

ANNUAL REPORT

& FINANCIAL STATEMENTS

2021/2022



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CHAIRMAN'S REVIEW

We have turned the corner on COVID-19, and with life returning to normal, the Tampines Town Council steps up in its efforts to build Tampines into a model Eco-Town by 2025. We have delivered on our promise and implemented numerous green initiatives in the past year. For example, Tampines was among the first to install smart water meters in homes and apply heat-reflective paint for our HDB flats so residents can enjoy savings on utilities.

While working towards a more sustainable future, the maintenance and infrastructural enhancement of Tampines remain a priority. In the last financial year, the Town Council carried out more than \$38.3m in cyclical maintenance and town improvement works. It has also enhanced 233 lifts with better safety features. The tighter border restrictions during the pandemic have delayed some of the projects' developments, and I would like to thank residents for their patience and understanding.

With your support, we will shape the future of Tampines and build a home that everyone is proud of, for many years to come.



CHENG LI HUI
Chairman
Tampines Town Council

TOWN COUNCIL MANAGEMENT REPORT

Results for Apr 2021 – Mar 2022

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

- Estate Cleanliness
- Estate Maintenance
- Lift Performance
- Service & Conservancy Charges (S&CC) Arrears Management
- Corporate Governance

The report is colour-coded to reflect performance. Green is the top band, followed by Amber and then Red. For the assessment period from April 2021 to March 2022, Tampines Town Council was rated Green for all five categories.

TAMPINES TOWN COUNCIL TCMR RESULTS



ESTATE
CLEANLINESS



ESTATE
MAINTENANCE



LIFT
PERFORMANCE



S&CC ARREARS
MANAGEMENT



CORPORATE
GOVERNANCE

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



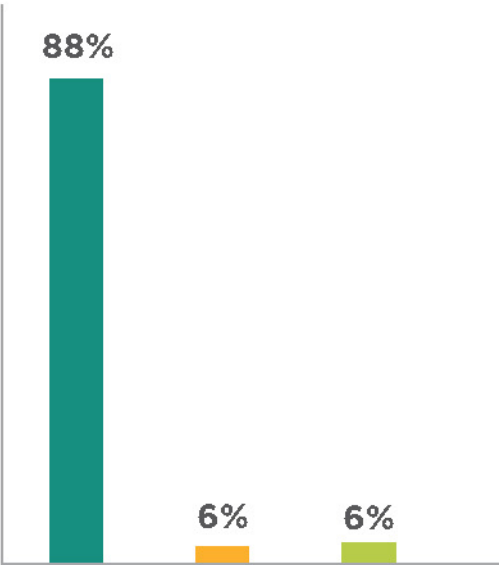
FINANCIAL REVIEW

In FY 2021/2022, Tampines Town Council had an operating surplus of S\$5.81m after taking into account government grants. Our sinking fund remains healthy at S\$50.8m, our Lift Replacement Fund has a balance of S\$42.72m and our total funds closed at S\$110.24m.

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

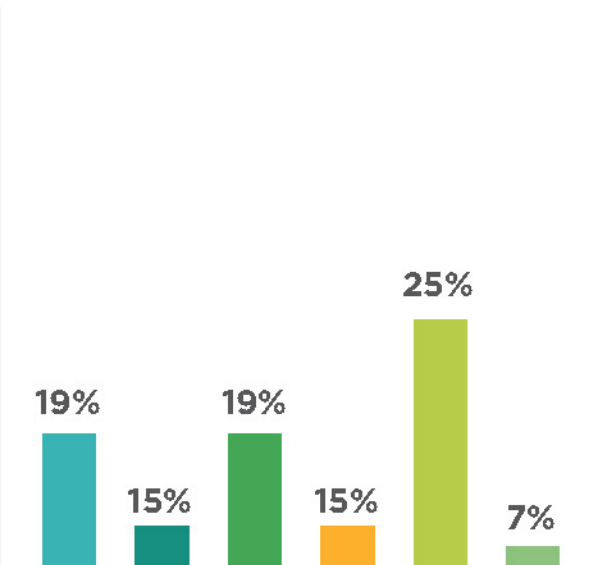
The Town Council constantly seeks to deliver a consistently high standard of estate management through its rigorous and stringent procurement process. As a result, cost-effective contract delivery is ensured when managing all improvement projects. We will continue to explore cost-saving processes to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

OPERATING REVENUE



- S&CC
- Other income
- Agency fee

OPERATING EXPENDITURE



- Cleaning works
- Managing agent's fees
- Lift maintenance
- Other works and maintenance
- Water and electricity
- General and administrative expenditure

CODE OF GOVERNANCE

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

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

SELECTION AND APPOINTMENT OF TOWN COUNCILLORS

We have established the processes for the selection and appointment of Town Councillors. Generally, the selection, appointment and reappointment process of Town Councillors consider the composition of the Town Council and the characteristic of the Town.

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

PROJECTS IN FINANCIAL YEAR

2021/2022

CYCLICAL AND IMPROVEMENT WORKS

Tampines Town Council was set up in 1990 to manage and maintain the common property of HDB housing estates in Tampines, consisting of five divisions: Central, East, West, North and Changkat.

As a mature estate, Tampines saw huge infrastructural developments by the government and various agencies in recent years. We have become a bustling town with shopping malls, easily accessible public transport, healthcare facilities and schools.

Over the last 12 months, the Town Council carried out S\$17.53m worth of cyclical maintenance projects through Repairs and Redecoration (R&R), re-roofing and re-wiring works. The town also benefited from S\$2.83m in town enhancement works supported by the Community Improvement Projects Committee (CIPC) and S\$2.4m through the Neighbourhood Renewal Programme (NRP).



REPAIRS & REDECORATION WORKS

COMPLETED AND ON-GOING PROJECTS

TAMPINES CENTRAL

- Blk 701-734 (on-going)
- Blk 735-742 (on-going)
- Blk 857-857B, Blk 862-864A (on-going)
- Blk 865-874A (on-going)

TAMPINES EAST

- Blk 231-238 (on-going)
- Blk 510, 512A, 513, 519A-D, 520(MPH), 520A-C
- Blk 522A-C, 523A-D, 524A and 524B (on-going)

TAMPINES WEST

- Blk 140-150
- Blk 902-916
- Blk 921-946

TAMPINES NORTH

- Blk 461-471, 485A-499D, Blk 494D & E

TAMPINES CHANGKAT

- Blk 124 to 127, 272 to 282
- Blk 283 to 298



NEIGHBOURHOOD RENEWAL PROGRAMME

COMPLETED AND ON-GOING PROJECTS

TAMPINES CENTRAL

- Blk 701-734

TAMPINES EAST

- Blk 201, 201A, 201B, 201D, 201E, 211, 214 and 225-227
- Blk 231-248
- Blk 501-506, 508 and 509

TAMPINES WEST

- Blk 821-829 and Blk 887-899

TAMPINES NORTH

- Blk 485A-490B
- Blk 491A-496G

TAMPINES CHANGKAT

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



TOWN IMPROVEMENT PROJECTS

COMPLETED AND ON-GOING PROJECTS

TAMPINES CENTRAL

- Pavilions at Central Park
- Blk 735 & 740 Pavilions (on-going)
- Blk 834 Installation of awning (on-going)
- Blk 839 Residents' Corner
- Blk 842 Neighbourhood Hub
- Blk 842 Linkway to bus stop (on-going)
- Blk 842 Acoustic panel to basketball court (on-going)

TAMPINES EAST

- Blk 201B Construction of basketball court
- Blk 201B Construction of community garden
- Blk 201B Construction of integrated playground
- Blk 201E to Community Centre Construction of high/sheltered low linkway
- Blk 216 Construction of sheltered linkway (on-going)
- Blk 220 Construction of new fitness corner
- Blk 220 Construction of precinct marker/banner structure (on-going)
- Blk 223 Upgraded fitness corner
- Blk 234 Construction of community garden
- Blk 250 Upgraded fitness corner
- Blk 267 Construction of sheltered BFA ramp
- Blk 270 Upgraded multi-purpose hall
- Blk 270 Upgraded Senior Citizens' Corner
- Blk 517 (2FY) Construction of high-low sheltered BFA ramp
- Blk 523B Construction of precinct marker/banner structure (on-going)

