE GOVERNMENT GRANTS</b>		<u>(4,389,804)</u>	<u>(2,480,490)</u>
Add : Government Grants	3, 19	8,497,856	7,965,569
Less : Transfer to Sinking Funds	4, 19	(2,431,963)	(2,313,806)
Transfer to Town Improvement and Project Funds	5, 19	(1,595,444)	(1,411,566)
		4,470,449	4,240,197
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<u>80,645</u>	<u>1,759,707</u>
<b>ACCUMULATED SURPLUS AS AT 1 APRIL</b>		4,077,366	3,777,659
Transfer from Town Improvement and Project Funds	5	1,589,784	-
Appropriation to Town Improvement and Project Funds	5	(1,130,000)	(1,460,000)
<b>ACCUMULATED SURPLUS AS AT 31 MARCH</b>		<u>4,617,795</u>	<u>4,077,366</u>

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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 2015

	<u>Note</u>	<u>2014/2015</u>	<u>2013/2014</u>
		\$	\$
Surplus for the financial year	3	80,645	1,759,707
<b>Movement in various funds</b>			
Sinking Funds	4	7,392,939	(4,901,176)
Town Improvement and Project Funds	5	<u>503,105</u>	<u>(745,092)</u>
		7,976,689	(3,886,561)
Other comprehensive income		-	-
		<u>                    </u>	<u>                    </u>
Total comprehensive income (deficit) for the year attributable to town council funds		<u><u>7,976,689</u></u>	<u><u>(3,886,561)</u></u>

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**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 2015

	Residential Property Funds \$	Commercial Property Funds \$	Car Park Fund \$	Total \$
<u>2014/2015</u>				
Balance as at 1 April 2014	28,188,306	19,244,666	1,558,367	48,991,339
Surplus for the financial year	6,032,037	1,580,216	364,436	7,976,689
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial year	6,032,037	1,580,216	364,436	7,976,689
Inter-fund transfers	1,350,472	(1,350,472)	-	-
Balance as at 31 March 2015	35,570,815	19,474,410	1,922,803	56,968,028
<u>2013/2014</u>				
Balance as at 1 April 2013	33,485,330	18,377,287	1,015,283	52,877,900
(Deficit) Surplus for the financial year	(6,425,461)	1,995,816	543,084	(3,886,561)
Other comprehensive income	-	-	-	-
Total comprehensive income (deficit) for the financial year	(6,425,461)	1,995,816	543,084	(3,886,561)
Inter-fund transfers	1,128,437	(1,128,437)	-	-
Balance as at 31 March 2014	28,188,306	19,244,666	1,558,367	48,991,339

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 FLOW STATEMENT**

For the Financial Year Ended 31 March 2015

	2014/2015 \$	2013/2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficit before Taxation and Government Grants	(3,868,016)	(2,147,160)
Adjustment for:		
Depreciation of Property, Plant and Equipment	73,559	64,506
Interest income	(87,141)	(32,829)
Operating transfer to Sinking Funds	15,872,864	14,979,527
Transfer to Town Improvement Project works	1,213,161	-
Operating Surplus before Working Capital Changes	13,204,427	12,864,044
Decrease in Conservancy and Service Fee Receivables	196,572	21,612
Decrease / (Increase) in Other Receivables	(152,381)	294,426
Increase/(Decrease) in Payables and Accrued Expenses	2,095,386	(4,063,664)
<b>Net Cash Generated from Operations</b>	<b>15,344,004</b>	<b>9,116,418</b>
Sinking Funds Expenditure	(11,137,714)	(22,388,434)
Town Improvement and Project Expenditure	(2,337,500)	(2,161,658)
Town Improvement and Project Other Income Received	32,000	5,000
Neighbourhood Renewal Programme Fund Expenditure Paid	(8,562,610)	(3,465,559)
Goods and Services Tax Received / (Paid)	(178,267)	650,480
Income Tax Paid [Note 16(b)]	(269,585)	(263,045)
<b>Net Cash Used in Operating Activities</b>	<b>(7,109,672)</b>	<b>(18,506,798)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(13,779)	(135,896)
Interest and Investment Income Received	361,067	431,174
<b>Net Cash Generated from Investing Activities</b>	<b>347,288</b>	<b>295,278</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Government Grants Received [Note 19]	7,575,534	9,267,324
Funding Received for Neighbourhood Renewal Programme [Note 6]	9,418,617	4,749,403
<b>Net Cash Generated from Financing Activities</b>	<b>16,994,151</b>	<b>14,016,727</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>10,231,767</b>	<b>(4,194,793)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>53,295,449</b>	<b>57,490,242</b>
<b>Cash and Cash Equivalents at End of Year [Note 10]</b>	<b>63,527,216</b>	<b>53,295,449</b>

