



ANNUAL REPORT AND FINANCIAL STATEMENTS

FY 2015/2016

CONTENTS

01 CHAIRMAN'S
REVIEW

1

2

02 FINANCIAL
REVIEW

3

03 CYCLICAL AND
IMPROVEMENT
WORKS

5

05 LIFT OPERATIONS
AND REPLACEMENT
PROGRAMME

6

06 POWERING OUR
TOWN THROUGH
GREEN INITIATIVES

7

07 COMMUNITY
RELATIONS

15

15 CONCLUSION



MR BAEY YAM KENG

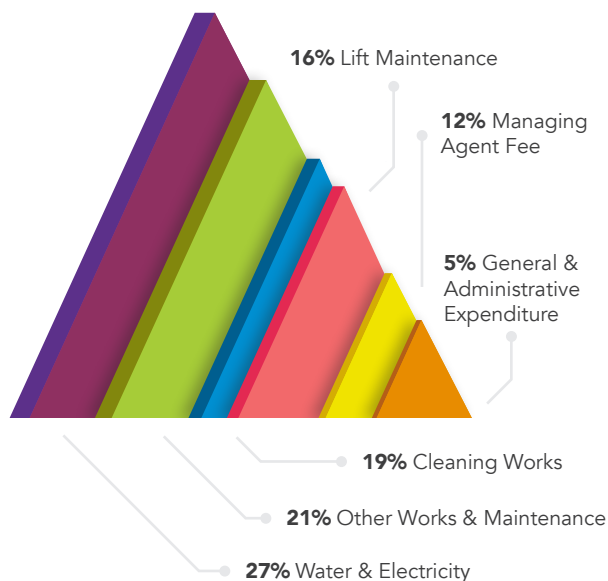
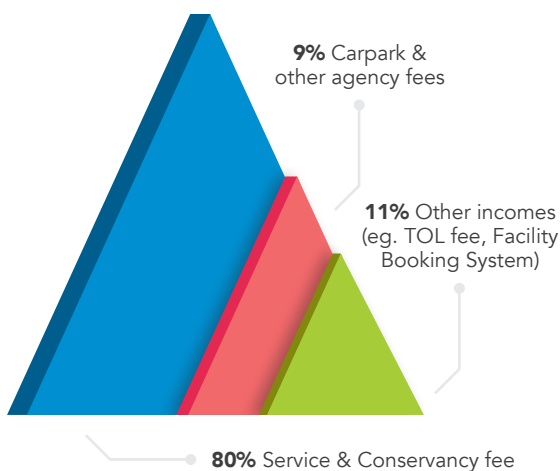
Parliamentary Secretary,
Ministry of Culture,
Community and Youth
Chairman of Tampines
Town Council
Member of Parliament
for Tampines GRC

CHAIRMAN'S REVIEW

This is an exciting time for residents who live and work in Tampines. Over the next few months, more BTO flats will be launched and residents can expect a vibrant town centre when the first phase of the integrated community hub – Our Tampines Hub along with an expanded bus interchange opens in the fourth quarter of 2016.

With plans to renew parts of the town, Minister Heng Swee Keat and the Tampines Advisers-to-Grassroots Organisations started the Re-imagining Tampines initiative with the Centre for Liveable Cities to generate ideas on how Tampines could be made a better home to meet the evolving needs of residents and foster the kampong spirit of a community that cares for one another like an extended family.

As the town grows and we welcome new residents, we will continue to complement the integrated development of the town and explore ways for the community to participate actively to make their neighbourhoods better places to live, to shape the approaches to the issues that matter in their area and stand up to anti-social behaviour.



FINANCIAL REVIEW

In 2015/16, through prudent financial management, Tampines Town Council had an operating surplus of \$2.22 million after taking into account government grants. Our sinking fund remains healthy at \$42.66 million and our total funds closed at \$47.11 million.

The town council constantly seeks to deliver a consistently high standard of estate management through its rigorous and stringent procurement process to ensure successful contract delivery and best value for money to fund improvement projects in the pipeline. We will continue to exercise prudence in spending, explore cost-saving ways and make possible adjustments to stretch service and conservancy charges (S&CC).

In view of the new standards on lift maintenance set by the Building Construction Authority, we have set aside a higher proportion of S&CC collections into the sinking funds for lift replacement to ensure long-term financial sustainability.



CYCLICAL AND IMPROVEMENT WORKS

Over the past 12 months, we carried out \$30.2 million worth of cyclical works including redecoration and repainting works, re-roofing, re-wiring, lift works and others, and invested \$3.33 million in town improvement works.