TAMPINES WEST

- Blk 804 Hardcourt
- Blk 916 Hardcourt

TAMPINES NORTH

- Blk 408 Playground
- Blk 410 Residents' Corner
- Blk 411 Covered linkway
- Blk 420 Playground
- Blk 440 Pavilion
- Blk 440 Fitness corner

TAMPINES CHANGKAT

- Blk 101 to 102 High-low linkway
- Blk 113 to 114 High-low linkway
- Blk 307A (MSCP) BFA ramp
- Blk 325 Playground



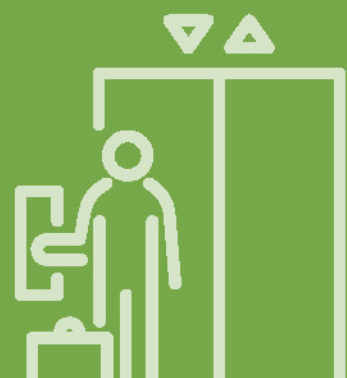
LIFT REPLACEMENT AND ENHANCEMENT PROJECTS

To ensure that our lifts function optimally, the Town Council has carried out \$14.95m worth of lift replacements.

In FY 2021/2022, we continued to enhance our lifts under the Lift Enhancement Programme. 233 lifts were enhanced with better safety features such as high-tech sensors to monitor the lift speed and emergency communication system.

Additionally, all lifts in Tampines are installed with the lift surveillance system to curb the misuse of lifts, such as jamming of the doors, damaging of buttons and vandalism. Real-time functional status of lifts is tracked by our officers and lift maintenance companies through a tele-monitoring system. In the event of a breakdown, our team will be notified automatically to carry out repair and rescue works. The Town Council will continue to follow a stringent maintenance process to reduce incidents of breakdown.

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



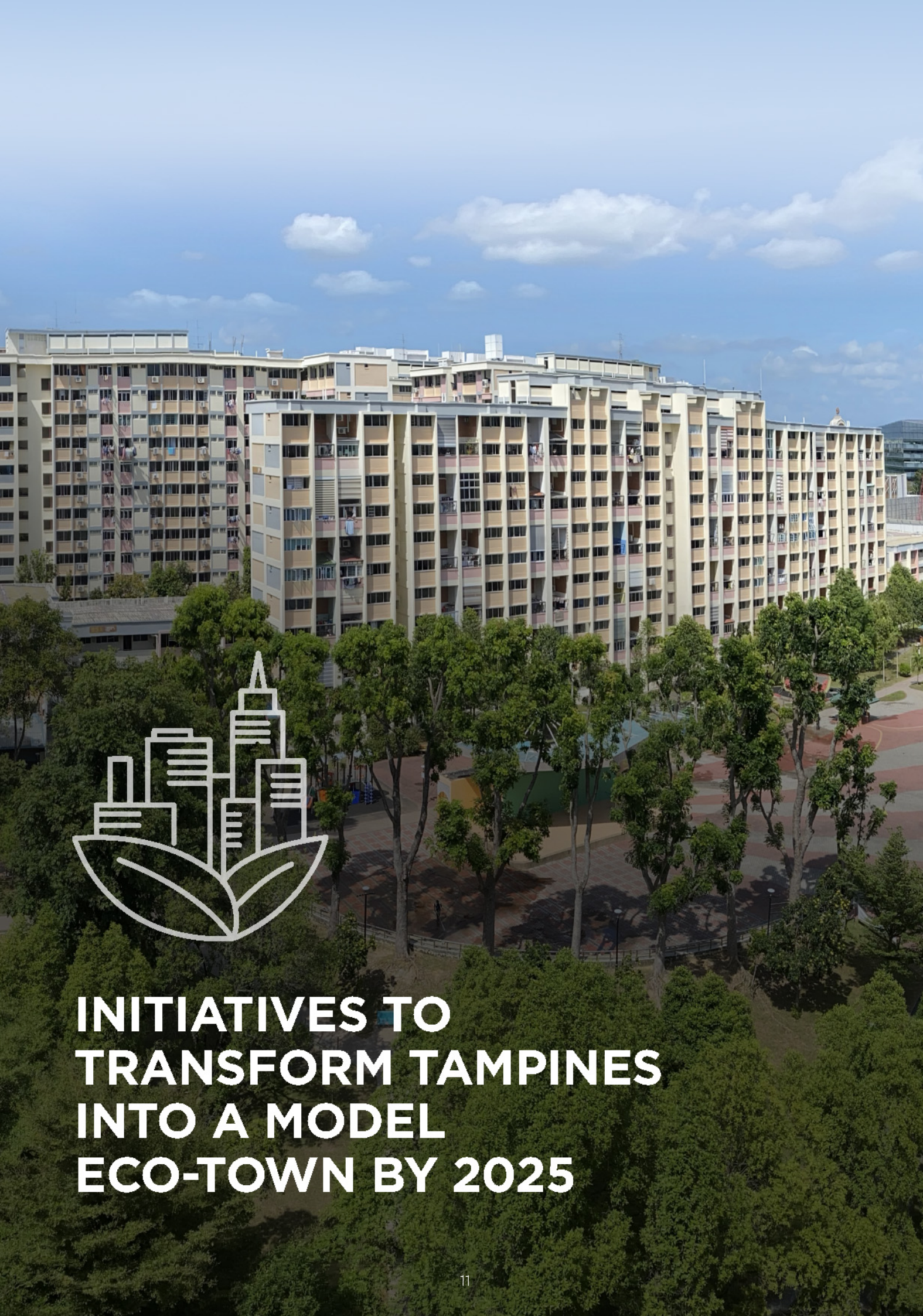
BLOCKS THAT HAVE BENEFITTED FROM LIFT ENHANCEMENT PROGRAMME:

- Blk 106-110, 161 and 165
- Blk 201A, B, D, E, 202A, 205-210, 208A, 209, 210, 215, 217-224, 230, 245-248 and 257
- Blk 407, 418- 424, 447, 461-467, 469-471, 476, 477, 479-481, 483, 484, 485B, 487A, B, 488A, B, 489C and 494D, E
- Blk 503, 505
- Blk 801 to 808, 842, 844, 846, 866-869, 867A, 871A, 874A, 885A and 889
- Blk 910-912, 914-916, 939 and 940

BLOCKS THAT HAVE BENEFITTED FROM LIFT REPLACEMENT PROGRAMME:

- Blk 450A, C to G (12 lifts)
- Blk 485A, 486A, 486B, 486C, 489B, 490A, 490B
- Blk 497A-D, 497F-H, 497J, 498A and B, 498D-H, 498J, 498L and M
- Blk 701-717
- Blk 718-734 (on-going)
- Blk 842G (on-going)
- Blk 856B-F



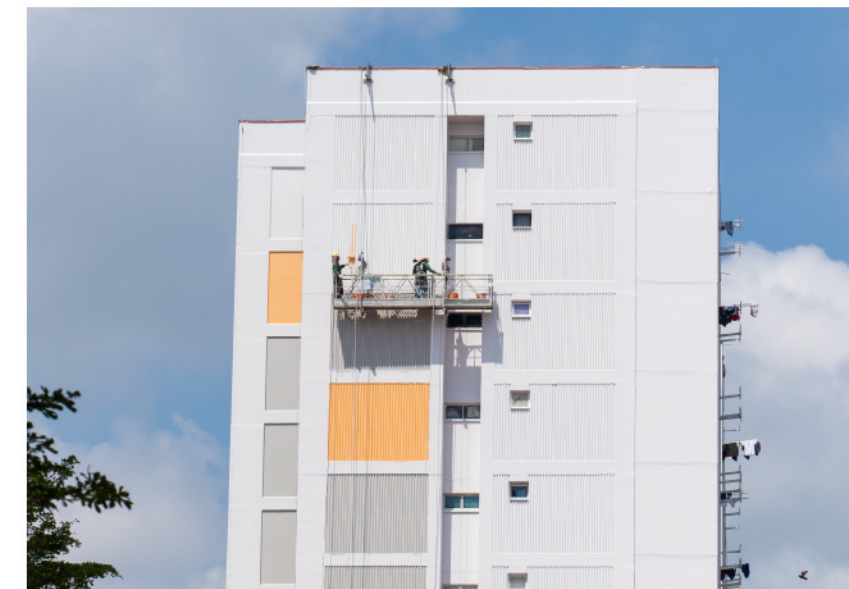


INITIATIVES TO TRANSFORM TAMPINES INTO A MODEL ECO-TOWN BY 2025



COOL PAINT FOR 130 HDB BLOCKS

Residents in Tampines will enjoy a cooler living environment under a pilot project by the Housing & Development Board (HDB) and Tampines Town Council, which will see approximately 130 HDB blocks painted with cool paint under Repairs and Redecoration (R&R).