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Financial Year Ended 31 March 2015**

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 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 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 2015

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 \$1,528,104 (2013/2014 – \$1,038,914) 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 2015 was \$143,788 (2013/2014: \$203,568). 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 2014**

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 2015

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 except for the following:

FRS 115 Revenue from Contracts with Customers

FRS 115 is effective for financial periods beginning on or after 1 January 2017. FRS 115 establishes a five-step model that apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment).

Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

FRS 109 Financial Instruments

FRS 109 is effective for financial periods beginning on or after 1 January 2018. FRS 109 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in FRS 109 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets, and enables entities to reflect their risk management activities better in their financial statements, and, in turn, help to understand the effect of those activities on future cash flows. FRS 109 is principle-based, and will more closely align hedge accounting with risk management activities undertaken by entities when hedging their financial and non-financial risk exposures. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The management is currently evaluating the impact of the changes and assessing whether the adoption of FRS 115 and FRS 109 will have an impact on the Town Council.

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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Financial Year Ended 31 March 2015

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

(a) FUNDS (Cont'd)

These funds, together with Sinking Funds and Town Improvement and Project Funds 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.

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                   |

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 2015

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.

(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 2015

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 2015

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, conservancy and service fee receivables and other receivables 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) - full provision for accounts which have balances in excess of 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 2015

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) NEIGHBOURHOOD RENEWAL PROGRAMME FUND RECEIVED IN ADVANCE

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 a fund of \$3,400 per dwelling unit to cover NRP expenditure and \$150 per dwelling unit or \$125,000 per project, whichever is higher, to cover miscellaneous NRP expenditures. If the actual expenditures incurred exceeds the NRP funds, the Town Council has to bear the cost of excess expenditure.

(h) 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.

(i) 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.

(j) 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.

(k) 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 2015

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.

(l) 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.

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

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 calculated using tax rates (and tax laws) that have enacted or substantially enacted by the end of the reporting period.

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 each reporting date 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Financial Year Ended 31 March 2015

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

**(m) 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.

**(n) 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.

**(o) 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.

**(p) 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, other payables and receivables and NRP Funds. 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the Financial Year Ended 31 March 2015