1 A dog run area in front of Block 856, opens daily from 10am to 10pm.

2+3 Completed cycling paths and parking facilities along Tampines Street 11



4 Linkway between Block 201D and Block 208A

5 Fitness Corner near Blocks 840 & 841

6 Drop-off porch at Block 361

7 Community Garden at Block 914



LIFT OPERATIONS AND REPLACEMENT PROGRAMME

To ensure that our lifts are in good condition, 57 lifts will be replaced under the selective lift replacement programme to the latest lift standards prescribed by BCA.

We will also continue to work with the Housing & Development Board to review the procurement process and technical specifications for new lifts to achieve an efficient overall lift operating life cycle and stringent maintenance regime to reduce breakdowns.

Real-time status of lifts are tracked by staff and our eight lift maintenance companies through the tele-monitoring system. In the event there is a breakdown or mantrap, the team is automatically notified and will carry out repair and rescue expeditiously.

8 Selective Lift Replacement Programme

9 Resurfaced jogging track

10 Playground at Block 340A

11 Resurfaced Badminton Hall flooring



POWERING OUR TOWN THROUGH GREEN INITIATIVES

We will achieve substantial cost savings of \$2 million in utilities due to the use of contestable energy. We have also collaborated with HDB to install Solar Photovoltaic (PV) systems at 163 blocks in Tampines to convert sunlight into solar power, used to power lifts, corridor and staircase lightings. These installations together with the completion of LED Block signages have brought about a more environmental-friendly town.





COMMUNITY RELATIONS

We collaborated with Big Apple Child Care and Development Centre at Block 297 in June, through its Start Small, and Dream Big initiative to encourage children to contribute to the community and teach them values such as responsibility, empathy and compassion.

A group of K1 and K2 students, teachers and town council representatives, walked around the school to observe litter. They were taught to identify between rubbish and recyclables through a colouring activity and to appreciate the cleaners.

There are plans to roll out this initiative to other divisions.

Outreach to Pre-schoolers

APPRECIATION TO TOWN WORKERS

To show our appreciation to the cleaners, we organised an outing to Gardens by the Bay and hosted a lunch reception for them. This is the fourth year we have celebrated International Cleaners Day. A big thank you to all of them for being part of the Tampines family and for their valuable contributions in keeping the town clean.





THANK YOU CARDS FOR THE TOWN'S INVISIBLE WORKFORCE

We partnered with Singapore Kindness Movement and volunteers from the SimCaretalyst, to recognise the invisible workforce. The volunteers collected hand-written messages of gratitude from the public and delivered the surprise to unsuspecting building contractors, horticulture/landscape, electricians, lift technicians and cleaners.





OPERATION WE CLEAN UP!



More than 250 participants joined the island-wide, Operations We Clean Up (OWCU) litter-picking event, initiated by the Public Hygiene Council (PHC) and organised by Tampines Town Council.

Although only 41kgs of recyclables and 64kgs of trash were collected, the event hopes to create more awareness of the environment as well as an understanding of the cleaners' hard work.



CLEAN AND GREEN -TREE PLANTING DAY

Last October, 200 residents joined hands with Grassroots advisers to plant about 70 saplings as part of the annual Clean and Green campaign. Among some of the species planted were - Raintree, Julutong, Kapok, Tembusu and Madagascar Almond, Tampines Tree and Malay Apple.





RED AND GREEN PACKETS GIVEAWAY

In 2016 this year, we produced and distributed our very own red and green packets to residents and spread the festive cheer.



TAMPINES SMILES PHOTO COMPETITION

The photo contest garnered 324 entries with submissions from many ages. 13 selected winning photographs were used in the 2016 Town Council calendar and the photo entries were showcased during the award ceremony on 27 December 2015.

To increase fan engagement on Facebook, we ran the top 5 Facebook Most "LIKED" photograph contest where fans get to vote on their favourite entry.





CONNECTING WITH OUR FACEBOOK FANS

We aim to widen our reach to more residents in Tampines to generate awareness of our offering as a town council and to connect them to interesting, fun and exciting happenings in the town. With more than 7,500 fans as at 25 July and high engagement levels, we hope to attract more fans.

Tampines Town Council also has other channels of communication such as our website, newsletter, hotline and email to reach different segments of the community.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Through referral by the Ministry of Social and Family Development's Social Service Office, we partnered ISOTeam to provide minor home repair assistance to 22 needy senior residents to improve their living environment and brighten their homes. This had given us the opportunity to contribute to society and foster a greater sense of giving.



CONCLUSION

On behalf of the council, I would like to thank our residents for giving us your feedback and suggestions. I express appreciation to my parliamentary colleagues, town councillors, grassroots leaders and staff for their commitment and contributions to the town.

We will continue to work hard, and together make Tampines our best home.



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 2016, 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 31.