ANNUAL TREE PLANTING DAY IN CONNECT @ N2

11 DECEMBER 2021

The annual event was held in the new community space at Tampines Neighbourhood 2 (N2) Centre, Connect@N2. Due to safe management measures, residents joined our MPs in the tree planting ceremony, using DIY gardening kits issued before the event, from the comfort of their homes via Zoom and Facebook Live.

During the event, residents were given a preview of the new amenities in Connect@N2 and learnt about NEWSand, an eco-friendly material used for the concrete floor finish of the allotment garden.



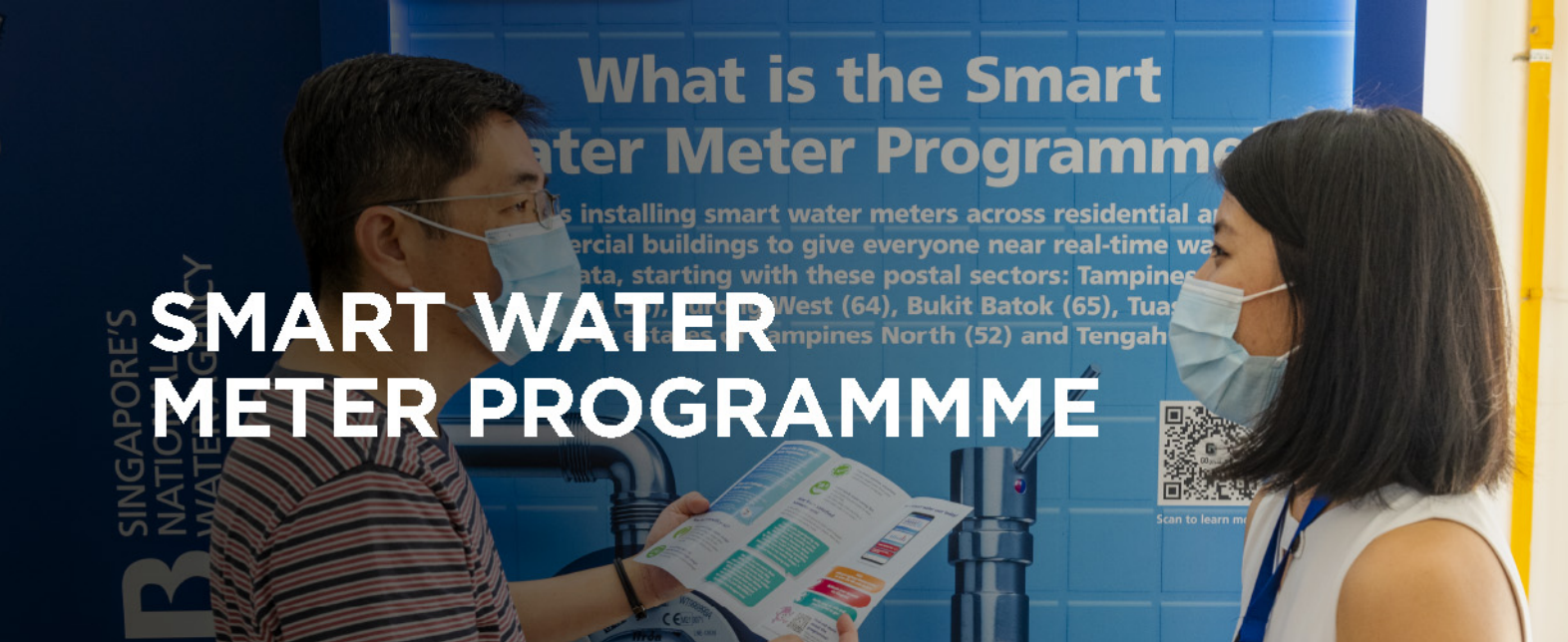
GROWING TEMASEK RICE IN VERTICAL HIGH-TECH FARM

12 FEBRUARY 2022

The first batch of Temasek Rice grown at a vertical high-tech farm was harvested successfully. The harvest is part of a research initiative by Netatech, supported by Tampines Town Council, Temasek Foundation, and Temasek Life Sciences Laboratory, to explore alternative spaces and the use of technology for commercial food production.

With the support from partners and agencies like the Singapore Food Agency, Tampines will work towards achieving the community's food security goal.





SMART WATER METER PROGRAMME

The PUB started installing smart water meters in Tampines Central in January 2022, and our town was among the first batch to receive smart water meters. Meter installation is ongoing, and residents in the postal zone (52) will receive invite letters from the PUB notifying them that their MySmartWaterMeter account is ready after their meters have been installed. Residents can sign in to their account to view their household's water usage information from their mobile phones.

PUB SINGAPORE'S NATIONAL WATER AGENCY

Track water usage anytime, anywhere on MySmartWaterMeter account.

Monitor water usage easily
View daily and hourly water usage, anytime and anywhere.

Set monthly water goal
Reduce your water bill with a goal you set.

Receive timely alerts
Be alerted to suspected leaks and high water usage.

How to activate MySmartWaterMeter account

1. Visit pub.gov.sg/smartwatermeter/ or scan the QR code
2. Activate your account* via Singpass
3. Verify your details and you're good to go!

Scan to learn more.

*Only applicable for account holders with smart water meters installed on their premises and have received letters from PUB to activate account.

MAKE EVERY DROP COUNT



FINANCIAL STATEMENTS

(ESTABLISHED UNDER THE TOWN COUNCIL ACT, 1988)
FOR YEAR ENDED 31 MARCH 2022



TAMPINES TOWN COUNCIL
(Established under the Town Councils Act 1988)

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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tampines Town Council (the "Town Council"), which comprise the statement of financial position as at 31 March 2022, the income and expenditure statement, statement of comprehensive income, statement of changes in Town Council funds and statement of cash flows of the Town Council for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Town Council are properly drawn up in accordance with the provisions of the Town Councils Act 1988 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Town Council as at 31 March 2022, and of the financial performance, changes in Town Council funds and cash flows of the Town Council for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Annual Report set out on pages 1 to 15 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

A Town Council is established under the Act and may be dissolved by the Minister's order published in the Gazette. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Town Council during the financial year ended 31 March 2022 are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Town Council whether purchased, donated or otherwise.

