



with a
Heart
Home



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316B

Members of Parliament

As at 31 March 2015

Mr K Shanmugam
Minister for Foreign Affairs
Minister for Law
MP for Nee Soon GRC
Adviser to Nee Soon Town Council



Assoc. Prof. Muhammad Faishal Ibrahim
Parliamentary Secretary
Ministry of Health & Ministry of Transport
MP for Nee Soon GRC
Chairman of Nee Soon Town Council



Er. Dr. Lee Bee Wah
MP for Nee Soon GRC
Vice-Chairperson of Nee Soon Town Council



Dr Lim Wee Kiak, PBM
MP for Nee Soon GRC
Elected Member



Mr Patrick Tay Teck Guan, BBM
MP for Nee Soon GRC
Elected Member



Town Councillors

As at 31 March 2015

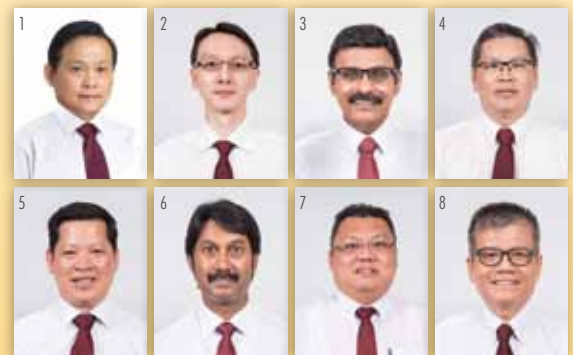


Audit Committee

1. Mr Chew Teck Soon (Chairman)
2. Mr Henry Foo Chee Kiou, PBM
3. Mr Loh Wee Seng, PBM
4. Mr Michael Tan Kok Siong, PBM
5. Mr Narayanan s/o Sankunni Nair
6. Dr Phua Tan Tee, BBM
7. Mr Ramlee Bin Kasiman, PBM

Investment and Finance Committee

1. Mr Ho Toon Bah (Chairman)
2. Mr Christopher Seow Yan Weng
3. Mr Gopala Krishnan, JP, BBM
4. Mr Kenny Pong Teck Koon
5. Mr Liow Kian Huat, BBM
6. Mr Subramaniam s/o Ramasamy, PBM
7. Mr Tay Tze Chuan
8. Mr Victor Ng Fook Ai, PBM (Member-Resource Panel)



Legal and Compliance Committee

1. Mr Alex Lee Ke Hoo, PBM (Chairman)
2. Mr Goh Hung Kwang, BBM (Co-Chairman)
3. Mr Jason Chong Choy Fatt
4. Mdm Kalyani d/o Sinnakkalai Ramasamy, PBM
5. Mr Lee Chong Khee, PBM
6. Mr Peter Lo Shui Sung, PBM
7. Mdm Rose Koh Siang Noi, PBM
8. Mr Thoo Hock Huat



Maintenance and Customer Service Committee

1. Mr Tan Meng, BBM (Chairman)
2. Mr Norman Aw Kai Aik, BBM (Co-Chairman)
3. Mr Andrew Ng Tok Yong, PBM
4. Mr Andy Ang Tong Ann
5. Ms Gogiladevi d/o Meande
6. Mr Jackson Tan Kun Seng, PBM
7. Mr Ong Peng Eu
8. Mr Toh Boon Teck

Projects and Development Committee

1. Dr Toh Kian Lam, PBM (Chairman)
2. Mr Casey Choo Kong Chee
3. Mr Christopher Lim Ah Lek, BBM
4. Mr Jeffrey Tong Chwee Chong, PBM
5. Mr Melvin Mah Jianming
6. Mr Toh Meng Yak



Publicity and Public Relations Committee

1. Mr Jack Soh Tze Churn, JP, BBM (Chairman)
2. Mr Henry Kwek Hian Chuan (Co-Chairman)
3. Mr Andrew Lim Chong Thye
4. Ms Barbara Lee, PBM
5. Hj Mahmud Bin Hj Ali, PBM
6. Mr Jackson Lam Weiliang
7. Mr Joseph Tan Yong Siang

Home – building for the future,
building a home with a heart



Overview

“Home with a Heart” continues to be the focus of Nee Soon Town Council for FY2014/2015. The Town has grown considerably over the past year. That hasn’t derailed us from working on what matters most for our residents - We steer towards building a conducive, holistic, home environment and our residents are at the heart of all we do.

New Town Councillors were appointed this year. Like you and I, they are residents and community leaders of Nee Soon. They will play an important role in setting the standards and quality of our living environment. Well-regarded in their professional capacity, they will provide leadership in management and governance, together with our experienced Town Council executive team.

Both Councillors and the executive team will continue to uphold the core-guiding principles of prudence and transparency in our decision-making and financial management. Cost will remain a challenge, but we operate with the clear objective - to benefit our residents in all we do.

We implemented various upgrading and improvement projects across the five divisions – Canberra, Chong Pang, Nee Soon Central, Nee Soon East and Nee Soon South. Rejuvenating and injecting vibrancy into our Nee Soon home remains at the heart of transforming Nee Soon for the future.

Given the challenges of the fast-growing Nee Soon Town, I’m pleased the Town Council remains committed to engaging our residents. The Town Council is here to serve our residents and strengthen the “kampong” spirit that defines Nee Soon.

Much has been done in FY2014/2015, and there is much more to be done.



Trust – maintaining our integrity,
focusing on trust and honesty



Financial Management

FY2014/2015 ended with an operating deficit of \$0.97 million before government grants. With government grants including GST subventions totalling \$5.37 million after regulatory transfers, we are able to report a surplus of \$4.4 million.

Operationally, the Town Council continues to face cost pressures from electricity, cleaning, lift and estate maintenance expenses. Exploring new technologies and cost-saving opportunities, while delivering the necessary services and improving the amenities remain a priority.

Strong resident support is a key reason why our Town Council continues to perform well in arrears management. Their prompt contributions ensure sufficient funds to carry out improvement works to the estate. We thank our residents and value their trust in us. We will also continue to engage and assist residents with financial difficulties through monthly repayment schemes and deferment plans.



Commitment – delivering what
we promise, effectively, efficiently



Estate Maintenance

Estate maintenance helps keep the environment safe and comfortable for the well-being of our residents. These areas include the upkeep and maintenance of common property, electrical installations and landscaping. We will continue to review our maintenance methods, and fine-tune our operations in order to improve service levels.

A community is not defined merely by its infrastructure, but also by its communal activities. As an active community partner, the Town Council also manages and issues permits for use of common areas such as void-decks and multi-purpose halls for social and religious activities.

A clean and well-maintained estate provides an aesthetically pleasing living environment. Such an environment relies on the combined efforts of the Town Council and our residents. We thank our residents and partners for their combined efforts in making this happen.



Revitalise – refreshing our environment,
rejuvenating our estates



Cyclical Works

Nee Soon is an estate undergoing a regular phase of renewal. New homes are built to enable multi-generational families to live closer together in the estate. Comprehensive cyclical works are also being carried out to renew and rejuvenate the estate.

The scope of work includes block repainting, re-roofing, repairs and replacements of lifts, pumps and pipes to ensure that the facilities remain in good condition.



Develop – injecting vibrancy in our town,
bringing value to our residents



Town Improvement Projects

We work closely with grassroots organisations on improvement projects. The regular engagements allow us to understand the needs and feedback of our residents. A total of \$5.04 million was invested in Nee Soon Town for FY 2014/2015. The majority of expenses was in covered walkways.

We are also achieving our objective of being a mobility-friendly town. Barrier-free access ramps in various locations are being rolled out. They will ease the movement of our residents.

Leisure facilities such as parks, playgrounds, youth and elderly fitness corners are also being renewed and installed. Our residents can now enjoy these facilities closer to home and bond as a family and community through a healthy lifestyle.



Future – thinking ahead of our future,
delivering on our vision



Upgrading Programmes

Singapore faces a rapidly aging population. The Town Council is responding through installing more elderly-friendly amenities. We want to provide our senior citizens an accessible and comfortable home where they can age-in-place.

Under the Lift Upgrading Programme, all lifts eligible blocks have been upgraded to serve our residents, allowing them easy access back home.

7 precincts are undergoing the Neighbourhood Renewal Programme (NRP) in FY2014/2015, with 1 completed. We received positive responses from our residents and are encouraged to do more to create better environments for our residents.