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 2016 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
22 August 2016


TAMPINES TOWN COUNCIL

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

BALANCE SHEET

As at 31 March 2016

	Note	2015/2016 \$	2014/2015 \$
TOWN COUNCIL FUNDS			
Residential Property Funds			
Accumulated Surplus	3	2,017,776	-
Sinking Funds	4	25,435,772	35,570,815
Town Improvement and Project Funds	5	233,488	-
		27,687,036	35,570,815
Commercial Property Funds			
Accumulated Surplus	3	333,128	2,694,992
Sinking Funds	4	17,224,369	15,349,418
Town Improvement and Project Funds	5	1,164,905	1,430,000
		18,722,402	19,474,410
Carpark Fund			
Accumulated Surplus	3	701,490	1,922,803
		<u>47,110,928</u>	<u>56,968,028</u>
Represented By :			
Non-Current Asset			
Property, Plant and Equipment	7	192,318	143,788
Current Assets			
Conservancy and Service Fee Receivables	8	953,533	976,430
Other Receivables	9	6,259,609	3,500,584
Cash and Cash Equivalents	10	49,089,475	63,527,216
		56,302,617	68,004,230
Total Assets		<u>56,494,935</u>	<u>68,148,018</u>
Less :			
Current Liabilities			
Neighbourhood Renewal Programme Fund Received-in-Advance	6	1,437,986	3,079,502
Conservancy and Service Fees Received-in-Advance		699,697	635,278
Payables and Accrued Expenses	11	6,327,335	6,781,224
Income Tax Payable	16(b)	918,989	683,986
		9,384,007	11,179,990
Total Liabilities		<u>9,384,007</u>	<u>11,179,990</u>
NET ASSETS		<u>47,110,928</u>	<u>56,968,028</u>



MR BAEY YAM KENG
CHAIRMAN
22-Aug-16



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 2016

	Note	2015/2016 \$	2014/2015 \$
OPERATING INCOME			
Conservancy and Service Fees	3	42,163,288	41,782,042
Less : Operating transfer to Sinking Funds (minimum required by law)	4	(16,021,664)	(15,872,864)
		<u>26,141,624</u>	<u>25,909,178</u>
Agency Fees	12	<u>3,106,633</u>	<u>2,891,013</u>
Other Income	13	<u>3,771,754</u>	<u>3,241,473</u>
		<u>6,878,387</u>	<u>6,132,486</u>
		<u>33,020,011</u>	<u>32,041,664</u>
Less :			
OPERATING EXPENDITURE			
Cleaning Works		<u>6,652,135</u>	<u>6,545,048</u>
Lift Maintenance		<u>5,627,625</u>	<u>5,667,872</u>
Managing Agent's Fees	14	<u>4,044,863</u>	<u>3,915,176</u>
Other Works and Maintenance		<u>7,428,147</u>	<u>6,641,283</u>
Water and Electricity		<u>9,447,513</u>	<u>10,001,775</u>
General and Administrative Expenditure	15	<u>1,758,323</u>	<u>2,012,506</u>
		<u>(34,958,606)</u>	<u>(34,783,660)</u>
OPERATING DEFICIT		<u>(1,938,595)</u>	<u>(2,741,996)</u>
Add :			
NON-OPERATING INCOME			
Interest Income		132,282	87,141
Less:			
Town Improvement Project Works	5	-	(1,213,161)
DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS		<u>(1,806,313)</u>	<u>(3,868,016)</u>
Less:			
TAXATION	16(a)	(387,059)	(375,320)
GOODS AND SERVICES TAX	17	(210,299)	(146,468)
DEFICIT BEFORE GOVERNMENT GRANTS		<u>(2,403,671)</u>	<u>(4,389,804)</u>
Add : Government Grants	3,19	<u>9,673,176</u>	<u>8,497,856</u>
Less : Transfer to Sinking Funds	4,19	<u>(2,506,439)</u>	<u>(2,431,963)</u>
Transfer to Town Improvement and Project Funds	5,19	<u>(2,547,530)</u>	<u>(1,595,444)</u>
		<u>4,619,207</u>	<u>4,470,449</u>
SURPLUS FOR THE FINANCIAL YEAR		<u>2,215,536</u>	<u>80,645</u>
ACCUMULATED SURPLUS AS AT 1 APRIL		<u>4,617,795</u>	<u>4,077,366</u>
Transfer from Town Improvement and Project Funds	5	-	1,589,784
Transfer of Accumulated Surplus to Sinking Fund as at 24 August 2015	4, 24	(3,073,937)	-
Appropriation to Town Improvement and Project Funds	5	<u>(707,000)</u>	<u>(1,130,000)</u>
ACCUMULATED SURPLUS AS AT 31 MARCH		<u><u>3,052,394</u></u>	<u><u>4,617,795</u></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 2016