Basis for Opinion

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

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditor's Responsibilities for the Compliance Audit

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

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

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




AT ADLER
Public Accountants and Chartered Accountants

Singapore, 20 September 2022

Statement of financial position as at 31 March 2022

	Note	2021/2022 S\$	2020/2021 S\$
TOWN COUNCIL FUND			
RESIDENTIAL PROPERTY			
Accumulated surplus	3	7,910,921	5,522,816
Sinking fund	4	34,957,271	35,745,893
Lift Replacement fund	5	35,961,678	37,936,118
Town improvement and project fund	6	1,919,049	1,931,787
		80,748,919	81,136,614
COMMERCIAL PROPERTY			
Accumulated surplus	3	2,575,200	1,475,872
Sinking fund	4	15,842,102	16,059,243
Lift Replacement fund	5	6,755,454	6,360,991
Town improvement and project fund	6	887,783	1,001,120
		26,060,539	24,897,226
CARPARK			
Accumulated surplus	3	3,432,798	2,112,434
		110,242,256	108,146,274
Represented by:			
NON-CURRENT ASSETS			
Plant and equipment	8	1,039,831	1,217,610
Right-of-use assets	9	874,476	1,060,301
		1,914,307	2,277,911
CURRENT ASSETS			
Receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	7	4,518,773	3,529,814
Conservancy and service fee receivables	10	1,363,589	1,671,439
Other receivables	11	10,306,630	7,182,055
Prepayments		255,731	235,940
Cash and cash equivalents	12	99,589,776	114,587,478
		116,034,499	127,206,726
TOTAL ASSETS		117,948,806	129,484,637
Less:			
NON-CURRENT LIABILITY			
Lease liabilities	15	734,060	911,722
CURRENT LIABILITIES			
Conservancy and service fee received in advance	13	1,088,185	983,389
Advances for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	7	2,283,214	823,928
Payables and accrued expenses	14	2,477,154	17,286,984
Lease liabilities	15	177,662	171,479
Current tax payable		946,275	1,160,861
		6,972,490	20,426,641
TOTAL LIABILITIES		7,706,550	21,338,363
NET ASSETS		110,242,256	108,146,274

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



MS CHENG LI HUI
Chairman



MR WANG YAM PENG
Secretary

Date: 20 September 2022

Income and expenditure statement for the financial year ended 31 March 2022

	Note	2021/2022 S\$	2020/2021 S\$
OPERATING INCOME			
Conservancy and service fees	3	53,186,302	51,600,100
Less: Operating transfer to sinking fund (minimum required by law)	3, 4	(13,828,434)	(13,416,021)
Operating transfer to lift replacement fund (minimum required by law)	3, 5	(7,446,094)	(7,224,026)
		31,911,774	30,960,053
Agency fees	16	3,897,823	3,551,327
Other income	17	3,670,131	3,569,626
		39,479,728	38,081,006
Less:			
OPERATING EXPENDITURE			
Cleaning works		7,570,515	7,136,667
Managing agent's fees	18	5,743,970	5,412,008
Lift maintenance		7,436,451	7,713,669
Other works and maintenance		5,897,553	5,385,584
Water and electricity		9,594,324	8,887,731
General and administrative expenditure	19	2,883,542	2,884,391
		(39,126,355)	(37,420,050)
OPERATING SURPLUS		353,373	660,956
Add:			
NON-OPERATING INCOME			
Interest income	3	14,140	-
SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS		367,513	660,956
Less:			
Income tax	3, 20	(363,813)	(392,034)
SURPLUS AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS		3,700	268,922
Add:			
Government grants	3, 25	16,917,210	14,489,581
Less: Transfer to sinking fund	3, 4, 25	(2,515,109)	(2,458,188)
Less: Transfer to lift replacement fund	3, 5, 25	(5,769,817)	(5,573,875)
Less: Transfer to town improvement and project fund	3, 6, 25	(2,828,187)	(784,772)
		5,804,097	5,672,746
SURPLUS FOR THE YEAR		5,807,797	5,941,668
Add:			
Accumulated surplus at 1 April		9,111,122	6,193,949
Less:			
Transfer of Accumulated Surplus to Sinking Fund as at 22 June 2020	3, 4	-	(1,445,922)
Transfer of Accumulated Surplus to Lift Replacement Fund as at 22 June 2020	3, 5	-	(778,573)
Appropriation to town improvement and project fund	3, 6	(1,000,000)	(800,000)
ACCUMULATED SURPLUS AT 31 MARCH		13,918,919	9,111,122

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

Statement of comprehensive income for the financial year ended 31 March 2022

	Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY		CARPARK	
		2021/2022 S\$	2020/2021 S\$	2021/2022 S\$	2020/2021 S\$	2021/2022 S\$	2020/2021 S\$	2021/2022 S\$	2020/2021 S\$
Surplus/(deficit) for the year:									
- Accumulated surplus	3	5,807,797	5,941,668	3,388,105	4,045,301	1,099,328	792,555	1,320,364	1,103,812
- Sinking fund	4	(1,005,763)	3,266,314	(788,622)	3,236,089	(217,141)	30,225	-	-
- Lift replacement fund	5	(1,579,977)	1,348,904	(1,974,440)	965,492	394,463	383,412	-	-
- Town improvement and project fund	6	(1,126,075)	(248,827)	(1,012,738)	(235,195)	(113,337)	(13,632)	-	-
Total surplus/(deficit) for the year		2,095,982	10,308,059	(387,695)	8,011,687	1,163,313	1,192,560	1,320,364	1,103,812
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-
Total comprehensive income for the year attributable to Town Council Fund		2,095,982	10,308,059	(387,695)	8,011,687	1,163,313	1,192,560	1,320,364	1,103,812

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

Statement of changes in funds for the financial year ended 31 March 2022

	TOTAL S\$	RESIDENTIAL PROPERTY S\$	COMMERCIAL PROPERTY S\$	CARPARK S\$
Balance at 1 April 2020	97,838,215	73,124,927	23,704,666	1,008,622
Total comprehensive income for the year	10,308,059	8,011,687	1,192,560	1,103,812
Balance at 31 March 2021	108,146,274	81,136,614	24,897,226	2,112,434
Balance at 1 April 2021	108,146,274	81,136,614	24,897,226	2,112,434
Total comprehensive income for the year	2,095,982	(387,695)	1,163,313	1,320,364
Balance at 31 March 2022	110,242,256	80,748,919	26,060,539	3,432,798

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

Statement of cash flows

for the financial year ended 31 March 2022

	Note	2021/2022 S\$	2020/2021 S\$
Cash Flows from Operating Activities			
Surplus in income and expenditure statement before taxation and government grants		367,513	660,956
Adjustments for:			
Conservancy and service fees transferred to sinking fund	3, 4	13,828,434	13,416,021
Conservancy and service fees transferred to lift replacement fund	3, 5	7,446,094	7,224,026
Depreciation of plant and equipment	8, 19	351,227	293,722
Depreciation of right-of-use assets	9, 19	185,825	193,609
Provision for impairment in conservancy and service fees	10, 19	123,701	305,822
Bad debts written off	19	39,340	-
Lease interest expense	19	42,717	28,534
Interest income	3	(14,140)	-
Operating surplus before working capital changes		22,370,711	22,122,690
Decrease/(increase) in conservancy and service fee and other receivables		397,782	(1,608,794)
(Increase)/decrease in prepayments		(19,791)	64,676
(Decrease)/increase in payables and accrued expenses and conservancy and service fee received in advance		(14,705,034)	6,398,063
Increase in Lift Enhancement Programme receivables		(1,680,165)	(1,318,029)
Net movement in advances received or receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme		470,327	142,974
Cash generated from operations		6,833,830	25,801,580
Sinking fund expenditure	4	(17,533,133)	(12,971,766)
Lift replacement fund expenditure	5	(14,948,574)	(11,778,961)
Town improvement and project fund expenditure	6	(3,954,262)	(1,033,599)
Income tax paid		(646,045)	(470,004)
Net cash used in operating activities		(30,248,184)	(452,750)
Cash Flows from Investing Activities			
Purchase of plant and equipment	8	(173,448)	(733,246)
Interest received		414,806	1,034,860
Net cash generated from investing activities		241,358	301,614
Cash Flows from Financing Activities			
Government grants received	25	15,223,320	16,411,681
Lease payments	15	(171,479)	(185,906)
Interest paid		(42,717)	(28,534)
Net cash generated from financing activities		15,009,124	16,197,241
Net (decrease)/increase in cash and cash equivalents		(14,997,702)	16,046,105
Cash and cash equivalents at beginning of year		114,587,478	98,541,373
Cash and cash equivalents at end of year	12	99,589,776	114,587,478

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

Notes to the financial statements

for the financial year ended 31 March 2022

1 GENERAL INFORMATION

The Town Council was established on 5 August 1990 under the Town Councils Act 1988. The functions of the Town Council are to control, manage, maintain and improve the common property of residential and commercial property in the housing estates of the Housing and the Development Board (HDB) within the Town. The town consists of the Tampines Group Representation Constituency.