Connect – reaching out to our
residents, touching hearts and impacting lives



Gracious Living In Nee Soon

The community in Nee Soon is marked by its strong communal spirit and its progressiveness. In early 2015, the Straits Times ran an article headlined "Who says Yishun is ulu". The town was described as "mounting a modest renaissance, with new amenities, gleaming healthcare facilities, a mega mall in the works and new flats and properties in the making."

We are proud of our Town but more so, of our residents who define our identity. We continue to support our Gracious Living Campaign – a campaign of mini-initiatives aimed at encouraging conversations between residents and the Town Council and fostering a friendly living environment.

Flyer boxes outside every household units and a Low-Emission Burner were launched with media coverage on its positive impacts. We have also taken communications into the social media sphere. Facebook remains a popular communication channel and the iTown@SG app continues to allow us to respond quickly to our residents' needs.



Community – building friendships, building memories.
Residents at the heart of all that we do



Conclusion

I thank our residents for their continued support and trust in us. With your support, we can do more to make Nee Soon the ideal home for everyone. I also thank our Town Councillors, grassroots leaders and the Town Council staff who have been dedicated to the Town. Together, we can create a Nee Soon that we will be proud of.

The Town Council is committed in making Nee Soon the best home for all of us. With residents at its heart, it will work hard to care for the well-being and bring benefits to our community.

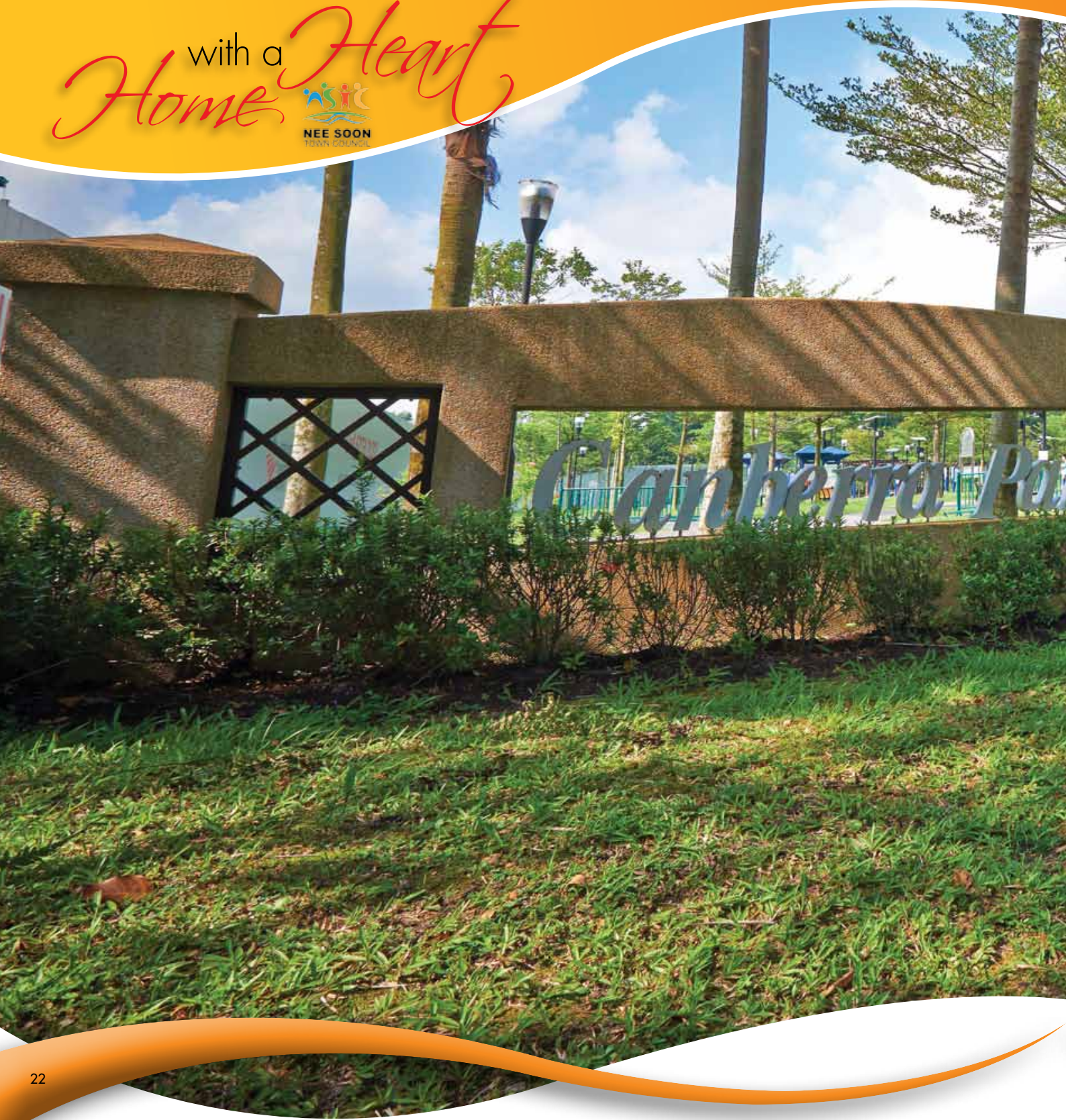
Beyond that, let us embark on the next phase of building a Nee Soon for the future while continuing to be a home with a heart.



Assoc. Prof. Muhammad Faishal Ibrahim
Chairman
Nee Soon Town Council



with a
Home Heart





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Annual Financial Statements

As at 31 March 2015

Nee Soon Town Council
(Established under the Town Councils Act, Chapter 329A)

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Report on the financial statements

We have audited the accompanying financial statements of Nee Soon Town Council ("the Town Council"), which comprise the statement of financial position as at 31 March 2015, the income and expenditure statement, statement of comprehensive income, statement of changes in Town Council funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Town Council as at 31 March 2015, and of the results, changes in funds and cash flows of the Town Council for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

Management's responsibility for compliance with legal and regulatory requirements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion,

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



AT ADLER

Public Accountants and Chartered Accountants

Singapore, 14 August 2015

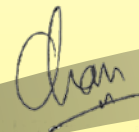
Statement of Financial Position

31 March 2015

	Note	2015 S\$	2014 S\$
TOWN COUNCIL FUNDS			
Residential Property Funds			
Accumulated Surplus	3	2,915,529	959,776
Sinking Fund	4	86,884,694	92,023,882
Town Improvement and Project Fund	5	121,924	(353,601)
		89,922,147	92,630,057
Commercial Property Funds			
Accumulated Surplus	3	5,184,131	4,623,183
Sinking Fund	4	29,091,289	28,873,613
Town Improvement and Project Fund	5	1,623,076	1,780,601
		35,898,496	35,277,397
Car Park Fund			
Accumulated Surplus	3	-	692,118
Neighbourhood Renewal Programme Fund			
	6	1,579,374	207,418
Fair Value Reserve			
	4	654,946	259,499
		<u>128,054,963</u>	<u>129,066,489</u>
Represented by:			
Non-Current Assets			
Plant and equipment	7	204,733	126,398
Available-for-sale financial assets	10	5,928,765	5,623,601
Held-to-maturity financial assets	11	12,599,463	1,962,273
		18,732,961	7,712,272
Current Assets			
Financial assets at fair value through profit or loss	9	27,269,569	49,211,297
Held-to-maturity financial assets	11	4,361,533	-
Conservancy and service receivables	12	1,744,136	1,378,848
Other receivables	13	4,546,045	6,464,593
Interest receivable		279,794	47,939
Cash and cash equivalents	14	80,979,235	74,427,519
		119,180,312	131,530,196
		<u>137,913,273</u>	<u>139,242,468</u>
Total Assets			
Less:			
Current Liabilities			
Payables and accrued expenses	15	8,156,292	9,026,996
Conservancy and service fee received in advance		730,574	700,853
Provision for taxation		971,444	448,130
		9,858,310	10,175,979
		<u>128,054,963</u>	<u>129,066,489</u>
Net assets			