	<u>Note</u>	<u>2015/2016</u> \$	<u>2014/2015</u> \$
Surplus for the financial year	3	2,215,536	80,645
Movement in various funds			
Sinking Funds	4	(11,334,029)	7,392,939
Town Improvement and Project Funds	5	<u>(738,607)</u>	<u>503,105</u>
		(9,857,100)	7,976,689
Other comprehensive income		-	-
Total comprehensive (deficit) income for the year attributable to Town Council funds		<u><u>(9,857,100)</u></u>	<u><u>7,976,689</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 CHANGES IN TOWN COUNCIL FUNDS
For the Financial Year Ended 31 March 2016

	Residential Property Funds \$	Commercial Property Funds \$	Car Park Fund \$	Total \$
<u>2015/2016</u>				
Balance as at 1 April 2015	35,570,815	19,474,410	1,922,803	56,968,028
(Deficit) Surplus for the financial year	(9,806,582)	(752,008)	701,490	(9,857,100)
Other comprehensive income	-	-	-	-
Total comprehensive (deficit) income for the financial year	(9,806,582)	(752,008)	701,490	(9,857,100)
Inter-fund transfers	1,922,803	-	(1,922,803)	-
Balance as at 31 March 2016	27,687,036	18,722,402	701,490	47,110,928
<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

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 2016

	2015/2016	2014/2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit before Taxation and Government Grants	(1,806,313)	(3,868,016)
Adjustment for:-		
Depreciation of Property, Plant and Equipment	60,091	73,559
Interest income	(132,282)	(87,141)
Provision for impairment in conservancy and service fee - Net	174,422	489,190
Operating transfer to Sinking Funds	16,021,664	15,872,864
Transfer to Town Improvement Project works	-	1,213,161
	<u>14,317,582</u>	<u>13,693,617</u>
Operating Surplus before Working Capital Changes		
Decrease in Conservancy and Service Fee Receivables	(151,525)	(292,618)
Increase in Other Receivables	(683,025)	(152,381)
(Decrease)/Increase in Payables and Accrued Expenses	(389,470)	2,095,386
	<u>13,093,562</u>	<u>15,344,004</u>
Net Cash Generated from Operations		
Sinking Funds Expenditure	(30,232,263)	(11,137,714)
Town Improvement and Project Expenditure	(3,326,637)	(2,337,500)
Town Improvement and Project Other Income Received	40,500	32,000
Neighbourhood Renewal Programme Fund Expenditure Paid	(9,634,186)	(8,562,610)
Goods and Services Tax Paid	(1,027,700)	(178,267)
Income Tax Paid [Note 16(b)]	(248,712)	(269,585)
	<u>(31,335,436)</u>	<u>(7,109,672)</u>
Net Cash Used in Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(108,621)	(13,779)
Interest and Investment Income Received	596,968	361,067
	<u>488,347</u>	<u>347,288</u>
Net Cash Generated from Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Government Grants Received [Note 19]	8,416,678	7,575,534
Funding Received for Neighbourhood Renewal Programme [Note 6]	7,992,670	9,418,617
	<u>16,409,348</u>	<u>16,994,151</u>
Net Cash Generated from Financing Activities		
Net (Decrease) / Increase in Cash and Cash Equivalents	<u>(14,437,741)</u>	<u>10,231,767</u>
Cash and Cash Equivalents at Beginning of Year	63,527,216	53,295,449
Cash and Cash Equivalents at End of Year [Note 10]	<u><u>49,089,475</u></u>	<u><u>63,527,216</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)

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

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 2016

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 \$1,702,546 (2014/2015 – \$1,528,104) 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 2016 was \$192,318 (2014/2015: \$143,788). 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

2(b) NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATION NOT YET EFFECTIVE

Interpretations and amendments to published standards effective in 2015

The Town Council has adopted the new or revised FRSs and INT FRS that are mandatory for application on 1 April 2015. The adoption of these new or revised FRSs and INT FRS did not result in substantial changes to the Town Council's accounting policies and had no material effects on the financial statements except as follows:

Improvements to Financial Reporting Standards (January 2014) - FRS 24 Related Party Disclosures: Key management personnel

The amendments clarified that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of compensation paid or payable by the management entity to its employees or directors is not required. The amendments resulted in additional related party disclosures (Note 14).

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 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements may require the Town Council to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Town Council is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled to in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

2(b) NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATION NOT YET EFFECTIVE
(Cont'd)

FRS and INT FRS issued but not yet effective (Cont'd)

Key issues for the Town Council include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Town Council is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 116 Leases

FRS 116 was issued in June 2016 and it will supersede FRS 17 Leases and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management anticipates that the initial application of the new FRS 116 will likely result in changes to the accounting policies relating to the Town Council's leases. Management does not intend to early adopt FRS 116, which is effective for the Town Council from financial year beginning 1 April 2019 and will perform a detailed assessment of the possible impact of implementing FRS 116 before its implementation date.