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	2014/2015 \$	Total 2013/2014 \$	Residential Property 2014/2015 \$	2013/2014 \$	Commercial Property 2014/2015 \$	2013/2014 \$	2014/2015 \$	2013/2014 \$	Carpark 2014/2015 \$	2013/2014 \$
<b>OPERATING INCOME</b>											
Conservancy and Service Fees		41,782,042	39,383,619	39,295,211	37,017,269	2,486,831	2,366,350	-	-	-	-
Less: Operating Transfer to Sinking Funds (minimum required by law)	4	(15,872,864)	(14,979,527)	(15,002,471)	(14,151,304)	(870,393)	(828,223)	-	-	-	-
Agency Fees	12	2,891,013	2,731,925	-	-	-	-	2,891,013	2,731,925	-	-
Other Income	13	3,241,473	2,948,384	2,549,372	775,187	666,892	2,147,486	25,209	25,711	-	-
Less:		32,041,664	30,084,401	26,842,112	23,641,152	2,283,330	3,685,613	2,916,222	2,757,636	-	-
<b>OPERATING EXPENDITURE</b>		(34,783,660)	(32,264,390)	(31,051,030)	(28,727,360)	(1,207,168)	(1,335,636)	(2,525,462)	(2,201,394)	-	-
<b>OPERATING (DEFICIT) / SURPLUS</b>		(2,741,996)	(2,179,989)	(4,208,918)	(5,086,208)	1,076,162	2,349,977	390,760	556,242	-	-
Add:		87,141	32,829	76,598	28,780	2,856	1,103	7,687	2,946	-	-
<b>NON-OPERATING INCOME</b>		(1,213,161)	-	(1,213,161)	-	-	-	-	-	-	-
Less:	5	(3,868,016)	(2,147,160)	(5,345,481)	(5,057,428)	1,079,018	2,351,080	398,447	559,788	-	-
<b>TOWN IMPROVEMENT PROJECT WORKS</b>		(375,320)	(179,187)	(328,972)	(157,063)	(12,337)	(6,020)	(34,011)	(16,104)	-	-
<b>(DEFICIT) / SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS</b>		(4,389,804)	(2,480,490)	(5,820,921)	(5,368,634)	1,066,881	2,345,060	364,436	543,084	-	-
Less:		8,497,856	7,965,569	8,436,199	7,910,528	61,657	55,041	-	-	-	-
<b>TAXATION</b>		(2,431,963)	(2,313,806)	(2,431,963)	(2,313,806)	-	-	-	-	-	-
<b>IRRECOVERABLE GOODS AND SERVICES TAX</b>		(1,595,444)	(1,411,566)	(1,533,787)	(1,356,525)	(61,657)	(55,041)	-	-	-	-
<b>(DEFICIT) / SURPLUS BEFORE GOVERNMENT GRANTS</b>		4,470,449	4,240,197	4,470,449	4,240,197	-	-	-	-	-	-
Add : Government Grants	19	80,645	1,759,707	(1,350,472)	(1,128,437)	1,066,681	2,345,060	364,436	543,084	-	-
Less : Transfer to Sinking Funds	4,19	4,077,366	3,777,659	-	-	2,518,999	2,762,376	1,568,367	1,015,283	-	-
Transfer to Town Improvement and Project Funds	5,19	1,589,784	-	1,350,472	1,128,437	(1,350,472)	(1,128,437)	-	-	-	-
<b>SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR</b>		(1,130,000)	(1,460,000)	-	-	(1,130,000)	(1,460,000)	-	-	-	-
<b>ACCUMULATED SURPLUS AS AT 1 APRIL</b>		4,617,795	4,077,366	-	-	2,694,992	2,518,999	1,922,803	1,558,367	-	-
<b>Transfer from commercial Property to Residential Property</b>		-	-	-	-	-	-	-	-	-	-
<b>Transfer from Town Improvement Project Funds</b>		-	-	-	-	-	-	-	-	-	-
<b>Appropriation to Town Improvement and Project Funds</b>		-	-	-	-	-	-	-	-	-	-
<b>ACCUMULATED SURPLUS AS AT 31 MARCH</b>		4,617,795	4,077,366	-	-	2,694,992	2,518,999	1,922,803	1,558,367	-	-



