

Tanjong Pagar Town Council Annual Report 2016/2017



Tanjong Pagar Town Council

Audited Financial Statements, Auditor's Reports

and

Annual Report

for

FY 2016/2017

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Chairman's message

Throughout the years, Tanjong Pagar Town Council has always strived to do our best to maintain our estate efficiently and effectively, constantly improving productivity with new technology and methods. We have worked with partners to harvest electricity using solar panels, switched to energy efficient lighting, re-engineered processes and re-designed the scope of work for our officers and contractors to help manage operating costs.

In the past, about 35% of the Town Council's income from our service and conservancy charges (S&CC) and government grants went into a Sinking Fund. This was used for Cyclical Work like repainting our blocks, re-roofing, rewiring, replacing water pumps and lifts.

From 1 April 2017, the Ministry of National Development, aware of the massive increases in the costs Town Councils will face for lift replacement, has ruled that 14% of the Town Council's income from S&CC and government grants must go into a Sinking Fund called Lift Replacement Fund as well as a minimum of 26% (down from 35%) into the ordinary Sinking Fund for both residential and commercial properties. So Town Councils now have to put aside the 40% of their income into the Sinking Fund.

This means that the Town Council now has 5% less to pay for routine maintenance work like conservancy, mechanical and electrical services, building and lift repairs and horticulture, as well as the cost of utilities, 24-hour essential maintenance and lift rescue, management fees and overheads.

With the costs of maintaining our estates increasing every year, and a 5% reduction in operating funds, the Town Councils collectively announced revisions to their S&CC rates with effect from 1 June 2017.

As our population ages, lifts in our high rise buildings have become an essential vertical transportation. But many of our early HDB blocks did not have lifts which stop on every floor. In 2001, the Government initiated the Lift Upgrading Programme (LUP), and today, almost all HDB blocks have lifts that stop on every floor, providing greater accessibility for our elderly residents and those with mobility difficulty.

Our Town Council has to upkeep more than 1,400 lifts and ensure their safety and reliability. Each lift is inspected and serviced once a month. It takes about an hour and a half for each lift, depending on how many floors the lift serves as the landing doors on every floor have to be inspected, cleaned and adjusted.

The cost of this monthly maintenance has increased sharply in recent years as the number of lifts in our Town and the number of floors they stop at has increased significantly.



This cost will increase further as the safety features on our lifts grow more complex and the skills required of the servicemen increase.

To help with these operating cost increases, the Government has announced a \$600 per lift per annum Lift Maintenance Grant from FY 17/18. Incidents involving malfunctioning lifts reported in the past year, in various parts of the island, highlighted the importance of lift safety and reliability. In response, the Government introduced the Lift Enhancement Programme (LEP) in September 2016.

The LEP will fund 90% of the cost of installing safety features in older lifts to bring them on par with newer lifts, with the Town Council funding the remaining 10%. Modern features not found in some older lifts include the 'light curtain' that can prevent lift doors from closing when they should not, a device that slows a lift if it starts moving up very fast and a device that prevents the lift car from moving if the landing doors are not properly closed. Altogether there are ten safety features recommended under the LEP. Several of these safety features have already been installed in our Town's older lifts, while the newer lifts will possess all ten safety features.

In addition to enhancing our facilities and amenities, we need to work together with our residents to understand what more is needed to be done. This year, the Town Council launched a new Facebook page and a new Instagram account (@tptckakis) to better connect with our residents online. These social media platforms will feature interesting contents such as good food places and hotspots around our town. They will also include important information such as upgrading projects and new developments around our town.

For many years, residents have provided feedback to the Town Council through various channels like our hotline, email, walk-in and social media platform. Today, we have smartphone applications like the OneService app, which allows all residents to conveniently send in feedback wherever they are and at any time of the day. All you have to do is to spot, shoot and send, and if the issues are within the Town Council's purview, the feedback will be channeled to us. The sooner we hear of it, the sooner we can work on it.

One common feedback from our residents is littering. To tackle this problem, the Town Council has partnered with the Public Hygiene Council in the "Keep Clean, Singapore" Movement to organise litter picking exercises across our Town. We thank the many residents who participated in these exercises to take a firm and united stand against littering and litterbugs!

Together, we can keep Tanjong Pagar Town a safe, clean and best home for all.

Mr Melvin Yong Yik Chye
Chairman



主席的话

为维持区里的干净整洁和完善的设施，丹戎巴葛市镇理事会一直以来都竭尽全力。通过新科技及方法，工作人员的生产力也逐渐提升，为居民提供更有效率的服务。经过与合作伙伴们的合作，我们以太阳能板替代电力供应、把区里的灯转用节能照明、重新设计工作方式以及重新拟定工作范围。这使理事会和承包商能够更好地营运费用。

过去，约35%来自于服务与杂费（S&CC）以及政府给予的收入都一贯性地注入市镇理事会的累积基金。这笔基金将用于提供周期性工程，如重新粉刷组屋、重新整修屋顶、更换电线、更换水泵和电梯。

国家发展部意识到市镇理事会将在电梯翻新计划上面临庞大的成本增加。因此从2017年4月1日起，市镇理事会必须将40%的收入注入市镇理事会累积基金。其中的26%将注入一般累积基金，用于住宅和商用产业。而其余的14%将注入新的电梯翻累积基金。

这意味着市镇理事会的营运资金已减少了5%。这营运资金是用于支付杂物、机电、建筑、电梯维修、园艺等日常维修工作上以及日常水电开支。其中开支也包括24小时必要的维修和电梯意外停止时的救援工作、管理费和间接费用等。