2(c) 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 and Town Improvement and Project Funds form the Town Council Funds.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

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

(a) FUNDS (Cont'd)

Town Council Funds (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

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

(a) FUNDS (Cont'd)

Town Improvement And Project Funds (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

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

(d) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

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

(e) FINANCIAL ASSETS

Impairment (cont'd)

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.

(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 expenditure incurred exceeds the NRP funds, the Town Council has to bear the cost of excess expenditure.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

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

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

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

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

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

(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 2016

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	
		2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
		\$	\$	\$	\$	\$	\$	\$	\$
OPERATING INCOME									
Conservancy and Service Fees		42,163,288	41,782,042	39,706,769	39,295,211	2,456,519	2,486,831	-	-
Less: Operating Transfer to Sinking Funds (minimum required by law)	4	(16,021,664)	(15,872,864)	(15,161,880)	(15,002,471)	(859,784)	(870,393)	-	-
Agency Fees	12	3,106,633	2,891,013	-	-	-	-	3,106,633	2,891,013
Other Income	13	3,771,754	3,241,473	3,032,491	2,549,372	682,388	666,892	56,875	25,209
		33,020,011	32,041,664	27,577,380	26,842,112	2,279,123	2,283,330	3,163,508	2,916,222
Less:									
OPERATING EXPENDITURE									
OPERATING (DEFICIT) / SURPLUS		(1,938,595)	(2,741,996)	(2,875,907)	(4,208,918)	242,758	1,076,162	694,554	390,760
Add:									
NON-OPERATING INCOME		132,282	87,141	115,899	76,598	4,327	2,856	12,056	7,687
Less:									
TOWN IMPROVEMENT PROJECT WORKS (DEFICIT) / SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS	5	(1,806,313)	(1,213,161)	(2,760,008)	(5,345,481)	247,085	1,079,018	706,610	398,447
Less:									
TAXATION		(387,059)	(375,320)	(374,776)	(328,972)	(7,163)	(12,337)	(5,120)	(34,011)
IRRECOVERABLE GOODS AND SERVICES TAX	16(a)	(210,299)	(146,468)	(210,299)	(146,468)	-	-	-	-
(DEFICIT) / SURPLUS BEFORE GOVERNMENT GRANTS	17	(2,403,671)	(4,389,804)	(3,345,083)	(5,820,921)	239,922	1,066,681	701,490	364,436
Add : Government Grants	19	9,673,176	8,497,856	9,581,461	8,436,199	91,715	61,657	-	-
Less : Transfer to Sinking Funds	4,19	(2,506,439)	(2,431,963)	(2,506,439)	(2,431,963)	-	-	-	-
Transfer to Town Improvement and Project Funds	5,19	(2,547,530)	(1,595,444)	(2,455,815)	(1,533,787)	(91,715)	(61,657)	-	-
		4,619,207	4,470,449	4,619,207	4,470,449	-	-	-	-
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		2,215,536	80,645	1,274,124	(1,350,472)	239,922	1,066,681	701,490	364,436
ACCUMULATED SURPLUS AS AT 1 APRIL		4,617,795	4,077,366	-	-	2,694,992	2,518,999	1,922,803	1,558,367
Transfer from Commercial to Residential Property		-	-	-	1,350,472	-	(1,350,472)	-	-
Transfer from Carpark to Residential Property		-	-	1,922,803	-	-	-	(1,922,803)	-
Transfer of Accumulated Surplus to Sinking Funds as at 24 August 2015	24	(3,073,937)	-	(497,151)	-	(2,576,786)	-	-	-
Transfer from Town Improvement Project Funds	5	-	1,589,784	-	-	-	1,589,784	-	-
Appropriation to Town Improvement and Project Funds	5	(707,000)	(1,130,000)	(682,000)	-	(25,000)	(1,130,000)	-	-
ACCUMULATED SURPLUS AS AT 31 MARCH		3,052,394	4,617,795	2,017,776	-	333,128	2,694,992	701,490	1,922,803