The financial statements of the Town Council for the financial year ended 31 March 2022 were authorised for issue by the members of Town Council on 20 September 2022.

The head office of the Town Council is situated at:

Blk 136 Tampines Street 11
Singapore 521136

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") as issued by the Singapore Accounting Standards Council as well as all related interpretations to FRSs ("INT FRSs") and the Town Councils Act 1988. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed, where appropriate, in these financial statements.

(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

(ii) Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Town Council has adopted all the new and amended standards which are relevant to the Town Council and are effective for annual financial periods beginning on 1 April 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Town Council.

(c) FUNDS

TOWN COUNCIL FUND

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

Residential Property
Commercial Property

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) FUNDS (CONT'D)

TOWN COUNCIL FUND (CONT'D)

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

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

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

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

SINKING FUND

In accordance with Section 47(4) of the Town Councils Act, a separate Sinking Fund is established for the improvement to, management and maintenance of Residential Property and Commercial Property.

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

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

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

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

LIFT REPLACEMENT FUND ("LRF")

In accordance with Section 47(5) of the Town Councils Act, a separate Lift Replacement Fund is established to meet the cost of any capital expenditure related to the replacement of lifts or lift upgrading works on Residential Property and Commercial Property.

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

- (i) Quarterly contributions to the LRF from service and conservancy charges collections and other grants-in-aids, including voluntary contributions beyond the minimum LRF contribution rate; and
- (ii) Voluntary contributions of Operating Fund surpluses to the LRF at the end of a financial year, as allowed under Section 47(12) of the amended Town Councils Act.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) FUNDS (CONT'D)

LIFT REPLACEMENT FUND ("LRF") (CONT'D)

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

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

TOWN IMPROVEMENT AND PROJECT FUND

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

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

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

(d) ALLOCATION OF GENERAL OVERHEADS

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

Property type	Equivalent Dwelling Unit(s)
1 residential property unit	1
1 commercial property unit	2
6 car lots or 36 motor cycle lots or 4 lorry lots	1

(e) GOVERNMENT GRANTS

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) PLANT AND EQUIPMENT

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

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

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

Furniture, Fixtures and Fittings	5 years
Data Processing Equipment	3 - 6 years
Office Equipment	3 years
Renovation	5 years

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

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

(g) IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) FINANCIAL ASSETS

(i) Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Town Council measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

(ii) Subsequent measurement

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

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

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

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

The Town Council only has debt instruments at amortised cost.

(iii) Derecognition

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

(iv) Impairment

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(h) FINANCIAL ASSETS (CONT'D)****(iv) Impairment (cont'd)**

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

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

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

(i) CASH AND CASH EQUIVALENTS

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

(j) FAIR VALUE OF FINANCIAL INSTRUMENTS

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

(k) FINANCIAL LIABILITIES

Initial recognition and measurement:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss is expensed immediately. The transactions are recorded at the trade date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(k) FINANCIAL LIABILITIES (CONT'D)**

Subsequent measurement:

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

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

(l) PROVISIONS

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in the income and expenditure statement in the period they occur.

(m) LEASES AS A LESSEE

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

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

Right-of-use assets

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

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

2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m)

LEASES AS A LESSEE (CONT'D)

Lease liabilities

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

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

The Town Council's lease liabilities are included in Note 15.

(n)

INCOME TAX

Income tax is provided on the following income:

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

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

In respect of government grant received, the Town Council has been granted remission under Section 92(2) of the Income Tax Act 1947.

2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o)

RECOGNITION OF INCOME

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

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

(p)

INTER-FUND TRANSFER

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

(q)

FUNCTIONAL CURRENCY

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

(r)

RECEIVABLES/ADVANCES RECEIVED FOR NEIGHBOURHOOD RENEWAL PROGRAMME

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

The funding for the programme belongs to the government which is for the specific use of projects under the programme. For projects approved prior to 2015, the Town Council received funding of S\$3,400 per dwelling unit to cover NRP construction costs, professional and consultancy fees. In addition, the Town Council was also entitled to a sum of S\$150 per dwelling unit or S\$125,000, whichever is higher, to cover miscellaneous costs relating to the NRP project. However, if the cost of project works incurred exceeds the funding provided, the Town Council has to bear the cost of excess expenditure.

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

(s)

RECEIVABLES/ADVANCES RECEIVED FOR ELECTRICAL LOAD UPGRADING PROGRAMME

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

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

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

(i) Expected credit loss on receivables

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Town Council's historical credit loss experience and forecast economic conditions may also not be representative of the actual default in the future. The information about the ECLs on the Town Council's conservancy and service fee receivables is disclosed in Note 10.

The ECL for conservancy and service fee receivables amounted to S\$2,886,157 (2020/2021 - S\$2,762,456).

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

(ii) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant and equipment between 3 to 6 years. The carrying amount of the plant and equipment as at 31 March 2022 was S\$1,039,831 (2020/2021 - S\$1,217,610). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)

(iii) Income tax

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

(u) OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

3 ACCUMULATED SURPLUS

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

	Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY		CARPARK	
		2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
OPERATING INCOME									
Conservancy and service fees		53,186,302	51,600,100	50,151,030	48,762,989	3,035,272	2,837,111	-	-
Less: Operating transfer to sinking fund (minimum required by law)	4	(13,828,434)	(13,416,021)	(13,039,264)	(12,678,373)	(789,170)	(737,648)	-	-
Operating transfer to lift replacement fund (minimum required by law)	5	(7,446,094)	(7,224,026)	(7,021,159)	(6,826,832)	(424,935)	(397,194)	-	-
		31,911,774	30,960,053	30,090,607	29,257,784	1,821,167	1,702,269	-	-
Agency fees	16	3,897,823	3,551,327	-	-	-	-	3,897,823	3,551,327
Other income	17	3,670,131	3,569,626	2,907,555	2,969,093	728,614	567,192	33,962	33,341
		39,479,728	38,081,006	32,998,162	32,226,877	2,549,781	2,269,461	3,931,785	3,584,668
Less:									
OPERATING EXPENDITURE		(39,126,355)	(37,420,050)	(35,083,793)	(33,508,536)	(1,463,032)	(1,465,586)	(2,579,530)	(2,445,928)
Operating surplus/(deficit)		353,373	660,956	(2,085,631)	(1,281,659)	1,086,749	803,875	1,352,255	1,138,740
Add:									
NON-OPERATING INCOME – interest income		14,140	-	12,416	-	437	-	1,287	-
SURPLUS/(DEFICIT) BEFORE TAXATION AND GOVERNMENT GRANTS		367,513	660,956	(2,073,215)	(1,281,659)	1,087,186	803,875	1,353,542	1,138,740
Less:									
INCOME TAX	20	(363,813)	(392,034)	(319,383)	(344,705)	(11,252)	(12,401)	(33,178)	(34,928)
SURPLUS/(DEFICIT) AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS		3,700	268,922	(2,392,598)	(1,626,364)	1,075,934	791,474	1,320,364	1,103,812
Add:									
Government Grants		16,917,210	14,489,581	16,661,254	14,289,617	255,956	199,964	-	-
Less: Transfer to sinking fund	4	(2,515,109)	(2,458,188)	(2,504,970)	(2,457,720)	(10,139)	(468)	-	-
Transfer to lift replacement fund	5	(5,769,817)	(5,573,875)	(5,547,394)	(5,375,460)	(222,423)	(198,415)	-	-
Transfer to Town improvement and project fund	6	(2,828,187)	(784,772)	(2,828,187)	(784,772)	-	-	-	-
		5,804,097	5,672,746	5,780,703	5,671,665	23,394	1,081	-	-
SURPLUS FOR THE YEAR		5,807,797	5,941,668	3,388,105	4,045,301	1,099,328	792,555	1,320,364	1,103,812
Add:									
Accumulated surplus at 1 April		9,111,122	6,193,949	5,522,816	2,277,515	1,475,872	2,907,812	2,112,434	1,008,622
Less:									
Transfer of Accumulated Surplus to Sinking Fund as at 22 June 2020	4	-	(1,445,922)	-	-	-	(1,445,922)	-	-
Transfer of Accumulated Surplus to Lift Replacement Fund as at 22 June 2020	5	-	(778,573)	-	-	-	(778,573)	-	-
Appropriation to town improvement and project fund	6	(1,000,000)	(800,000)	(1,000,000)	(800,000)	-	-	-	-
Accumulated surplus at 31 March		13,918,919	9,111,122	7,910,921	5,522,816	2,575,200	1,475,872	3,432,798	2,112,434