NOTES TO THE FINANCIAL STATEMENTS  
For the Financial Year Ended 31 March 2015

4 SINKING FUNDS

	Note	TOTAL				RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY	
		2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
		\$	\$	\$	\$				
Balance as at 1 April		43,527,294	48,428,470	28,813,461	33,389,512	14,713,833	15,038,958		
Add:									
INVESTMENT AND OTHER INCOME	18	377,803	321,992	363,994	310,168	13,809	11,824		
OPERATING TRANSFER FROM CONSERVANCY AND SERVICE FEES (minimum required by law)	3	15,872,864	14,979,527	15,002,471	14,151,304	870,393	828,223		
TRANSFER FROM GOVERNMENT GRANTS	3,19	2,431,963	2,313,806	2,431,963	2,313,806	-	-		
		18,682,630	17,615,325	17,798,428	16,775,278	884,202	840,047		
Less:									
EXPENDITURE	4(a)	(11,137,714)	(22,388,434)	(10,891,799)	(21,224,960)	(245,915)	(1,163,474)		
Less:									
TAXATION	16(a)	(74,914)	(46,088)	(72,212)	(44,390)	(2,702)	(1,698)		
GOODS AND SERVICES TAX UNCLAIMABLE	17	(77,063)	(81,979)	(77,063)	(81,979)	-	-		
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		7,392,939	(4,901,176)	6,757,354	(4,576,051)	635,585	(325,125)		
Balance as at 31 March		50,920,233	43,527,294	35,570,815	28,813,461	15,349,418	14,713,833		
Represented by :		2014/2015	2013/2014						
		\$	\$						
CURRENT ASSETS									
Conservancy and Service Fee Receivables		641,149	548,133						
Other Receivables		192,781	186,184						
Interest Receivable		138,064	46,420						
Cash and Cash Equivalents		46,743,700	39,581,921						
Amount due from Operating Fund		4,681,187	4,892,592						
TOTAL ASSETS		52,396,881	45,255,250						
Less:									
CURRENT LIABILITIES									
Conservancy and Service Fees Received-in-Advance		233,740	210,947						
Payables and Accrued Expenses		1,108,989	1,360,295						
Income Tax Payable		133,919	156,714						
TOTAL LIABILITIES		1,476,648	1,727,956						
NET ASSETS		50,920,233	43,527,294						

**TAMPINES TOWN COUNCIL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
 For the Financial Year Ended 31 March 2015

**4(a) SINKING FUNDS (Cont'd)**

	<u>2014/2015</u>	<u>2013/2014</u>
	\$	\$
Lift works	6,079,542	11,637,110
Reroofing works	1,277,980	2,535,502
Redecoration and repainting	2,927,942	6,007,021
Replacement of water tank, pipes and booster pump	-	1,380,728
Others	852,250	828,073
	<u>11,137,714</u>	<u>22,388,434</u>

# TAMPINES TOWN COUNCIL

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## NOTES TO THE FINANCIAL STATEMENTS

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### 5 TOWN IMPROVEMENT AND PROJECT FUNDS

	Note	Total		Residential Property		Commercial Property	
		2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
		\$	\$	\$	\$	\$	\$
Balance as at 1 April		1,386,679	671,771	(625,155)	95,818	2,011,834	575,953
Add:							
Transfer from Government Grants	3, 19	1,595,444	1,411,566	1,533,787	1,356,525	61,657	55,041
Other income	-	32,000	5,000	32,000	5,000	-	-
Income and Expenditure Statement Transfer to Town Improvement Works (Note A)	3	1,213,161	-	1,213,161	-	-	-
Less:	-						
Expenditure		(2,337,500)	(2,161,658)	(2,153,793)	(2,082,498)	(183,707)	(79,160)
Surplus (Deficit) for the financial year		503,105	(745,092)	625,155	(720,973)	(122,050)	(24,119)
Transfer to accumulated surplus	3	(1,589,784)	-	-	-	(1,589,784)	-
Appropriation from Accumulated Surplus	3	1,130,000	1,460,000	-	-	1,130,000	1,460,000
Balance as at 31 March		1,430,000	1,386,679	-	(625,155)	1,430,000	2,011,834

Note A: This transfer is made to cover Town Improvement and project expenditures incurred.