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

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

4 SINKING FUNDS

	Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY	
		2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
		\$	\$	\$	\$	\$	\$
Balance as at 1 April		50,920,233	43,527,294	35,570,815	28,813,461	15,349,418	14,713,833
Add:							
INVESTMENT AND OTHER INCOME	18	577,300	377,803	556,621	363,994	20,679	13,809
OPERATING TRANSFER FROM CONSERVANCY AND SERVICE FEES (minimum required by law)	3	16,021,664	15,872,864	15,161,880	15,002,471	859,784	870,393
TRANSFER FROM GOVERNMENT GRANTS	3, 19	2,506,439	2,431,963	2,506,439	2,431,963	-	-
		19,105,403	18,682,630	18,224,940	17,798,428	880,463	884,202
Less:							
EXPENDITURE	4(a)	(30,232,263)	(11,137,714)	(28,653,445)	(10,891,799)	(1,578,818)	(245,915)
Less:							
TAXATION	16(a)	(96,656)	(74,914)	(93,176)	(72,212)	(3,480)	(2,702)
GOODS AND SERVICES TAX UNCLAIMABLE	17	(110,513)	(77,063)	(110,513)	(77,063)	-	-
(DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR		(11,334,029)	7,392,939	(10,632,194)	6,757,354	(701,835)	635,585
TRANSFER FROM ACCUMULATED SURPLUS AS AT 24 AUGUST 2015	24	3,073,937	-	497,151	-	2,576,786	-
		(8,260,092)	7,392,939	(10,135,043)	6,757,354	1,874,951	635,585
Balance as at 31 March		42,660,141	50,920,233	25,435,772	35,570,815	17,224,369	15,349,418
Represented by:		2015/2016	2014/2015				
		\$	\$				
CURRENT ASSETS							
Conservancy and Service Fee Receivables		627,396	641,149				
Other Receivables		638,616	192,781				
Interest Receivable		260,986	138,064				
Cash and Cash Equivalents		38,029,048	46,743,700				
Amount due from Operating Fund		4,720,373	4,681,187				
TOTAL ASSETS		44,276,419	52,396,881				
Less:							
CURRENT LIABILITIES							
Conservancy and Service Fees Received-in-Advance		238,845	233,740				
Payables and Accrued Expenses		1,162,730	1,108,989				
Income Tax Payable		214,703	133,919				
TOTAL LIABILITIES		1,616,278	1,476,648				
NET ASSETS		42,660,141	50,920,233				

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

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

4(a) SINKING FUNDS (Cont'd)

	<u>2015/2016</u>	<u>2014/2015</u>
	\$	\$
Lift works	3,787,970	6,079,542
Reroofing works	3,874,409	1,277,980
Redecoration and repainting	19,874,258	2,927,942
Electrical Rewiring	2,061,683	164,011
Others	633,943	688,239
	<u>30,232,263</u>	<u>11,137,714</u>

TAMPINES TOWN COUNCIL

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2016

5 TOWN IMPROVEMENT AND PROJECT FUNDS

	Note	Total 2015/2016 \$	2014/2015 \$	Residential Property 2015/2016 \$	2014/2015 \$	Commercial Property 2015/2016 \$	2014/2015 \$
Balance as at 1 April		1,430,000	1,386,679	-	(625,155)	1,430,000	2,011,834
Add:							
Transfer from Government Grants	3, 19	2,547,530	1,595,444	2,455,815	1,533,787	91,715	61,657
Other income		40,500	32,000	39,046	32,000	1,454	-
Income and Expenditure Statement Transfer to Town Improvement Works (Note A)	3	-	1,213,161	-	1,213,161	-	-
Less:							
Expenditure		(3,326,637)	(2,337,500)	(2,943,373)	(2,153,793)	(383,264)	(183,707)
(Deficit) Surplus for the financial year		(738,607)	503,105	(448,512)	625,155	(290,095)	(122,050)
Transfer to accumulated surplus	3	-	(1,589,784)	-	-	-	(1,589,784)
Appropriation from Accumulated Surplus	3	707,000	1,130,000	682,000	-	25,000	1,130,000
Balance as at 31 March		1,398,393	1,430,000	233,488	-	1,164,905	1,430,000

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

TAMPINES TOWN COUNCIL

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2016

6 NEIGHBOURHOOD RENEWAL PROGRAMME FUND

	2015/2016	2014/2015
	\$	\$
Balance as at 1 April	3,079,502	2,223,495
Funding from Government	7,992,670	9,408,117
Miscellaneous receipts	-	10,500
Payments to Contractors	(9,634,186)	(8,562,610)
Surplus for the financial year	(1,641,516)	856,007
Balance as at 31 March	1,437,986	3,079,502

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

	2015/2016	2014/2015
	\$	\$
Cumulative funding received as at 1 April	24,163,506	14,755,389
Funding from Government for the financial year	7,992,670	9,408,117
Cumulative funding received as at 31 March	32,156,176	24,163,506

7 PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Furniture, Fixtures and Fittings	Renovation	Data Processing Equipment	Total
	\$	\$	\$	\$	\$
COST					
As at 1 April 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
Additions	27,026	58,774	17,821	5,000	108,621
Disposals	-	(8,197)	-	-	(8,197)
As at 31 March 2016	187,363	524,602	347,772	141,261	1,200,998
ACCUMULATED DEPRECIATION					
As at 1 April 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
Depreciation for the year	3,254	23,775	22,307	10,755	60,091
Disposals	-	(8,197)	-	-	(8,197)
As at 31 March 2016	160,996	442,605	276,052	129,027	1,008,680
NET BOOK VALUE					
As at 31 March 2016	26,367	81,997	71,720	12,234	192,318
As at 31 March 2015	2,595	46,998	76,206	17,989	143,788