A/P Muhammad Faishal Ibrahim
Chairman



Mr Terence Chan
Secretary

Income and Expenditure Statement

For the Financial Year Ended 31 March 2015



	Note	2015 S\$	2014 S\$
Operating Income			
Conservancy and Service Fees	3	45,980,486	40,160,796
Operating transfer to Sinking Fund (minimum required by law)	3,4	(15,720,926)	(13,721,351)
		<u>30,259,560</u>	<u>26,439,445</u>
Agency Fees	16 (a)	3,526,495	3,263,301
Other Income	16 (b)	3,749,033	3,512,423
		<u>37,535,088</u>	<u>33,215,169</u>
Operating Expenditure			
Cleaning Works		(8,383,433)	(7,197,430)
Managing Agent's Fees	17	(5,614,479)	(5,126,119)
Lift Maintenance		(5,794,366)	(5,215,908)
Other Works and Maintenance		(3,947,692)	(4,790,286)
Water and Electricity		(11,762,969)	(11,226,355)
General and Administrative Expenditure	19	(2,773,277)	(2,302,657)
		<u>(38,276,216)</u>	<u>(35,858,755)</u>
Operating Deficit		<u>(741,128)</u>	<u>(2,643,586)</u>
Non-Operating Income			
Interest Income		81,587	-
Deficit before taxation and government grants		<u>(659,541)</u>	<u>(2,643,586)</u>
Taxation	20	(316,413)	(308,664)
Deficit after taxation but before government grants		<u>(975,954)</u>	<u>(2,952,250)</u>
Government Grants	3,22	8,870,021	8,982,250
Transfer to sinking fund	3,4,22	(2,057,011)	(1,912,004)
Transfer to town improvement and project fund	3,5,22	(2,546,313)	(3,105,771)
		<u>4,266,697</u>	<u>3,964,475</u>
GST Subvention	3,22	1,692,752	1,474,827
Transfer to sinking fund	3,4,22	(578,011)	(503,903)
		<u>1,114,741</u>	<u>970,924</u>
Surplus for the financial year		<u>4,405,484</u>	<u>1,983,149</u>
Accumulated surplus as at 1 April		6,275,077	6,159,236
Transfer to town improvement project fund	5	(2,580,901)	(1,867,308)
Accumulated surplus as at 31 March	3	<u>8,099,660</u>	<u>6,275,077</u>

Statement of Comprehensive Income

For the Financial Year Ended 31 March 2015

	Note	2015 S\$	2014 S\$
Surplus/(Deficit) for the financial year			
Accumulated Surplus	3	4,405,484	1,983,149
Sinking Fund	4	(4,921,512)	(12,134,663)
Town Improvement and Project Fund	5	(2,262,901)	(1,048,634)
Neighbourhood Renewal Programme Fund	6	<u>1,371,956</u>	<u>725,135</u>
		<u>(1,406,973)</u>	<u>(10,475,013)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to income and expenditure statement</i>			
Available-for-sale financial assets			
- Fair value gain/(loss) recognised in other comprehensive income		351,822	(336,784)
- Fair value loss reclassified to income and expenditure statement on derecognition		43,625	-
		<u>395,447</u>	<u>(336,784)</u>
Other comprehensive income for the year, net of income tax		<u>395,447</u>	<u>(336,784)</u>
Total comprehensive loss for the year attributable to Town Council Funds		<u>(1,011,526)</u>	<u>(10,811,797)</u>

Statement of Changes in Town Council Funds

For the Financial Year Ended 31 March 2015



	Residential Property Funds S\$	Commercial Property Funds S\$	Car Park Funds S\$	Neighbourhood Renewal Programme Fund S\$	Fair Value Reserve S\$	Total S\$
2015						
Balance as at 1 April 2014	92,630,057	35,277,397	692,118	207,418	259,499	129,066,489
(Deficit)/surplus for the financial year	(4,153,162)	621,099	753,134	1,371,956	-	(1,406,973)
Other comprehensive income						
Fair value gains recognised in other comprehensive income	-	-	-	-	351,822	351,822
Fair value loss reclassified to income and expenditure statement on derecognition	-	-	-	-	43,625	43,625
Total comprehensive (loss)/income for the year	(4,153,162)	621,099	753,134	1,371,956	395,447	(1,011,526)
Transfer of accumulated surplus from Carpark to Residential Activity	1,445,252	-	(1,445,252)	-	-	-
Balance as at 31 March 2015	<u>89,922,147</u>	<u>35,898,496</u>	<u>-</u>	<u>1,579,374</u>	<u>654,946</u>	<u>128,054,963</u>
2014						
Balance as at 1 April 2013 transferred from Sembawang Town Council	104,586,346	34,695,871	517,503	(517,717)	596,283	139,878,286
(Deficit)/surplus for the financial year	(12,544,896)	581,526	763,222	725,135	-	(10,475,013)
Other comprehensive income						
Fair value loss recognised in other comprehensive income	-	-	-	-	(336,784)	(336,784)
Total comprehensive (loss)/income for the year	(12,544,896)	581,526	763,222	725,135	(336,784)	(10,811,797)
Transfer of accumulated surplus from Carpark to Residential Activity	588,607	-	(588,607)	-	-	-
Balance as at 31 March 2014	<u>92,630,057</u>	<u>35,277,397</u>	<u>692,118</u>	<u>207,418</u>	<u>259,499</u>	<u>129,066,489</u>

The (deficit)/surplus for the financial year comprised the following:

	Note	2015 S\$	2014 S\$
Accumulated Surplus	3	4,405,484	1,983,149
Sinking Fund	4	(4,921,512)	(12,134,663)
Town Improvement and Project Fund	5	(2,262,901)	(1,048,634)
Neighbourhood Renewal Programme Fund	6	1,371,956	725,135
		<u>(1,406,973)</u>	<u>(10,475,013)</u>

Cash Flow Statement

For the Financial Year Ended 31 March 2015

	Note	2015 S\$	2014 S\$
Cash flows from operating activities			
Deficit before taxation and government grants		(659,541)	(2,643,586)
Adjustments for:			
Conservancy and services fee transferred to sinking fund	3	15,720,926	13,721,351
Depreciation of plant and equipment	7	65,678	69,580
Loss on written off of plant and equipment		1,873	-
Amortisation/ (discretion) in held to maturity financial assets		54,594	(1,420)
Impairment losses of bonds		-	5,219
Operating surplus before working capital changes		15,183,530	11,151,144
 (Increase)/ decrease in conservancy and services fees and other receivables		1,423,167	(870,334)
(Decrease)/ increase in creditors and conservancy and service fees received in advance		(794,341)	1,182,094
Cash generated from operations		15,812,356	11,462,904
Sinking fund income	4	(2,462)	15,785
Sinking fund expenditure	4	(25,829,367)	(28,008,008)
Town improvement and project fund income	5	231,028	36,184
Town improvement and project fund expenditure	5	(5,040,242)	(4,190,589)
Neighbourhood renewal programme fund expenditure	6	(10,985,139)	(10,668,963)
Payment from Sembawang Town Council		-	60,197,173
Net cash (used in)/ generated from operating activities		(25,813,826)	28,844,486
 Cash flows from investing activities			
Proceeds from held-to-maturity financial assets	11	2,537,500	1,612,500
Proceeds from available for sale financial assets		157,362	2,650,606
Encashment from Fund Managers on expiry		18,027,802	-
Purchase of plant and equipment	7	(145,886)	(113,767)
Interest received		575,611	592,184
Net cash generated from investing activities		21,152,389	4,741,523
 Cash flows from financing activities			
GST Subvention grants	22	1,692,752	1,474,827
Government grants	22	8,870,021	8,982,250
Neighbourhood renewal programme fund received	6	12,357,095	11,394,098
Net cash from financing activities		22,919,868	21,851,175
Net increase in cash and cash equivalents		18,258,431	55,437,184
Cash and cash equivalents at the beginning of the financial year		55,437,184	-
Cash and cash equivalents at end of the financial year	14	73,695,615	55,437,184

1. GENERAL INFORMATION

Nee Soon Town Council ("Town Council") was formed on 1 April 2013 under the Town Councils Act (Chapter 329A) following the restructuring of Sembawang-Nee Soon Town Council into two separate entities – Sembawang Group Representation Constituency ("GRC"), now known as Sembawang Town Council and Nee Soon GRC, now known as Nee Soon Town Council.

The functions of the Town Council are to control, manage, maintain and improve the common property of residential, other commercial property and market and food centres in the housing estates of the Housing and Development Board ("HDB") within the Town.

The Town Council is made up of Nee Soon GRC which comprises the Canberra Division, Chong Pang Division, Nee Soon Central Division, Nee Soon East Division and Nee Soon South Division.

The financial statements of the Town Council for the financial year ended 31 March 2015 were authorised for issue by the members of Town Council on 14 August 2015.