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**NOTES TO THE FINANCIAL STATEMENTS**

For the Financial Year Ended 31 March 2015

**6 NEIGHBOURHOOD RENEWAL PROGRAMME FUND**

	2014/2015	2013/2014	2012/2013
	\$	\$	\$
Balance as at 1 April	2,223,495	939,651	404,008
Funding from Government	9,408,117	4,747,403	7,462,773
Miscellaneous receipts	10,500	2,000	500
Payments to Contractors	(8,562,610)	(3,465,559)	(6,927,630)
Surplus for the financial year	856,007	1,283,844	535,643
Balance as at 31 March	3,079,502	2,223,495	939,651

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

	2014/2015	2013/2014	2012/2013
	\$	\$	\$
Cumulative funding received as at 1 April	14,755,389	10,007,986	2,545,213
Funding from Government for the financial year	9,408,117	4,747,403	7,462,773
Cumulative funding received as at 31 March	24,163,506	14,755,389	10,007,986

**7 PROPERTY, PLANT AND EQUIPMENT**

	Office Equipment	Furniture, Fixtures and Fittings	Renovation	Data Processing Equipment	Total
	\$	\$	\$	\$	\$
<b>COST</b>					
As at 1 April 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
Additions	-	-	9,909	3,870	13,779
Disposals	(39,011)	(12,196)	(2,010)	(30,760)	(83,977)
As at 31 March 2015	160,337	474,025	329,951	136,261	1,100,574
<b>ACCUMULATED DEPRECIATION</b>					
As at 1 April 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
Depreciation for the year	3,016	22,977	21,086	26,480	73,559
Disposals	(39,011)	(12,196)	(2,010)	(30,760)	(83,977)
As at 31 March 2015	157,742	427,027	253,745	118,272	956,786
<b>NET BOOK VALUE</b>					
As at 31 March 2015	2,595	46,998	76,206	17,989	143,788
As at 31 March 2014	5,611	69,975	87,383	40,599	203,568

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## NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2015

### 8 CONSERVANCY AND SERVICE FEE RECEIVABLES

	2014/2015	2013/2014
	\$	\$
Conservancy and service fee receivables	1,701,994	1,461,026
Less: Provision for impairment	(768,834)	(541,982)
	933,160	919,044
Interest receivable on late payment	672,904	610,471
Less: Provision for impairment	(635,500)	(416,501)
	37,404	193,970.00
Legal fees receivables	129,234	140,018
Less: Provision for impairment	(123,389)	(80,050)
	5,845	59,968.00
Disbursement fees receivable	402	401
Less: Provision for impairment	(381)	(381)
	21	20.00
	<u>976,430</u>	<u>1,173,002</u>

The above receivables are stated after provision for impairment of \$1,528,104 (2013/2014: \$1,038,914).

The movement in provision for impairment is as follows:

	Note	2014/2015	2013/2014
		\$	\$
Balance as at 1 April		1,038,914	815,106
Provision made for the financial year	15	491,627	240,993
Provision written off during the financial year		(2,437)	(17,185)
Balance as at 31 March		<u>1,528,104</u>	<u>1,038,914</u>

### 9 OTHER RECEIVABLES

	2014/2015	2013/2014
	\$	\$
Goods and services tax receivable	81,581	126,845
Goods and services tax subvention receivable	384,113	369,518
Interest receivable	153,925	50,048
Deposits and Prepayment	453,745	227,870
Receivables from Citizen's Consultative Committee	2,068,147	1,346,450
Sundry receivables	171,159	244,653
Conservancy and service grant receivable	187,914	-
	<u>3,500,584</u>	<u>2,365,384</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

For the Financial Year Ended 31 March 2015

**10 CASH AND CASH EQUIVALENTS**

	2014/2015	2013/2014
	\$	\$
Fixed deposits	54,169,113	44,389,678
Cash and bank balances	9,358,103	8,905,771
	<u>63,527,216</u>	<u>53,295,449</u>

The fixed deposits with financial institutions mature within 12 months (2013/2014: within 12 months) after the financial year end and bear a weighted average effective interest rate of 0.87% (2013/2014: 0.79%) per annum.