TAMPINES TOWN COUNCIL
(Established under the Town Councils Act 1988)
Notes to the financial statements for the financial year ended 31 March 2022

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4 SINKING FUND

	Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY	
		2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
		S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 April		51,805,136	47,092,900	35,745,893	32,509,804	16,059,243	14,583,096
Add:							
INCOME		221,091	438,217	213,516	423,015	7,575	15,202
OPERATING TRANSFERS FROM:	22(a)						
- Conservancy and service fees (minimum required by law)	3	13,828,434	13,416,021	13,039,264	12,678,373	789,170	737,648
- Government Grants	3, 25	2,515,109	2,458,188	2,504,970	2,457,720	10,139	468
		16,564,634	16,312,426	15,757,750	15,559,108	806,884	753,318
Less: EXPENDITURE	22(b)	(17,533,133)	(12,971,766)	(16,510,376)	(12,251,254)	(1,022,757)	(720,512)
Less: INCOME TAX	20	(37,264)	(74,346)	(35,996)	(71,765)	(1,268)	(2,581)
(DEFICIT)/SURPLUS FOR THE YEAR		(1,005,763)	3,266,314	(788,622)	3,236,089	(217,141)	30,225
Transfer from Accumulated Surplus as at 22 June 2020	3	-	1,445,922	-	-	-	1,445,922
Balance at 31 March		50,799,373	51,805,136	34,957,271	35,745,893	15,842,102	16,059,243

Represented by:	
CURRENT ASSETS	
Conservancy and service fee receivables	587,320
Amount due from Operating Fund	3,735,634
Other receivables	574,501
Cash and cash equivalents	49,518,070
Total assets	54,415,525
Less:	
CURRENT LIABILITIES	
Current tax payable	252,108
Payables and accrued expenses	2,358,281
Total liabilities	2,610,389
NET ASSETS	51,805,136

5 LIFT REPLACEMENT FUND

	Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY	
		2021/2022 S\$	2020/2021 S\$	2021/2022 S\$	2020/2021 S\$	2021/2022 S\$	2020/2021 S\$
Balance at 1 April		44,297,109	42,169,632	37,936,118	36,970,626	6,360,991	5,199,006
Add:							
INCOME	23(a)	183,068	396,496	176,797	382,732	6,271	13,764
Operating transfer from Conservancy and service fees (minimum required by law)	3	7,446,094	7,224,026	7,021,159	6,826,832	424,935	397,194
		7,629,162	7,620,522	7,197,956	7,209,564	431,206	410,958
Add:							
Transfer from Government Grants							
- Lift Replacement Fund (LRF) Matching Grant		4,415,526	4,250,233	4,188,561	4,052,070	216,965	188,163
- Other government grants		1,354,291	1,323,642	1,348,833	1,323,390	5,458	252
	3, 25	5,769,817	5,573,875	5,547,394	5,375,460	222,423	188,415
Less: EXPENDITURE	23(b)	(14,948,574)	(11,778,961)	(14,690,442)	(11,555,311)	(258,132)	(223,650)
Less: INCOME TAX	20	(30,382)	(66,532)	(29,348)	(64,221)	(1,034)	(2,311)
SURPLUS FOR THE YEAR		(1,579,977)	1,348,904	(1,974,440)	965,492	394,463	383,412
Add:							
Transfer from Accumulated Surplus as at 22 June 2020	3	-	778,573	-	-	-	778,573
		(1,579,977)	2,127,477	(1,974,440)	965,492	394,463	1,161,985
Balance at 31 March		42,717,132	44,297,109	35,961,678	37,936,118	6,755,454	6,360,991

Represented by:

CURRENT ASSETS	
Conservancy and service fee receivables	316,249
Amount due from Operating Fund	1,967,792
Other receivables	3,544,067
Cash and cash equivalents	45,759,353
Total assets	51,587,461
Less:	
CURRENT LIABILITIES	
Current tax payable	127,881
Payables and accrued expenses	7,162,471
Total liabilities	7,290,352

NET ASSETS	42,717,132	44,297,109
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TAMPINES TOWN COUNCIL

(Established under the Town Councils Act 1988)

Notes to the financial statements for the financial year ended 31 March 2022

6 TOWN IMPROVEMENT AND PROJECT FUND

	Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY	
		2021/2022 S\$	2020/2021 S\$	2021/2022 S\$	2020/2021 S\$	2021/2022 S\$	2020/2021 S\$
Balance at 1 April		2,932,907	2,381,734	1,931,787	1,366,982	1,001,120	1,014,752
Add:							
Transfer from Government Grants	3	2,828,187	784,772	2,828,187	784,772	-	-
Less:							
Expenditure		(3,954,262)	(1,033,599)	(3,840,925)	(1,019,967)	(113,337)	(13,632)
Deficit for the year		(1,126,075)	(248,827)	(1,012,738)	(235,195)	(113,337)	(13,632)
Appropriation from accumulated surplus	3	1,000,000	800,000	1,000,000	800,000	-	-
Balance at 31 March		2,806,832	2,932,907	1,919,049	1,931,787	887,783	1,001,120

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

Out of the total of S\$3,954,262 (2020/2021 - S\$1,033,599) spent on town improvement projects, S\$2,828,187 (2020/2021 - S\$784,772) was met by payment from CCC.

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

	2021/2022 S\$	2020/2021 S\$
Balance at 1 April	2,705,886	2,848,860
Funding from government	(2,869,031)	(1,353,094)
Payment to contractors	2,398,704	1,210,120
Balance at 31 March	2,235,559	2,705,886
Represented by:		
Receivables for Neighbourhood Renewal Programme	3,953,918	3,247,066
Receivables for Electrical Load Upgrading Programme	564,855	282,748
Receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	4,518,773	3,529,814
Advances received for Neighbourhood Renewal Programme	(2,235,136)	(729,263)
Advances received for Electrical Load Upgrading Programme	(48,078)	(94,665)
Advances received for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	(2,283,214)	(823,928)
	2,235,559	2,705,886

8 PLANT AND EQUIPMENT

	Total S\$	Furniture, fixtures and fittings S\$	Data processing equipment S\$	Office equipment S\$	Renovation S\$
Cost					
Balance at 1 April 2021	2,190,460	376,822	831,671	270,261	711,706
Additions during the year	173,448	-	173,448	-	-
Written off	(2,230)	-	-	(2,230)	-
Balance at 31 March 2022	2,361,678	376,822	1,005,119	268,031	711,706
Accumulated depreciation					
Balance at 1 April 2021	972,850	369,340	147,731	174,227	281,552
Depreciation for the year	351,227	5,630	176,053	47,394	122,150
Written off	(2,230)	-	-	(2,230)	-
Balance at 31 March 2022	1,321,847	374,970	323,784	219,391	403,702
Net book value					
Balance at 31 March 2022	1,039,831	1,852	681,335	48,640	308,004
Cost					
Balance at 1 April 2020	1,509,124	375,807	223,718	197,893	711,706
Additions during the year	733,246	1,015	659,863	72,368	-
Written off	(51,910)	-	(51,910)	-	-
Balance at 31 March 2021	2,190,460	376,822	831,671	270,261	711,706
Accumulated depreciation					
Balance at 1 April 2020	731,038	352,707	102,529	118,943	156,859
Depreciation for the year	293,722	16,633	97,112	55,284	124,693
Written off	(51,910)	-	(51,910)	-	-
Balance at 31 March 2021	972,850	369,340	147,731	174,227	281,552

8 PLANT AND EQUIPMENT (CONT'D)

	Total S\$	Furniture, fixtures and fittings S\$	Data processing equipment S\$	Office equipment S\$	Renovation S\$
Net book value					
Balance at 31 March 2021	1,217,610	7,482	683,940	96,034	430,154

9 RIGHT-OF-USE ASSETS

The Town Council has leases for office premises and office equipment. No renewal options were granted for the leases of the office equipment. The lease term for the office premises was 3 years with a renewal option for another 3 years.