The head office of the Town Council is situated at Block 290 Yishun Street 22, Singapore 760290.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements, expressed in Singapore Dollars, are prepared in accordance with the provisions of the Town Councils Act and Singapore Financial Reporting Standards ("FRS") including related interpretations. The financial statements are prepared 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) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the end of each reporting period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying value amounts of assets and liabilities within the next financial year are discussed in Note 2(s).

(c) TOWN COUNCIL FUND

In accordance with Section 33(1) of the Town Councils Act, separate funds were 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) TOWN COUNCIL FUND (Cont'd)

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

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

All monies received by the Town Council are paid into and related expenditures 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 the Section 33(4) of the Town Councils Act, separate Sinking Funds are established for the improvement to, management and maintenance of residential property and commercial property. This Sinking Fund is maintained as part of the Town Council Fund.

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

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

(i) 1-room to 3-room	30% of conservancy and service fees and grants-in-aid
(ii) 4-room to 5-room	35% of conservancy and service fees and grants-in-aid
(iii) Multi-generation	35% of conservancy and service fees
(iv) Executive	35% of conservancy and service fees
(v) Shop with living accommodation	35% of conservancy and service fees
(vi) Commercial property	35% of conservancy and service fees

These contributions are treated as operating transfer and deducted from the gross conservancy and service fees and government grants in the Income and Expenditure Statement.

The Sinking Funds are utilised for major cyclical works such as repair and redecoration, re-roofing, rewiring and replacement of pumps, water tanks and water pipes. In addition, Sinking Funds are also utilised for the overhaul and upgrading of lifts.

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

(c) TOWN COUNCIL FUND (Cont'd)

TOWN IMPROVEMENT AND PROJECT FUND

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

Town Improvement and Project Fund is set up by transfer from the accumulated surplus to fund specific town improvement projects, which are to be carried out. In addition, the Town Council receives funds under Community Improvement Projects Committee scheme and are given through the Citizens' Consultative Committee ("CCC") for the approved projects.

NEIGHBOURHOOD RENEWAL PROGRAMME FUND

Neighbourhood Renewal Programme Fund is funded by the Government and the amount is computed with reference to the number of residential units in the precinct.

(d) ALLOCATION OF GENERAL OVERHEADS

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

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

No overheads are allocated to the Sinking Fund, Town Improvement and Project Fund and Neighbourhood Renewal Programme Fund.

(e) GOVERNMENT GRANTS

The Town Council receives three types of grants from Government, namely, service and conservancy charge grant, payments from citizens' consultative committees and GST subvention grant.

Government grants are accounted for on an accruals basis. Service and conservancy charge grants received and transferred to Sinking Fund based on the amount prescribed in Note 2 (c).

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

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

(f) PLANT AND EQUIPMENT

Depreciation is computed on a straight-line basis over their estimated useful lives as follows:

Office equipment	2 to 3 years
Data processing equipment	3 years
Furniture, fixtures and fittings	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.

Plant and equipment are carried at cost less accumulated depreciation and 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 changes are accounted for as a change in an accounting estimate, 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 management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity 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.

(g) FUNDS WITH FUND MANAGERS

Funds with fund managers represent the cost of the portfolio of assets placed with fund managers at the beginning of each management term plus investment income less management fees payable during the management term.

Funds with fund managers comprise of mainly of equities, bonds, cash and fixed deposits. Equities and bonds are stated on an aggregate portfolio basis and are classified as financial assets at fair value through profit or loss in the statement of financial position.

On the expiry of the management term, any surplus over and above the performance benchmark will be shared between the Town Council and the fund managers on an agreed basis.

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

(h) FINANCIAL ASSETS

INITIAL RECOGNITION AND MEASUREMENT

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

SUBSEQUENT MEASUREMENT

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in Income and Expenditure Statement. Net gains or net losses on financial assets at fair value through profit or loss include interest and dividend income.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in Income and Expenditure Statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

Held-to-maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Town Council has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in Income and Expenditure Statement when the held-to-maturity financial assets are derecognised or impaired, and through the amortisation process.

Any sale or reclassification of a more than insignificant amount of held-to-maturity financial assets not close to their maturity would result in the reclassification of all held-to-maturity financial assets as available for sale. It would also prevent the Town Council from classifying investment securities as held-to-maturity for the current and the following two years.

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

(h) FINANCIAL ASSETS (Cont'd)

Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses and interest calculated using the effective interest method are recognised in Income and Expenditure Statement. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

DE-RECOGNITION

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in Income and Expenditure Statement.

REGULAR WAY PURCHASE OR SALE OF A FINANCIAL ASSET

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Town Council commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(i) IMPAIRMENT OF FINANCIAL ASSETS

The Town Council assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

FINANCIAL ASSETS CARRIED AT AMORTISED COST

For financial assets carried at amortised cost, the Town Council first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Town Council determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

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

(i) IMPAIRMENT OF FINANCIAL ASSETS (Cont'd)

FINANCIAL ASSETS CARRIED AT AMORTISED COST (Cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in Income and Expenditure Statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Town Council considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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

FINANCIAL ASSETS CARRIED AT COST

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in Income and Expenditure Statement. Reversals of impairment losses in respect of equity instruments are not recognised in Income and Expenditure Statement; increase in their fair value after impairment are recognised directly in other comprehensive income.

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

(i) IMPAIRMENT OF FINANCIAL ASSETS (Cont'd)

AVAILABLE-FOR-SALE FINANCIAL ASSETS (Cont'd)

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in Income and Expenditure Statement, the impairment loss is reversed in Income and Expenditure Statement.

(j) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Town Council assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Town Council makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

(k) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and call deposits, fixed deposits, less cash and fixed deposits with fund managers.

(l) PROVISIONS

Provisions are recognised when the Town Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

(m) FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

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

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

SUBSEQUENT MEASUREMENT

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in Income and Expenditure Statement when the liabilities are derecognised, and through the amortisation process.

DE-RECOGNITION

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in Income and Expenditure Statement.

(n) LEASE

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

AS LESSEE

Operating lease payments are recognised as an expense in Income and Expenditure Statement on a straight line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(o) REVENUE RECOGNITION

Conservancy and Service fees and agency fees are recognised on a time-proportion basis for the period when the service is rendered. Interest income from fixed deposits are recognised on a time-proportion basis using the effective interest method.

Investment income from investments in financial assets held at fair value through profit or loss and available-for-sale instruments is recognised in the Income and Expenditure Statement and the Statement of Comprehensive Income while investment income from investments in held-to-maturity financial assets is recognised on a time-proportion basis using the effective interest method.

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

(p) INCOME TAX

Tax is provided on the following income:

- (i) Income derived from investments;
- (ii) Fees, rent and other charges received from non-residents or non-owners of properties in the Town for use of common properties; and
- (iii) Donations from non-residents or non-owners of properties in the Town.

In respect of Government grants received, the Town Council has been granted remission under Section 92(2) of the Income Tax Act (Chapter 134). Conservancy and service charges and agency fees are not subject to tax.

Income tax expense comprises current tax. Current tax is recognised in the Income and Expenditure Statement except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(q) FAIR VALUE ESTIMATION

The carrying amount of current financial assets and liabilities with a maturity of less than one year, are assumed to approximate their fair values due to their short-term nature.

The fair value of financial assets traded in active markets (such as exchanged-traded and over-the-counter securities) are based on quoted market bid-prices at the end of the reporting period. The fair value of forward exchange contracts are determined using actively quoted forward exchange rates at the end of the reporting period.

The fair value of non-current financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Town Council for similar liabilities.

(r) FUNCTIONAL CURRENCY

The functional currency of the Town Council is Singapore dollar as it reflects the primary economic environment in which the entity operates.

(s) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

The key assumptions 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:

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

(s) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (Cont'd)

ALLOWANCE FOR DOUBTFUL ACCOUNTS

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the debtors to make required payments. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. The Town Council specifically analyses accounts receivables and analyses historical bad debt, debtor concentrations, debtor creditworthiness, current economic trends and changes in debtor payment terms when evaluating the adequacy of the allowance for doubtful accounts. Allowance for doubtful conservancy and service debts amounting to \$ 449,510 (2014:\$316,037) have been estimated on the basis of age of debts, results of recovery efforts and historical experience.