**11 PAYABLES AND ACCRUED EXPENSES**

	2014/2015	2013/2014
	\$	\$
Accrued operating expenses	457,313	3,004,545
Conservancy and service grant receivable-in-advance	-	(1,884)
Other creditors	1,653,799	1,531,565
Payables to contractors	4,359,186	8,862
Refundable deposits	310,926	202,768
	<u>6,781,224</u>	<u>4,745,856</u>

**12 AGENCY FEES**

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

**13 OTHER INCOME**

	2014/2015	2013/2014
	\$	\$
Temporary Occupational Licence income	2,387,631	2,135,218
Use of water and electricity	165,461	228,571
Usage of Void Deck and Common Property	151,750	153,785
Liquidated damages	120,400	123,957
Late payment penalty	185,155	154,067
Sale of tender documents	77,413	78,300
Sundry fines and income	55,116	55,174
Rental of community hall	16,740	18,416
Others	81,807	896
	<u>3,241,473</u>	<u>2,948,384</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 \$3,915,176 for the current year (2013/2014: \$3,445,019).



**TAMPINES TOWN COUNCIL**

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**NOTES TO THE FINANCIAL STATEMENTS**

For the Financial Year Ended 31 March 2015

**15 GENERAL AND ADMINISTRATIVE EXPENDITURE**

The general and administrative expenditure comprises the following:

	<u>Note</u>	<u>2014/2015</u>	<u>2013/2014</u>
		\$	\$
Advertising and public relations		339,167	282,401
Audit fee		26,500	26,000
Computer services		180,803	68,089
Depreciation of property, plant and equipment	7	73,559	64,506
Fees and charges		178,346	225,508
Office rental and upkeep expenditure		317,902	363,298
Office supplies and stationery		181,599	171,098
Others		27,031	72,542
Property, plant and equipment not capitalised		9,376	6,636
Property tax		254,960	245,177
Provision for impairment of receivables	8	491,627	240,993
Town Councillors' allowance	23	166,933	165,980
		<u>2,247,803</u>	<u>1,932,228</u>
Allocation to Sinking Fund			
- Provision for impairment of receivables and bad debts written-off		(147,488)	(72,298)
- 5% of remaining General and Administrative Expenditure		(87,809)	(84,562)
		<u>2,012,506</u>	<u>1,775,368</u>

**16 TAXATION**

(a)	<u>Tax expense</u>	<u>Note</u>	<u>2014/2015</u>	<u>2013/2014</u>
			\$	\$
	Income tax expense attributable to chargeable			
	Current income tax provision		371,006	232,395
	Underprovision/(Overprovision) of income tax in prior years		79,228	(7,120)
			<u>450,234</u>	<u>225,275</u>
	Taken up in:			
	Accumulated Surplus	3	375,320	179,187
	Sinking Fund	4	74,914	46,088
			<u>450,234</u>	<u>225,275</u>

**TAMPINES TOWN COUNCIL**

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**NOTES TO THE FINANCIAL STATEMENTS**

For the Financial Year Ended 31 March 2015

**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:

	2014/2015	2013/2014
	\$	\$
Deficit before taxation and government grants	<u>(3,868,016)</u>	<u>(2,147,160)</u>
Tax at statutory rate of 17%	(657,563)	(365,017)
Tax effect on non-deductible expenses	5,913,222	5,484,946
Tax effect on non-taxable income	(5,165,805)	(4,933,622)
Tax effect on taxable income on Sinking Fund	74,914	46,088
Tax effect on transfer to Town Improvement & Project Fund	206,238	-
Under (Over) provision of income tax in prior years	<u>79,228</u>	<u>(7,120)</u>
	<u>450,234</u>	<u>225,275</u>

**(b) Movement in income tax payable**

	2014/2015	2013/2014
	\$	\$
Balance as at 1 April	503,337	541,107
Current financial year's income tax expense	371,006	232,395
Under (Over) provision of income tax in prior years	79,228	(7,120)
Tax paid during the year	<u>(269,585)</u>	<u>(263,045)</u>
Balance as at 31 March	<u>683,986</u>	<u>503,337</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**