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

Town Council has obtained quotation for office restoration costs. Town Council has assessed the impact of the cost restoration is immaterial hence provision for office restoration costs is not taken up.

	Office premises S\$	Office equipment S\$	Total S\$
Cost			
Balance at 1 April 2021	1,410,912	34,607	1,445,519
Disposal during the year	-	(3,901)	(3,901)
Balance at 31 March 2022	1,410,912	30,706	1,441,618
Accumulated depreciation			
Balance at 1 April 2021	371,484	13,734	385,218
Depreciation for the year	178,187	7,638	185,825
Disposal during the year	-	(3,901)	(3,901)
Balance at 31 March 2022	549,671	17,471	567,142
Net book value			
Balance at 31 March 2022	861,241	13,235	874,476

	Office premises S\$	Office equipment S\$	Total S\$
Cost			
Balance at 1 April 2020	897,755	34,607	932,362
Additions during the year	513,157	-	513,157
Balance at 31 March 2021	1,410,912	34,607	1,445,519
Accumulated depreciation			
Balance at 1 April 2020	185,742	5,867	191,609
Depreciation for the year	185,742	7,867	193,609
Balance at 31 March 2021	371,484	13,734	385,218
Net book value			
Balance at 31 March 2021	1,039,428	20,873	1,060,301

10 CONSERVANCY AND SERVICE FEE RECEIVABLES

	2021/2022 S\$	2020/2021 S\$
Conservancy and service fee receivables	2,337,059	2,707,991
Interest receivable on late payments	1,745,684	1,563,118
Legal fees receivable	166,666	162,449
Disbursement fees receivable	337	337
Less: Allowance for impairment	(2,886,157)	(2,762,456)
	<u>1,363,589</u>	<u>1,671,439</u>
Movements in above allowance:		
Balance at 1 April	2,762,456	2,456,634
Allowance made for the financial year (Note 19)	123,701	305,822
Balance at 31 March	<u>2,886,157</u>	<u>2,762,456</u>

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

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

	Current S\$	Less than 6 months S\$	Past due 6 to 12 months S\$	12 to 24 months S\$	More than 24 months S\$	Total S\$
2021/2022						
Conservancy and service fee receivables	322,260	498,210	335,302	707,837	2,386,137	4,249,746
Loss allowance	-	(62,276)	(83,825)	(353,919)	(2,386,137)	(2,886,157)
						<u>1,363,589</u>
2020/2021						
Conservancy and service fee receivables	325,791	540,397	555,947	911,680	2,100,080	4,433,895
Loss allowance	-	(67,549)	(138,987)	(455,840)	(2,100,080)	(2,762,456)
						<u>1,671,439</u>

11 OTHER RECEIVABLES

	2021/2022 S\$	2020/2021 S\$
Claims for Citizens' Consultative Committee Funding	3,392,254	1,809,034
Conservancy and Service Grant Receivable	74,297	8,342
Deposits	563,471	338,747
Goods and Services Tax Receivable	474,347	1,150,040
GST Subvention Grant Receivable	489,696	478,029
Interest Receivable	141,370	137,877
Lift Replacement Fund Matching Grant Receivable	979,855	946,807
Receivables from Housing & Development Board (HDB)	567,199	338,617
Recoverable from HDB for Lift Enhancement Programme (LEP)	3,485,320	1,805,155
Sundry Receivables	138,821	405,419
Less: Allowance for impairment for sundry receivables	-	(236,012)
	<u>10,306,630</u>	<u>7,182,055</u>

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

12 CASH AND CASH EQUIVALENTS

	2021/2022 S\$	2020/2021 S\$
Fixed deposits	79,830,616	84,202,362
Cash and bank balances	19,759,160	30,385,116
	<u>99,589,776</u>	<u>114,587,478</u>

The fixed deposits mature within 12 months (2020/2021 - within 12 months) from the end of the financial year. The weighted average effective interest rate of fixed deposits as at 31 March 2022 was 0.61% (2020/2021 - 0.53%) per annum.

13 CONSERVANCY AND SERVICE FEE RECEIVED IN ADVANCE

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

Conservancy and service fee income recognised during the financial year ended 31 March 2022 included in contract liabilities at the beginning of the financial year was S\$983,389 (2020/2021 - S\$940,533).

14 PAYABLES AND ACCRUED EXPENSES

	2021/2022 S\$	2020/2021 S\$
Accrued operating expenses	534,392	3,607,358
Refundable deposits	257,470	278,190
Payables to contractors	623,470	12,491,162
Other creditors	1,061,822	910,274
	<u>2,477,154</u>	<u>17,286,984</u>

15 LEASE LIABILITIES

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

	2021/2022 S\$	2020/2021 S\$
Current: Due within 12 months	177,662	171,479
Non-current: Due after 1 year but within 5 years	734,060	743,516
Due more than 5 years	-	168,206
	<u>734,060</u>	<u>911,722</u>
	<u>911,722</u>	<u>1,083,201</u>

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

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

	At 1 April S\$	Additions S\$	Financing cash flows - lease payments S\$	At 31 March S\$
2021/2022				
Lease liabilities	1,083,201	-	(171,479)	911,722
2020/2021				
Lease liabilities	755,950	513,157	(185,906)	1,083,201

16 AGENCY FEES

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

17 OTHER INCOME

	2021/2022 S\$	2020/2021 S\$
Late Payment Penalty	380,614	271,401
Liquidated Damages	158,230	167,142
Others	19,744	10,523
Rental of Community Hall	1,250	500
Sale of Tender Documents	15,711	16,228
Sundry Fines & Income	179,903	199,833
Temporary Occupation Licence Income	2,911,429	2,869,699
Rental Relief	3,250	34,300
	3,670,131	3,569,626

18 MANAGING AGENT'S FEES

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

	2021/2022 S\$	2020/2021 S\$
Facility Management & Maintenance	4,998,056	4,589,294
Community Engagement & Communications	534,714	534,714
New Sustainability Initiatives	211,200	211,200
Community Liaison Officer	-	76,800
	5,743,970	5,412,008

19 GENERAL AND ADMINISTRATIVE EXPENDITURE

The general and administrative expenditure comprises the following:

	2021/2022 S\$	2020/2021 S\$
Advertising, publicity and public relations	413,654	350,300
Audit fee	43,180	64,848
Bad Debts written off	39,340	-
Computer services fee	354,070	387,162
Depreciation of plant and equipment (Note 8)	351,227	293,722
Depreciation of right-of-use assets (Note 9)	185,825	193,609
Doubtful Debts (S&CC - Note 10)	123,701	305,822
Fees and charges *	266,647	365,010
Irrecoverable goods and services tax (Note 21)	310,681	230,339
Lease Interest Expense	42,717	28,534
Office upkeep expenses	127,929	89,585
Office supplies and stationery	172,036	183,700
Property tax	309,396	248,707
Town Councillors' allowances	107,520	113,780
Others	35,619	29,273
	2,883,542	2,884,391

* Reimbursement of S\$227,607 (FY2020/2021: S\$118,218) received from MND for Safe Distancing Measures is used to partially offset against the expenses incurred.