IMPAIRMENT OF FINANCIAL ASSETS

Management reviews its financial assets for objective evidence of impairment regularly. Significant or prolonged declines in the fair value of any security below its cost and the disappearance of an active trading market for the security are considered objective evidence that a financial asset is impaired. In determining this, management evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, the financial health of and the near-term business outlook of the issuer of the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

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 to be 2 to 5 years. The carrying amount of the plant and equipment as at 31 March 2015 was \$ 204,733 (2014:\$126,398). 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.

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.

CLASSIFICATION OF HELD-TO-MATURITY FINANCIAL ASSETS

The Town Council follows the guidance of FRS 39 on classifying non-derivatives financial assets with fixed or determinable payments with fixed maturity as held-to-maturity.

This classification requires judgement. In making this judgement, the Town Council evaluates its intention and ability to hold such investments to maturity. If the Town Council fails to keep investments to maturity other than for specific circumstances, it will be required to reclassify these investments as available-for-sale. The investments would then be measured at fair value, and not amortised cost.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2015

3. Accumulated Surplus

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

		Total		Residential Property		Commercial Property		Carparks	
	NOTE	2015 S\$	2014 S\$	2015 S\$	2014 S\$	2015 S\$	2014 S\$	2015 S\$	2014 S\$
Operating Income									
Conservancy and service fees		45,980,486	40,160,796	43,553,974	37,999,622	2,426,512	2,161,174	-	-
Operating transfer to Sinking Funds (minimum required by law)	4	(15,720,926)	(13,721,351)	(14,871,716)	(12,965,053)	(849,210)	(756,298)	-	-
Agency Fee	16(a)	3,526,495	3,263,301	-	-	-	-	3,526,495	3,263,301
Other Income	16(b)	3,749,033	3,512,423	3,322,151	2,862,577	392,043	574,458	34,839	75,388
		37,535,088	33,215,169	32,004,409	27,897,146	1,969,345	1,979,334	3,561,334	3,338,689
Operating expenditure		(38,276,216)	(35,858,755)	(34,093,345)	(32,076,535)	(1,368,785)	(1,209,321)	(2,814,086)	(2,572,899)
Operating (deficit)/surplus		(741,128)	(2,643,586)	(2,088,936)	(4,179,389)	600,560	770,013	747,248	765,790
Non-operating income		81,587	-	71,870	-	2,431	-	7,286	-
(Deficit)/surplus before taxation and Government grants		(659,541)	(2,643,586)	(2,017,066)	(4,179,389)	602,991	770,013	754,534	765,790
Taxation	20	(316,413)	(308,664)	(272,970)	(275,930)	(42,043)	(30,166)	(1,400)	(2,568)
(Deficit)/surplus after taxation but before Government grants		(975,954)	(2,952,250)	(2,290,036)	(4,455,319)	560,948	739,847	753,134	763,222
Government Grants	22	8,870,021	8,982,250	8,870,021	8,982,250	-	-	-	-
Transfer to sinking fund	4,22	(2,057,011)	(1,912,004)	(2,057,011)	(1,912,004)	-	-	-	-
Transfer to town improvement and project funds	5,22	(2,546,313)	(3,105,771)	(2,546,313)	(3,104,873)	-	(898)	-	-
		4,266,697	3,964,475	4,266,697	3,965,373	-	(898)	-	-
Add: GST Subvention	22	1,692,752	1,474,827	1,692,752	1,474,827	-	-	-	-
Transfer to sinking fund	4,22	(578,011)	(503,903)	(578,011)	(503,903)	-	-	-	-
		1,114,741	970,924	1,114,741	970,924	-	-	-	-
Surplus/(Deficit) for the year		4,405,484	1,983,149	3,091,402	480,978	560,948	738,949	753,134	763,222
Accumulated surplus at the beginning of year		6,275,077	6,159,236	959,776	(109,809)	4,623,183	5,751,542	692,118	517,503
Transfer to town improvement project fund	5	(2,580,901)	(1,867,308)	(2,580,901)	-	-	(1,867,308)	-	-
Transfer of Accumulated Surplus from carpark to residential property		-	-	1,445,252	588,607	-	-	(1,445,252)	(588,607)
Accumulated surplus at end of year		8,099,660	6,275,077	2,915,529	959,776	5,184,131	4,623,183	-	692,118

Notes to the Financial Statements

For the Financial Year Ended 31 March 2015



4. Sinking Fund

		Total		Residential Property		Commercial Property	
	NOTE	2015 S\$	2014 S\$	2015 S\$	2014 S\$	2015 S\$	2014 S\$
Balance at beginning of year		120,897,495	133,032,158	92,023,882	104,116,239	28,873,613	28,915,919
Investment and interest income	18 (a)	2,761,270	(103,250)	2,101,804	(110,238)	659,466	6,988
Other income		(2,462)	15,785	(2,462)	15,785	-	-
Operating transfer from conservancy and service fees (Minimum required by law)	3	15,720,926	13,721,351	14,871,716	12,965,053	849,210	756,298
Government grants	3,22	2,057,011	1,912,004	2,057,011	1,912,004	-	-
GST Subvention	3,22	578,011	503,903	578,011	503,903	-	-
		21,114,756	16,049,793	19,606,080	15,286,507	1,508,676	763,286
Expenditure	18 (b)	(25,829,367)	(28,008,008)	(24,587,781)	(27,203,288)	(1,241,586)	(804,720)
Deficit before tax		(4,714,611)	(11,958,215)	(4,981,701)	(11,916,781)	267,090	(41,434)
Taxation	20	(206,901)	(176,448)	(157,487)	(175,576)	(49,414)	(872)
Deficit for the financial year		(4,921,512)	(12,134,663)	(5,139,188)	(12,092,357)	217,676	(42,306)
Balance at end of year		115,975,983	120,897,495	86,884,694	92,023,882	29,091,289	28,873,613
Add: Fair value reserve		654,946	259,499				
		<u>116,630,929</u>	<u>121,156,994</u>				
Represented by:							
Non-Current Assets							
Available-for-sale financial assets		5,928,765	5,623,601				
Held-to-maturity financial assets		12,599,463	1,962,273				
		18,528,228	7,585,874				
Current Assets							
Financial assets at fair value through profit or loss		27,269,569	49,211,297				
Held-to-maturity financial assets		4,361,533	-				
Conservancy and services and other receivables		486,220	413,654				
Other receivables		829,849	1,307,022				
Interest receivable		256,435	47,939				
Amount due from accumulated surplus		3,810,583	2,627,800				
Cash and cash equivalents		65,068,275	66,051,647				
		102,082,464	119,659,359				
Total assets		<u>120,610,692</u>	<u>127,245,233</u>				
Less: Current Liabilities							
Conservancy and service fee received in advance		248,874	210,256				
Payables and accrued expenses		3,369,811	5,723,806				
Provision for taxation		361,078	154,177				
		3,979,763	6,088,239				
Net Assets		<u>116,630,929</u>	<u>121,156,994</u>				

Notes to the Financial Statements

For the Financial Year Ended 31 March 2015

5. Town Improvement and Project Fund

		Total		Residential Property		Commercial Property	
	NOTE	2015 S\$	2014 S\$	2015 S\$	2014 S\$	2015 S\$	2014 S\$
Balance as at 1 April		1,427,000	608,326	(353,601)	579,916	1,780,601	28,410
Government grants	3,22	2,546,313	3,105,771	2,516,990	3,104,873	29,323	898
Other income		231,028	36,184	223,862	35,107	7,166	1,077
Expenditure		(5,040,242)	(4,190,589)	(4,846,228)	(4,073,497)	(194,014)	(117,092)
Deficit for the financial year		(2,262,901)	(1,048,634)	(2,105,376)	(933,517)	(157,525)	(115,117)
Transfer from Accumulated Surplus	3	2,580,901	1,867,308	2,580,901	-	-	1,867,308
Balance as at 31 March		<u>1,745,000</u>	<u>1,427,000</u>	<u>121,924</u>	<u>(353,601)</u>	<u>1,623,076</u>	<u>1,780,601</u>
Represented by:							
Current Assets							
Other receivables		2,016,860	3,375,472				
Payables and accrued expenses		(1,005,821)	(426,258)				
Amount due from/(to) accumulated surplus		733,961	(1,522,214)				
Net Assets		<u>1,745,000</u>	<u>1,427,000</u>				