	2014/2015	2013/2014
	\$	\$
Income arising from changes in fair value of funds with fund managers at fair value through profit or loss	-	6
Interest income from fixed deposits / bonds	382,833	317,223
Others	<u>(5,030)</u>	<u>4,763</u>
	<u>377,803</u>	<u>321,992</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the Financial Year Ended 31 March 2015

19 GOVERNMENT GRANTS

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

Note	Total		Conservancy and Service Grant		Payment from Citizens' Consultative Committee		GST Subvention Grant	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
	\$	\$	\$	\$	\$	\$	\$	\$
Government Grants received/ receivable during the financial year	3	8,497,856	7,985,569	5,376,392	5,116,418	1,595,444	1,526,020	1,437,585
Less: Transfer to -								
Sinking Funds	3,4	(2,431,983)	(2,313,806)	(1,849,346)	(1,764,233)	-	(582,617)	(549,573)
Town Improvement and Project Funds	3,5	(1,595,444)	(1,411,566)	-	-	(1,595,444)	-	-
		<u>4,470,449</u>	<u>4,240,197</u>	<u>3,527,046</u>	<u>3,352,185</u>	<u>-</u>	<u>943,403</u>	<u>888,012</u>

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

	2014/2015	2013/2014
	\$	\$
Grants received as at 1 April	174,957,969	165,690,645
Add: Grants received during the financial year	7,575,534	9,267,324
Total Grants received as at 31 March	<u>182,533,503</u>	<u>174,957,969</u>

## TAMPINES TOWN COUNCIL

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### NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2015

#### 20 OPERATING LEASE COMMITMENTS

Rental expenses for the year amounted to \$219,625 (2013/2014: \$218,623).

Computer and software service charges under operating lease for the year amounted to \$180,867 (2013/2014: \$9,916)

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:

	<u>2014/2015</u>	<u>2013/2014</u>
	\$	\$
Not later than one year	379,867	349,867
Later than one year and not later than five years	707,560	724,466
Later than five years	-	180,867
	<u>1,087,427</u>	<u>1,255,200</u>

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

The leases will expire earliest on 31 May 2015 and no later than 31 March 2019, and the current rent payable on the respective leases ranged from \$500 to \$180,867 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:

	<u>2014/2015</u>	<u>2013/2014</u>
	\$	\$
Amount approved and contracted for	<u>42,118,916</u>	<u>23,894,148</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, accrued expenses, other payables and NRP Fund received in advanced. 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 2015

#### 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 conditions 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 2015 are as follows:

	<b>Gross</b> 2014/2015 \$	<b>Impairment</b> 2014/2015 \$	<b>Gross</b> 2013/2014 \$	<b>Impairment</b> 2013/2014 \$
Past due < 3 months	582,033	-	473,807	-
Past due 3 to 6 months	181,655	-	257,234	-
Past due over 6 months	1,740,846	1,528,104	1,480,875	1,038,914
	<u>2,504,534</u>	<u>1,528,104</u>	<u>2,211,916</u>	<u>1,038,914</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 2015.

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 2015 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.

**NOTES TO THE FINANCIAL STATEMENTS**

For the Financial Year Ended 31 March 2015

**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.

**24 RESTATEMENT**

In prior years, the Town Council had classified Neighbourhood Renewal Programme Fund ("NRP Fund") as part of the Town Council Funds when the NRP Fund represent advances received from the government for carrying out certain projects to enhance HDB flats within their precinct. These advances would be used for future expenditure to carry out approved NRP projects and therefore should have been classified as liabilities. The effect of such restatement was a reduction in the Town Council Funds by \$2,223,495 for 2013/2014 and \$939,651 for 2012/2013 and a corresponding increase in liabilities of the same amount.