20 INCOME TAX

	Income & Expenditure Statement S\$	Sinking Fund Statement S\$	Lift Replacement Fund Statement S\$	Total S\$
Taken up in:				
2021/2022				
Current income tax provision	363,568	37,248	30,348	431,164
Under provision in prior year	245	16	34	295
	363,813	37,264	30,382	431,459
2020/2021				
Current income tax provision	374,643	73,968	66,205	514,816
Under provision in prior year	17,391	378	327	18,096
	392,034	74,346	66,532	532,912

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

	2021/2022 S\$	2020/2021 S\$
Interest income received	418,299	834,713
Grant and other income	19,370,819	16,733,763
Allowable expenses	(268,845)	(266,745)
	19,520,273	17,301,731
Tax at statutory rate of 17%	3,318,446	2,941,294
Tax exempt income	(17,425)	(17,425)
Tax remission of government grants under section 92(2) of Singapore Income Tax	(2,869,857)	(2,409,053)
Under provision in prior year	295	18,096
	431,459	532,912

21 IRRECOVERABLE GOODS AND SERVICES TAX

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

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

	2021/2022 S\$	2020/2021 S\$
Interest Income - Bank fixed deposits/current account	221,091	438,217
	221,091	438,217

(b) Expenditure

	2021/2022 S\$	2020/2021 S\$
Bin Chute	-	353,730
Electrical Rewiring	5,044,141	2,390,932
General & Administrative Expenses/ (Income)	90	2,088
Irrecoverable Goods & Services Tax	142,045	119,861
Project Management Fees	666,087	535,193
Redecoration & Repainting	6,001,540	6,674,365
Replacement of Booster Pumps	-	162,623
Replacement of Transfer Pumpsets	502,738	537,976
Replacement of Water Pipes	1,185,539	1,185,229
Replacement of Alert Alarm System	490,576	227,796
Re-roofing Works	3,500,377	781,973
	17,533,133	12,971,766

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

	2021/2022 S\$	2020/2021 S\$
Interest income from fixed deposits/current account	183,068	396,496
	183,068	396,496

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

	2021/2022 S\$	2020/2021 S\$
General & Administrative Expenses	311	1,083
Irrecoverable Goods & Services Tax	366,921	284,452
Lift Enhancement Programme (LEP) *	367,102	94,780
Lift Overhaul / Total Replacement Works	10,676,257	4,339,361
Project Management Fees	616,745	602,800
Replacement of ARD Battery	241,931	304,432
Replacement of EBOPS Battery	101,232	42,509
Replacement of Inverter Units	937,484	1,994,492
Replacement of Lift Position Display Panel (CPI/HPI)	693,780	2,480,310
Replacement of Main Sheaves / Ropes	937,211	1,634,742
Replacement of Heat Detector	9,600	-
	14,948,574	11,778,961

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

24 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

a) E M Services Pte Ltd, as managing agent

	2021/2022 S\$	2020/2021 S\$
Management agent fee	5,743,971	5,412,008
Project management fee	1,166,386	977,148
Energy saving costs *	1,635,568	1,871,667
Repairs and maintenance service fee	2,000,725	1,665,734

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

The balances due to E M Services Pte Ltd was S\$111,241 (2020/2021 - S\$915,922) as at 31 March 2022.

b) Town Councillors

During the financial year, the town councillors' allowances that payable to town councillors was S\$107,520 (2020/2021 - S\$113,780).

25 GOVERNMENT GRANTS

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

	TOTAL		SERVICE AND CONSERVANCY CHARGE GRANT		PAYMENTS FROM CITIZENS' CONSULTATIVE COMMITTEE		GST SUBVENTION GRANT		LIFT MAINTENANCE GRANT		LRF MATCHING GRANT	
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Government Grants received/receivable during the year	16,917,210	14,489,581	6,623,096	6,472,537	2,828,187	784,772	1,947,001	1,893,639	1,103,400	1,088,400	4,415,526	4,250,233
Less: Transfer to												
- Sinking fund	(2,515,109)	(2,458,188)	(1,722,005)	(1,682,860)	-	-	(506,220)	(492,344)	(286,884)	(282,984)	-	-
- Lift replacement fund	(5,769,817)	(5,573,875)	(927,233)	(906,155)	-	-	(272,582)	(265,111)	(154,476)	(152,376)	(4,415,526)	(4,250,233)
- Town improvement and project fund	(2,828,187)	(784,772)	-	-	(2,828,187)	(784,772)	-	-	-	-	-	-
	5,804,097	5,672,746	3,973,858	3,883,522	-	(2,828,187)	1,168,199	1,136,184	662,040	653,040	-	-

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

	2021/2022	2020/2021
	S\$	S\$
Total grants received at 1 April	263,856,498	247,444,817
Grants received during the year	15,223,320	16,411,681
Total grants received as at 31 March	279,079,818	263,856,498

TAMPINES TOWN COUNCIL**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2022****26 COMMITMENTS FOR CAPITAL EXPENDITURE**

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

	2021/2022 S\$	2020/2021 S\$
Amounts approved and contracted for	38,480,132	42,526,768
Amounts approved but not contracted for	66,405,868	38,062,884
	104,886,000	80,589,652

27 RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS**GENERAL RISK MANAGEMENT PRINCIPLES**

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

CREDIT RISK ON FINANCIAL ASSETS

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

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

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

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

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

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

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery. Cash and cash equivalents are subject to immaterial credit loss.

INTEREST RATE RISK

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

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

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

Surplus funds are placed with reputable banks.

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

If Singapore dollar interest rates had been 25 (2020/2021 - 25) basis points lower/higher with all other variables held constant, the Town Council's surplus before government grants for the year would have been S\$200,466 (2020/2021 - S\$296,900) higher/lower, arising mainly as a result of lower/higher interest income from the Town Council's fixed deposits with banks.

LIQUIDITY RISK

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

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

As at 31 March 2022	Carrying amount S\$	Contractual cash flows S\$	Less than 1 year S\$	Within 1 to 5 years S\$	More than 5 years S\$
Receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	4,518,773	4,518,773	4,518,773	-	-
Conservancy and service fee receivables	1,363,589	1,363,589	1,363,589	-	-
Other receivables	10,306,630	10,306,630	10,306,630	-	-
Cash and cash equivalents	99,589,776	99,589,776	99,589,776	-	-
	115,778,768	115,778,768	115,778,768	-	-

Advances for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	2,283,214	2,283,214	2,283,214	-	-
Payables and accrued expenses	2,477,154	2,477,154	2,477,154	-	-
Lease liabilities	911,722	1,009,356	212,976	796,380	-
	5,672,090	5,769,724	4,973,344	796,380	-

As at 31 March 2021

Receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	3,529,814	3,529,814	3,529,814	-	-
Conservancy and service fee receivables	1,671,439	1,671,439	1,671,439	-	-
Other receivables	7,182,055	7,182,055	7,182,055	-	-
Cash and cash equivalents	114,587,478	114,587,478	114,587,478	-	-
	126,970,786	126,970,786	126,970,786	-	-

Advances for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	823,928	823,928	823,928	-	-
Payables and accrued expenses	17,286,984	17,286,984	17,286,984	-	-
Lease Liabilities	1,083,201	1,223,552	214,196	837,856	171,500
	19,194,113	19,334,464	18,325,108	837,856	171,500

28 MANAGEMENT OF TOWN COUNCIL'S FUNDS

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

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

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

The Town Council is not subject to externally imposed requirements. As at end of the reporting date, the Town Council's total funds amounted to S\$110,242,256 (2020/2021 - S\$108,146,274).

29 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 16: Property, Plant and Equipment-Proceeds before Intended Use	1 January 2022
Amendments to FRS 37: Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1: Classifications of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023

The Town Council has performed a preliminary assessment and the management expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

30 COMPARATIVE INFORMATION

The Town Council has set off certain assets and liabilities with the same counterparty in the prior year's financial statements. Reclassifications, which better reflects the substance of these balances, have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended in statement of financial position.

	After reclassification 2020/2021 S\$	Previously reported 2020/2021 S\$
Statement of Financial Position		
Current Assets		
Receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	3,529,814	2,705,886
Current liabilities		
Advances received for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	823,928	-