Notes to the Financial Statements

For the Financial Year Ended 31 March 2015



6. Neighbourhood Renewal Programme Fund

	<u>2015</u> S\$	<u>2014</u> S\$
Balance on 1 April	207,418	(517,717)
Funding from Government	12,357,095	11,394,098
Payment to contractors	(10,985,139)	(10,668,963)
Surplus during the year	1,371,956	725,135
Balance as at 31 March	<u>1,579,374</u>	<u>207,418</u>

7. Plant and Equipment

	<u>Office Equipment</u> S\$	<u>Data Processing Equipment</u> S\$	<u>Furniture Fixtures and Fittings</u> S\$	<u>Total</u> S\$
2015				
Cost:				
Balance as at 1 April 2014	258,804	189,491	658,464	1,106,759
Additions	4,555	9,305	132,026	145,886
Disposals	(13,577)	(93,934)	(3,452)	(110,963)
Balance as at 31 March 2015	<u>249,782</u>	<u>104,862</u>	<u>787,038</u>	<u>1,141,682</u>
Accumulated depreciation:				
Balance as at 1 April 2014	229,404	124,014	626,943	980,361
Charge for the financial year	18,108	25,687	21,883	65,678
Disposals	(12,689)	(93,104)	(3,297)	(109,090)
Balance as at 31 March 2015	<u>234,823</u>	<u>56,597</u>	<u>645,529</u>	<u>936,949</u>
Net book value:				
Balance as at 31 March 2015	<u>14,959</u>	<u>48,265</u>	<u>141,509</u>	<u>204,733</u>
2014				
Cost:				
Balance transferred from Sembawang Town Council on 1 April 2014	235,047	119,903	638,042	992,992
Additions	23,757	69,588	20,422	113,767
Balance as at 31 March 2014	<u>258,804</u>	<u>189,491</u>	<u>658,464</u>	<u>1,106,759</u>
Accumulated depreciation:				
Balance transferred from Sembawang Town Council on 1 April 2014	212,251	117,282	581,248	910,781
Charge for the financial year	17,153	6,732	45,695	69,580
Balance as at 31 March 2014	<u>229,404</u>	<u>124,014</u>	<u>626,943</u>	<u>980,361</u>
Net book value:				
Balance as at 31 March 2014	<u>29,400</u>	<u>65,477</u>	<u>31,521</u>	<u>126,398</u>

8. Funds With Fund Managers

Funds with fund managers comprised the following:

	Note	<u>2015</u> S\$	<u>2014</u> S\$
Financial assets at fair value through profit or loss	9	27,269,569	49,211,297
Accrued interest	13	94,461	224,554
Cash and fixed deposits	14	7,283,620	18,990,335
Management fees payables to fund managers	15	(15,641)	(62,283)
		<u>34,632,009</u>	<u>68,363,903</u>

9. Financial assets at fair value through profit or loss

	Note	<u>2015</u> S\$	<u>2014</u> S\$
Taken up in sinking funds:			
-Equities - quoted		9,660,813	11,223,369
-Bonds - quoted		17,608,756	37,987,928
	8	<u>27,269,569</u>	<u>49,211,297</u>

10. Available-For-Sale Financial Assets

	<u>2015</u> S\$	<u>2014</u> S\$
Movements during the year - at fair value:		
Financial assets at beginning of year/transferred from Sembawang Town Council on 1 April 2013	5,623,601	8,610,991
Disposal	(46,658)	(2,650,606)
Fair value gain/ (loss) transferred to equity	351,822	(336,784)
Fair value at end of year	<u>5,928,765</u>	<u>5,623,601</u>
Taken up in sinking funds:		
-Quoted unit trusts/reits as available-for-sale financial assets	1,747,402	1,533,750
-Quoted equities as available-for-sale financial assets	4,181,363	4,089,851
	<u>5,928,765</u>	<u>5,623,601</u>

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For the Financial Year Ended 31 March 2015



11. Held-To-Maturity Financial Assets

	<u>2015</u> S\$	<u>2014</u> S\$
Taken up in sinking fund:		
Current		
Amortised costs of quoted bonds with fixed interest of 2.02% to 3.73 % (2014: Nil) p.a. and maturity date ranging from 21 April 2015 to 7 March 2016 (2014: Nil)	4,361,533	-
Non-current		
Amortised costs of quoted bonds with fixed interest of 1.01% to 4.17% (2014: 2.42% to 4.17%) p.a. and maturity date ranging from 10 May 2016 to 1 June 2019 (2014: 8 October 2014 to 3 September 2019)	<u>12,599,463</u>	<u>1,968,607</u>
	<u>16,960,996</u>	<u>1,968,607</u>
Impairment loss	-	(6,334)
	<u>16,960,996</u>	<u>1,962,273</u>
	<u>2015</u> S\$	<u>2014</u> S\$
Movements during the year - at amortised cost:		
Financial assets at beginning of year/transferred from Sembawang Town Council on 1 April 2013	1,968,607	3,579,687
Transfer from Fund managers on expiry	17,590,817	-
Redemption	(2,537,500)	(1,612,500)
(Amortisation) / Discretion	(60,928)	1,420
Amortised cost at end of year	<u>16,960,996</u>	<u>1,968,607</u>
Impairment loss	-	(6,334)
Balance as at 31 March	<u>16,960,996</u>	<u>1,962,273</u>
The fair values for the held-to-maturity financial assets were as follows:		
Quoted bonds with fixed interest	<u>16,910,769</u>	<u>1,992,620</u>

12. Conservancy and Service Receivables

	<u>2015</u> S\$	<u>2014</u> S\$
Conservancy and service receivables	1,871,911	1,445,827
Interest receivable on late payment	321,735	249,058
Impairment loss	(449,510)	(316,037)
	<u>1,744,136</u>	<u>1,378,848</u>
Movement in impairment loss during the year		
Balance at beginning of year/ transferred from Sembawang Town Council on 1 April 2013	316,037	628,625
Write back to income and expenditure statement and sinking fund statement for the financial year	-	(331,299)
Additional provision for the financial year	<u>133,473</u>	<u>18,711</u>
Balance as at 31 March	<u>449,510</u>	<u>316,037</u>

13. Other Receivables

	<u>2015</u> S\$	<u>2014</u> S\$
Due from HDB for carpark management	-	291,697
Recoverable from HDB	254,486	480,873
Citizens' Consultative Committee grant receivables	1,939,535	3,327,336
Prepayments	214,302	172,461
Others	252,880	531,217
Accrued interest	94,461	224,554
Services & conservancy charge grant receivable	218,498	-
GST subvention grant receivable	430,550	380,568
Deposits Paid	301,518	168,911
Goods & Services Tax	839,815	886,976
	<u>4,546,045</u>	<u>6,464,593</u>

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

14. Cash and Cash Equivalents

	<u>2015</u> S\$	<u>2014</u> S\$
Cash in hand and bank balances	8,502,711	1,432,488
Cash and fixed deposits held in trust by fund managers (Note 8)	7,283,620	18,990,335
Fixed deposits	<u>65,192,904</u>	<u>54,004,696</u>
	<u>80,979,235</u>	<u>74,427,519</u>

At the year end, the carrying amounts of cash and cash equivalents approximate their fair values.

The fixed deposits with financial institutions mature between one month to ten months (2014: one month to ten months) after the financial year end. The interest rate as at 31 March 2015 was between 0.43% and 1.35% (2014: 0.22% and 1.18%) p.a.

For the purposes of cash flow statement, the cash and cash equivalents comprised the following:

	<u>2015</u> S\$	<u>2014</u> S\$
Cash and cash equivalents	80,979,235	74,427,519
Cash and fixed deposits held in trust by fund managers (Note 8)	<u>(7,283,620)</u>	<u>(18,990,335)</u>
Cash and cash equivalents per cash flow statement	<u>73,695,615</u>	<u>55,437,184</u>

Notes to the Financial Statements

For the Financial Year Ended 31 March 2015



15. Payables and Accrued Expenses

	<u>2015</u> S\$	<u>2014</u> S\$
Work order accruals	16,724	18,070
Trade payables	6,754,774	8,580,747
Water and electricity payables	736,260	-
Accrued operating expenses	394,111	73,510
Sundry deposits	208,223	204,429
Accrued management fee	15,641	62,283
Other payables	30,559	87,957
	<u>8,156,292</u>	<u>9,026,996</u>

The contractual undiscounted cash outflows on payables and accrued expenses are expected to approximate their carrying amounts and settled within one year except for sundry deposits that are repayable on demand.

16. (a) Agency Fees

Agency fees received for routine maintenance of HDB's car parks and common property within the town.