TAMPINES TOWN COUNCIL

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2016

8 CONSERVANCY AND SERVICE FEE RECEIVABLES

	2015/2016	2014/2015
	\$	\$
Conservancy and service fee receivables	1,784,520	1,701,994
Less: Provision for impairment	(870,206)	(768,834)
	914,314	933,160
Interest receivable on late payment	751,955	672,904
Less: Provision for impairment	(721,189)	(635,500)
	30,766	37,404
Legal fees receivables	119,232	129,234
Less: Provision for impairment	(110,779)	(123,389)
	8,453	5,845
Disbursement fees receivable	372	402
Less: Provision for impairment	(372)	(381)
	-	21
	<u>953,533</u>	<u>976,430</u>

The above receivables are stated after provision for impairment of \$1,702,546 (2014/2015: \$1,528,104.00).

The movement in provision for impairment is as follows:

	Note	2015/2016	2014/2015
		\$	\$
Balance as at 1 April		1,528,104	1,038,914
Provision made for the financial year	15	174,442	491,627
Provision written off during the financial year		-	(2,437)
Balance as at 31 March		<u>1,702,546</u>	<u>1,528,104</u>

9 OTHER RECEIVABLES

	2015/2016	2014/2015
	\$	\$
Goods and services tax receivable	788,469	81,581
Goods and services tax subvention receivable	386,357	384,113
Interest receivable	266,539	153,925
Deposits and Prepayment	373,156	453,745
Receivables from Citizen's Consultative Committee	3,503,266	2,068,147
Receivables from Housing & Development Board	185,870	-
Revitalisation of Shop Scheme receivable	527,600	26,354
Sundry receivables	221,303	144,805
Conservancy and service grant receivable	7,049	187,914
	<u>6,259,609</u>	<u>3,500,584</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

10 CASH AND CASH EQUIVALENTS

	2015/2016	2014/2015
	\$	\$
Fixed deposits	43,390,143	54,169,113
Cash and bank balances	5,699,332	9,358,103
	<u>49,089,475</u>	<u>63,527,216</u>

The fixed deposits with financial institutions mature within 10 months (2014/2015: within 12 months) after the financial year end and bear a weighted average effective interest rate of 1.63% (2014/2015: 0.87%) per annum.

11 PAYABLES AND ACCRUED EXPENSES

	2015/2016	2014/2015
	\$	\$
Accrued operating expenses	572,872	457,313
Other creditors	762,395	1,653,799
Payables to contractors	4,559,208	4,359,186
Refundable deposits	432,860	310,926
	<u>6,327,335</u>	<u>6,781,224</u>

12 AGENCY FEES

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

13 OTHER INCOME

	2015/2016	2014/2015
	\$	\$
Temporary Occupational Licence income	2,663,130	2,387,631
Use of water and electricity	138,439	165,461
Usage of Void Deck and Common Property	138,800	151,750
Liquidated damages	68,280	120,400
Late payment penalty	206,317	185,155
Sale of tender documents	80,107	77,413
Sundry fines and income	57,596	55,116
Rental of community hall	1,198	16,740
Others	417,887	81,807
	<u>3,771,754</u>	<u>3,241,473</u>

14 SIGNIFICANT RELATED PARTY TRANSACTIONS (MANAGING AGENT'S AND PROJECT MANAGEMENT FEES)

Related party relates to the managing agent of the Town Council who manages the operations of the Town Council.

The following significant transactions with related party on terms mutually agreed during the financial year are as follows :

	2015/2016	2014/2015
	\$	\$
Managing Agent's Fees	4,044,863	3,915,176
Project Management Fees	<u>1,562,170</u>	<u>558,682</u>



15 GENERAL AND ADMINISTRATIVE EXPENDITURE

The general and administrative expenditure comprises the following:

	Note	2015/2016 \$	2014/2015 \$
Advertising and public relations		342,463	339,167
Audit fee		33,300	26,500
Computer services		188,305	180,803
Depreciation of property, plant and equipment	7	60,091	73,559
Fees and charges		147,326	178,346
Office rental and upkeep expenditure		321,078	317,902
Office supplies and stationery		155,884	181,599
Others		21,846	27,031
Property, plant and equipment not capitalised		14,391	9,376
Property tax		271,869	254,960
Provision for impairment of receivables	8	174,442	491,627
Town Councillors' allowance	23	165,777	166,933
		<u>1,896,772</u>	<u>2,247,803</u>
Allocation to Sinking Fund			
- Provision for impairment of receivables and bad debts written-off		(52,333)	(147,488)
- 5% of remaining General and Administrative Expenditure		(86,116)	(87,809)
		<u>1,758,323</u>	<u>2,012,506</u>