(b) Other Income

	<u>2015</u> S\$	<u>2014</u> S\$
Late payment penalty	282,364	142,683
Liquidated damages	100,823	186,900
Temporary occupational licence income	2,496,193	2,393,443
Use of common property	24,630	23,320
Use of void decks	52,390	48,330
Use of water and electricity at void decks	713,298	647,188
Others	79,335	70,559
	<u>3,749,033</u>	<u>3,512,423</u>

17. Managing Agent's Fees

The Town Council does not have any employees on its payroll as all its daily operations have been outsourced to a managing agent for a fee of \$5,614,479 (2014 : \$5,126,119) for the financial year ended 31 March 2015.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2015

18. (a) Investment and Interest Income On Sinking Funds

	<u>2015</u> S\$	<u>2014</u> S\$
Income - Bonds and other investments	342,223	279,673
Interest Income - fixed bank deposits	354,404	146,295
Dividend income from equities	177,918	132,254
Fair value gain/ (loss) from financial assets carried at fair value through profit or loss	<u>1,886,725</u>	<u>(661,472)</u>
	<u>2,761,270</u>	<u>(103,250)</u>

(b) Sinking Funds Expenditure

	Note	<u>2015</u> S\$	<u>2014</u> S\$
Re-Roofing Works		3,861,838	7,859,431
Electrical Rewiring		1,771,893	1,011,519
Lift Works		1,532,165	3,864,203
Replacement of Water & Booster Pump		442,523	19,951
Repairs & Redecoration		6,966,308	4,210,979
Replacement Water Pipes		3,639,440	2,004,159
Consultancy fee and other charges		717,866	758,849
Non-claimable goods and services tax	21	669,206	52,262
Lift Overhaul		<u>6,228,128</u>	<u>8,226,655</u>
		<u>25,829,367</u>	<u>28,008,008</u>

19. General and Administrative Expenditure

The general and administrative expenditure comprise the following:

	Note	<u>2015</u> S\$	<u>2014</u> S\$
Advertising and public relations		547,070	384,889
Auditor's remuneration		27,920	58,314
Allowance for bad debts and written back		133,473	(312,588)
Bad debts recovered		(17,756)	-
Computing services		252,558	139,422
Depreciation of plant and equipment	7	65,678	69,580
Office rental and upkeep expenditure		462,630	409,815
Office supplies and stationery		72,019	64,702
Postage / Telephone		177,821	139,655
Town Councillors' allowance		186,567	188,015
Insurance premium		36,373	168,414
Goods and services tax	21	248,251	175,547
Legal fee		158,565	222,797
Property tax		243,258	144,225
Others		<u>178,850</u>	<u>449,870</u>
		<u>2,773,277</u>	<u>2,302,657</u>

Notes to the Financial Statements

For the Financial Year Ended 31 March 2015



20. Income Tax

	<u>2015</u> S\$	<u>2014</u> S\$
Current income tax provision	593,246	485,112
Overprovision in prior year	(69,932)	-
	<u>523,314</u>	<u>485,112</u>
Taken up in:		
Income and Expenditure Statement	316,413	308,664
Sinking Fund Statement	206,901	176,448
	<u>523,314</u>	<u>485,112</u>

The tax expense on surplus differs from the amount that would arise using the Singapore standard rate of income tax as explained below:

	<u>2015</u> S\$	<u>2014</u> S\$
Interest income received	1,567,190	880,888
Dividend income	632,369	380,772
Other income	10,156,229	8,070,383
Allowable expenses	(392,287)	(243,978)
	<u>11,963,501</u>	<u>9,088,065</u>
Tax calculated at a tax rate of 17%	2,033,795	1,544,971
Tax exempt income	(25,500)	(25,925)
Tax effect of certain income taxed at concessionary tax rate	(70,919)	(56,745)
Tax remission of government grants under Section 92(2) of Singapore Income Tax	(1,344,130)	(1,014,171)
Overprovision in prior year	(69,932)	-
Others	-	36,982
	<u>523,314</u>	<u>485,112</u>

21. 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 during the financial year.

22. Government Grants

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

	Total		Conservancy and Service Grant		Payment from Citizens' Consultative Committee		GST Subvention	
	<u>2015</u> S\$	<u>2014</u> S\$	<u>2015</u> S\$	<u>2014</u> S\$	<u>2015</u> S\$	<u>2014</u> S\$	<u>2015</u> S\$	<u>2014</u> S\$
Government Grants received/receivable during the year	10,562,773	10,457,077	6,323,708	5,876,479	2,546,313	3,105,771	1,692,752	1,474,827
Transfer to -								
Sinking Funds	(2,635,022)	(2,415,907)	(2,057,011)	(1,912,004)	-	-	(578,011)	(503,903)
Town Improvement and Project Fund	(2,546,313)	(3,105,771)	-	-	(2,546,313)	(3,105,771)	-	-
	<u>5,381,438</u>	<u>4,935,399</u>	<u>4,266,697</u>	<u>3,964,475</u>	<u>-</u>	<u>-</u>	<u>1,114,741</u>	<u>970,924</u>

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

	<u>2015</u> S\$	<u>2014</u> S\$
Balance at 1 April	10,457,077	-
Add : Grants received for the financial year	10,562,773	10,457,077
Balance at 31 March	<u>21,019,850</u>	<u>10,457,077</u>

Notes to the Financial Statements

For the Financial Year Ended 31 March 2015



23. Operating Lease Payment Commitments

At the reporting date, the Town Council was committed to make the following payments in respect of operating lease of office premises, rental of equipment and computer support and maintenance services with lease terms of more than one year:

	<u>2015</u> S\$	<u>2014</u> S\$
Not later than one year	482,218	468,962
Later than one year but not later than five years	948,115	1,003,668
More than five years	<u>411,268</u>	<u>222,770</u>

24. Capital Commitments

	<u>2015</u> S\$	<u>2014</u> S\$
Capital expenditure approved by the Town Council but not provided for in the financial statements are as follows:		
Amount approved and contracted for	35,320,991	24,656,933
Amount approved but not contracted for	<u>101,934,000</u>	<u>108,305,000</u>
	<u>137,254,991</u>	<u>132,961,933</u>

25. Related party transactions

The Town Council has out-sourced its daily and certain operations to managing agent amounting to \$8,795,983 (2014: \$8,269,428).

Payables and accrued expenses included amount due to managing agent of \$255,089 (2014: \$280,998).

26. Financial risk management objectives and policies

General Risk Management Principles

The Town Council's financial instruments comprise cash and liquid resources, including investments in financial assets, conservancy and services debtors and other receivables, trade payables and other payables. The main risks arising from the Town Council's financial instruments are credit risk, market risk and liquidity risk. The Town Council reviews and monitors policies for managing each of these risks and they are summarised below:

Credit Risk

Credit risk is the risk that counterparty to a financial asset fail to discharge an obligation or commitment entered into with the Town Council.

Credit risk on cash and cash equivalents is limited because the counterparties are with Singapore regulated financial institutions. Ongoing credit evaluation is performed on the conservancy and service fees receivables financial condition and loss from impairment is recognised in the income and expenditure and sinking fund statements. There is no significant concentration risk for conservancy and service receivables as the exposure is spread over a large number of residents.

The credit risk for conservancy and service receivables based on the information provided to key management is as follows:

- (i) Conservancy and service fees receivables that are neither past due nor impaired are substantially counterparties with good payment records with the Town Council.
- (ii) The ageing analysis of conservancy and service fees receivable past due and information on the impairment allowance are as follows:

	Gross 2015 S\$	Gross 2014 S\$	Impairment 2015 S\$	Impairment 2014 S\$
Past due >3 months	371,252	380,203	-	-
Past due 3 to 6 months	310,853	248,954	-	-
Past due over 6 months	1,100,621	841,281	449,510	316,037
	<u>1,782,726</u>	<u>1,470,438</u>	<u>449,510</u>	<u>316,037</u>

26. Financial risk management objectives and policies (Cont'd)

Credit risk (cont'd)

Based on historical default rates, the Town Council believes that no impairment allowance is necessary in respect of conservancy and service fee receivables not past due or past due but not impaired. These receivables are substantially debtors with good collection track record with the Town Council. The carrying amount of conservancy and service receivables determined to be impaired was \$449,510 (2014: \$316,037).

Other receivables as at 31 March 2015 are not past due or impaired as at 31 March 2015. These comprised mainly recoverable from statutory board and government agencies.

Exposure to credit risk in financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity financial assets comprises mainly debt securities. Investments in debt securities are subject to adverse changes in the financial condition of the issuer, or the general economic conditions, or both, which may impair the ability of the issuer to make payment of interest and principal. Exposure to such credit risk is monitored by the Town Council's management and the professional investment advisors (in the case of funds with fund managers) with oversight from the Finance and Investment Committee and the Town Council.

The Town Council's maximum exposure to credit risk arising from cash and cash equivalents, conservancy and service fees receivables, other receivables and other financial assets as at 31 March 2015 is equal to the carrying amount of these financial assets in the statement of financial position.

Market risk

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

(i) Price risk

The Town Council is exposed to securities price risk from financial assets which are classified on the statement of financial position at fair value through profit or loss and/or at fair value recognised directly in fair value reserves. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the financial assets and the market conditions. Our investment portfolio with fund managers (classified as financial assets at fair value through profit or loss) are monitored by the fund managers, on a regular basis, so as to assess changes in fundamentals and valuation. Guidelines have been set by the Finance and Investment Committee to manage the exposure of our investment portfolio so as to reduce our exposures to market volatility by diversifying the investment portfolio into equities, bonds and other financial assets.

26. Financial risk management objectives and policies (Cont'd)

Market risk (cont'd)

(ii) Sensitivity analysis

The table below summarises the impact to the Town Council's financial assets at fair value through profit or loss and available for sale financial assets as a result of a 10% increase /decrease in the fair value of funds with all other variable held constant:

	Net Assets		Increase / (Decrease)	
	10% increase S\$	10% decrease S\$	Sinking Fund Statement 10% increase S\$	10% decrease S\$
31 March 2015				
Financial assets at fair value through profit or loss	2,726,957	(2,726,957)	2,726,957	(2,726,957)
Available-for-sale financial assets	592,877	(592,877)	592,877	(592,877)
31 March 2014				
Financial assets at fair value through profit or loss	4,921,130	(4,921,130)	4,921,130	(4,921,130)
Available-for-sale financial assets	562,360	(562,360)	562,360	(562,360)

(iii) Interest rate risk

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

The Town Council has interest-bearing fixed deposits with financial institutions and held to maturity financial assets. The interest rates are disclosed in Notes 11 and 14 to the financial statements. The interest-bearing fixed deposits and held to maturity financial assets are at fixed rates at the reporting date.

If interest rates had been 25 basis points lower/higher with all other variables held constant, the Town Council's deficit before government grants for the year would have been \$58,221 (2014: \$45,242) higher/lower.

26. Financial risk management objectives and policies (Cont'd)

Liquidity risk

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

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

	Total \$	Less than 1 year \$	Between 2 and 5 years \$
At 31 March 2015			
Held-to-maturity financial assets	17,624,106	4,383,967	13,240,139
Available-for-sale financial assets	5,928,765	-	5,928,765
Financial assets at fair value through profit or loss	27,269,569	27,269,569	-
Conservancy and service Receivables	1,744,136	1,744,136	-
Other receivables (excluding prepayments)	4,331,743	4,331,743	-
Interest receivable	279,794	279,794	-
Cash and cash equivalents	80,979,235	80,979,235	-
	<u>138,157,348</u>	<u>118,988,444</u>	<u>19,168,904</u>
Other financial liabilities	<u>9,858,310</u>	<u>9,858,310</u>	-
At 31 March 2014			
Held-to-maturity financial assets	1,962,273	215,890	1,746,383
Available-for-sale financial assets	5,623,601	-	5,623,601
Financial assets at fair value through profit or loss	49,211,297	49,211,297	-
Conservancy and service Receivables	1,378,848	1,378,848	-
Other receivables (excluding prepayments)	6,292,132	6,292,132	-
Interest receivable	47,939	47,939	-
Cash and cash equivalents	74,427,519	74,427,519	-
	<u>138,943,609</u>	<u>131,573,625</u>	<u>7,369,984</u>
Other financial liabilities	<u>10,175,979</u>	<u>10,175,979</u>	-

27. Management of Town Council's funds

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

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

The Town Council actively and regularly reviews and manages its capital 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 capital requirements.

28. Fair Value of financial Instruments

Fair values

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values.

The Town Council does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

28. Fair Value of financial Instruments (Cont'd)

Fair value hierarchy (cont'd)

(a) Assets measured at fair value

The following table shows an analysis of each class of measured at fair value at 31 March 2015.

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Recurring fair value measurements				
31 March 2015				
Financial assets at fair value through profit or loss (Note 9)	27,269,569	-	-	27,269,569
Available-for-sale financial assets (Note 10)	5,928,765	-	-	5,928,765
31 March 2014				
Financial assets at fair value through profit or loss (Note 9)	49,211,297	-	-	49,211,297
Available-for-sale financial assets (Note 10)	5,623,601	-	-	5,623,601

(b) Assets not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Town Council's assets not measured at fair value at 31 March 2015 but for which fair value is disclosed:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
31 March 2015				
Held-to-maturity financial assets (Note 11)	16,910,769	-	-	16,910,769
31 March 2014				
Held-to-maturity financial assets (Note 11)	1,992,620	-	-	1,992,620

The carrying value of held-to-maturity financial assets as at 31 March 2015 was \$16,960,996 (As at 31 March 2014: \$1,962,273).

29. Changes and Adoption of Financial Reporting Standards

New or revised accounting standards and interpretations not yet effective

The Town Council has adopted all the new or revised Financial Reporting Standards ("FRS") which effective for annual financial periods beginning on or after 1 April 2014. The adoption of these FRS did not have any effect on the financial performance or position of the Town Council.

The following FRS that are relevant to the Town Council were issued but not yet effective and which the Town Council has not early adopted:

Reference	Description	Effective date (Annual periods beginning on or after)
Improvements to FRSs (January 2014)		
- FRS 24	Related Party Disclosures	1 July 2014
- FRS 113	Fair Value Measurement	1 July 2014
Improvements to FRSs (November 2014)		
- FRS 107	Financial Instruments: Disclosures	1 January 2016
- FRS 16	Property, Plant and Equipment	1 January 2016
Amendments to FRS 1	Disclosure/Initiatives	1 January 2016
- FRS 115	Revenue from Contracts with Customers	1 January 2017
- FRS 109	Financial Instruments	1 January 2018

The Town Council does not anticipate that the adoption of the above amendments to FRS in future periods will have a material impact on the financial statements of the Town Council in the period of their initial adoption.

30. Comparative figures

The Town Council made reclassification and amendments to certain comparative figures. These presentation changes are made to conform with the presentation of the current financial year. These adjustment include:

(i) Reclassification of accrued operating expenses to trade payables

	Reclassified 31 March 2014	Previously reported 31 March 2014
Statement of financial position		
<i>Note 15 Payables and Accrued Expenses</i>		
Trade payables	8,580,747	-
Accrued operating expenses	73,510	8,654,257

Notes to the Financial Statements

For the Financial Year Ended 31 March 2015



30. Comparative figures (Cont'd)

- (ii) Allocation of management agent's fee, TOL income, property tax and income tax

The basis of allocation of the above have been changed from Equivalent Dwelling Units basis to that of actual property type unit basis. The effect of reclassification is on the different property types and does not affect the total funds balances of the Town Council.

	Reclassified 31 March 2014	Previously reported 31 March 2014
<u>Statement of financial position</u>		
Residential Property Funds		
Accumulated Surplus	959,776	-
Commercial Property Funds		
Accumulated Surplus	4,623,183	5,940,079
Car Park Funds		
Accumulated Surplus	692,118	334,998
<u>Statement of Changes in Funds</u>		
(Deficit)/surplus for the financial year		
Residential Property Funds	(12,544,896)	(13,504,672)
Commercial Property Funds	581,526	1,898,422
Car Park Funds	763,222	406,102
<u>Note 3 - Accumulated surplus</u>		
Other income		
Residential Property Funds	2,862,577	1,006,738
Commercial Property Funds	574,458	2,430,297
Operating expenditure		
Residential Property Funds	(32,076,535)	(31,430,079)
Commercial Property Funds	(1,209,321)	(1,498,657)
Car Park Funds	(2,572,899)	(2,930,019)
Taxation		
Residential Property Funds	(275,930)	(26,323)
Commercial Property Funds	(30,166)	(279,773)



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