16 TAXATION

(a) Tax expense

	Note	2015/2016 \$	2014/2015 \$
Income tax expense attributable to chargeable income is made up of:			
Current income tax provision		478,149	371,006
Underprovision of income tax in prior years		5,566	79,228
		<u>483,715</u>	<u>450,234</u>
Taken up in:			
Accumulated Surplus	3	387,059	375,320
Sinking Fund	4	96,656	74,914
		<u>483,715</u>	<u>450,234</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2016



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:

	2015/2016 \$	2014/2015 \$
Deficit before taxation and government grants	(1,806,313)	(3,868,016)
Tax at statutory rate of 17%	(307,073)	(657,563)
Tax effect on non-deductible expenses	5,942,963	5,913,222
Tax effect on non-taxable income	(5,254,397)	(5,165,805)
Tax effect on taxable income on Sinking Fund	96,656	74,914
Tax effect on transfer to Town Improvement & Project Fund	-	206,238
Under provision of income tax in prior years	5,566	79,228
	<u>483,715</u>	<u>450,234</u>

(b) Movement in income tax payable

	2015/2016 \$	2014/2015 \$
Balance as at 1 April	683,986	503,337
Current financial year's income tax expense	483,715	450,234
Tax paid during the year	(248,712)	(269,585)
Balance as at 31 March	<u>918,989</u>	<u>683,986</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

	2015/2016 \$	2014/2015 \$
Interest income from fixed deposits	574,219	382,833
Others	3,081	(5,030)
	<u>577,300</u>	<u>377,803</u>

TAMPINES TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)
NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2016

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	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$	\$	\$	\$	\$
Government Grants received/ receivable during the financial year	9,673,176	8,497,856	5,583,563	5,376,392	2,547,530	1,595,444	1,542,083	1,526,020
Less: Transfer to -								
Sinking Funds	(2,506,439)	(2,431,963)	(1,917,608)	(1,849,346)	-	-	(588,831)	(582,617)
Town Improvement and Project Funds	(2,547,530)	(1,595,444)	-	-	(2,547,530)	(1,595,444)	-	-
	<u>4,619,207</u>	<u>4,470,449</u>	<u>3,665,955</u>	<u>3,527,046</u>	<u>-</u>	<u>-</u>	<u>953,252</u>	<u>943,403</u>

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

	2015/2016	2014/2015
	\$	\$
Grants received as at 1 April	182,533,503	174,957,969
Add: Grants received during the financial year	8,416,678	7,575,534
Total Grants received as at 31 March	<u>190,950,181</u>	<u>182,533,503</u>

TAMPINES TOWN COUNCIL

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2016



20 OPERATING LEASE COMMITMENTS

Rental expenses for the year amounted to \$222,000 (2014/2015: \$219,625).

Computer and software service charges under operating lease for the year amounted to \$180,867 (2014/2015: \$180,867)

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:

	2015/2016	2014/2015
	\$	\$
Not later than one year	385,867	379,867
Later than one year and not later than five years	716,000	888,466
	<u>1,101,867</u>	<u>1,268,333</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 Jan 2018 and no later than 31 March 2019, and the current rent payable on the respective leases ranged from \$550 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:

	2015/2016	2014/2015
	\$	\$
Amount approved and contracted for	<u>26,035,013</u>	<u>42,118,916</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

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



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2016

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 2016 are as follows:

	Gross 2015/2016 \$	Impairment 2015/2016 \$	Gross 2014/2015 \$	Impairment 2014/2015 \$
Past due < 3 months	544,602	-	582,033	-
Past due 3 to 6 months	169,508	-	181,655	-
Past due over 6 months	1,941,969	1,702,546	1,740,846	1,528,104
	<u>2,656,079</u>	<u>1,702,546</u>	<u>2,504,534</u>	<u>1,528,104</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 2016.

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 2016 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 2016



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 and the Managing Agent. Town Councillors are paid an allowance and the allowance paid are disclosed in Note 15. Managing Agent is paid a fee to manage the daily operations of the Town Council and a fee to manage the Town Council's capital projects. The fees paid to the Managing Agent is disclosed in Note 14.

24 TRANSFER TO SINKING FUND

This represents a transfer of 80% of the accumulated surplus to Sinking Fund under the Section 34 of The Town Council Act when a writ of election is issued. The surplus transferred to Sinking Fund is based on the Town Council's audited excess of revenue over expenditure in any fund (other than a sinking fund) as at 31 March 2015, net of fixed assets owned by the Town Council and any capital commitments made or entered into by that Town Council on or before the writ of election.