随着区里逐年增加的管理费用以及调低至26%的营运资金，市镇理事会已集体宣布从2017年6月1日起调整杂费。

随着人口老化，电梯对年长居民来说已是不可或缺的工具。但建屋局早期兴建的组屋并不是层层都有电梯。因此早在2001年，政府推出了电梯翻新计划（LUP），为几乎所有有需要的组屋进行翻新计划。这项计划让每层楼的居民，尤其是年长居民和行动不便的人士，都能享有电梯到居住楼层的便利。而至今，几乎所有的组屋已经完成了电梯翻新。

我们的市镇理事会需要维护超过1,400架电梯以确保电梯的可靠性和使用者的安全。每架电梯需要进行每月一次约一个半小时的维修检查。所需时间根据电梯服务的楼层数量而定。维修检查包括为每层楼的电梯门进行检查、清洁和调整。

我们市镇里的电梯数量逐年增加，电梯停顿的楼层也相应显著增多。因此电梯的每月维修费用



也相对的大幅度提高。日渐复杂的电梯安全装置需要技巧更纯熟的维修人员进行维修。预计维修费用也会相应地提升。

为应对营运成本的增加，于17/18财政年起，政府宣布每年为每个电梯拨款一笔\$600的电梯维修津贴。去年在岛国各处发生的电梯意外事故已说明维持电梯安全和可靠性的重要，所以政府在2016年推出了电梯提升计划（LEP）。

旧款电梯的安全性将会在电梯提升计划下得到提升。该计划将提供90%的安全装置安装费用，其余

10%的费用将由市镇理事会负责。旧款的电梯缺少了一些新款电梯的安全装置，例如可避免电梯门在不该关闭时关闭的“安全光幕”、可让电梯行使过快时减速的装置，以及在电梯门还没关好时避免电梯行使的装置。电梯提升计划一共有十项电梯安全装置建议。我们区里的电梯也已具备了建议中绝大部分的安全装置，而新款电梯则具备所有十项安全装置。

此外，为了加强社区设施和服务，我们需要与居民保持紧密关系，以便了解居民更多的需要。市镇理事会今年推出了新的面簿网站和Instagram帐号（@tptckakis）以更好地和居民在网上保持互动。这些新的网上平台将介绍区里好吃好玩的好去处，也将提供区里新发展项目和翻新计划的进展。

这些年以来，居民通过各种方式如热线服务、电邮、亲临理事会和上网至社交媒体平台向我们提供了反馈意见。如今有了“一联通”（One-Service）手机应用程序，所有居民能够不受时间及地点的拘束，轻松地提供及时的反馈给相关政府机构。大家只需对准要反馈的事物拍照，然后将照片和信息发送出去。若所涉及事项在市镇理事会的管辖范围内，理事会收到消息后，将尽快着手处理。

乱丢垃圾乃反馈中最常见到的一项。针对这项问题，市镇理事会已经和公共卫生理事会协作主办“保持新加坡清洁运动”（Keep Singapore Clean）。这项活动鼓励居民在社区里捡垃圾，为维持社区整洁出力。我们在此感谢居民的踊跃参与，齐心合力为维护环境整洁干净不遗余力。

让我们一起携手为所有居民打造更安全、干净整洁和最优质的家园。

主席
杨益财



Amanat Pengerusi

Sepanjang tahun-tahun yang lepas, Majlis Bandaran Tanjong Pagar telah giat berusaha melakukan yang terbaik untuk menyelenggara estet kami secara cekap dan berkesan, sambil terus meningkatkan produktiviti dengan teknologi dan kaedah-kaedah baru. Kami telah bekerjasama dengan rakan-rakan untuk menjana elektrik dengan menggunakan panel solar, beralih kepada lampu menjimatkan tenaga, proses-proses kejuruteraan semula dan merangka semula skop kerja pegawai dan kontraktor kami bagi membantu menguruskan kos operasi.

Pada masa lalu, kira-kira 35% pendapatan Majlis Bandaran daripada yuran perkhidmatan dan penyenggaraan (S&CC) kami dan geran pemerintah telah dimasukkan ke dalam Dana Terikat. Ini digunakan untuk Kerja Kitaran seperti mengecat semula blok kita, melapisi semula bumbung blok, pendawaian semula, menggantikan pam air dan lif.

Mulai 1 April 2017, Kementerian Pembangunan Negara, yang menyedari tentang peningkatan besar dalam kos yang akan ditanggung oleh Majlis Bandaran untuk menggantikan lif, telah memutuskan bahawa 14% pendapatan Majlis Bandaran daripada S&CC dan geran pemerintah harus dimasukkan ke dalam Dana Terikat yang dipanggil Dana Penggantian Lif serta sekurang-kurangnya 26% (diturunkan daripada 35%) ke dalam Dana Terikat biasa bagi hartanah kediaman dan juga komersial. Maka itu, semua Majlis Bandaran kini perlu mengetepikan 40% daripada pendapatan mereka ke dalam Dana Terikat.

Ini bermakna bahawa Majlis Bandaran kini mempunyai 5% kurang untuk membayar kerja-kerja penyenggaraan rutin seperti penyenggaraan, perkhidmatan mekanikal dan elektrik, pembaikan bangunan dan lif dan hortikultur, serta kos bagi utiliti, penyenggaraan penting dan penyelamatan lif 24 jam, yuran pengurusan dan biaya overhead.

Dengan kos menyelenggara estet kita yang semakin meningkat setiap tahun, dan pengurangan dana operasi sebanyak 5%, Majlis Bandaran secara kolektif mengumumkan semakan semula kepada kadar S&CC mereka berkuat kuasa dari 1 Jun 2017.

Penduduk kita semakin menua, lif di bangunan bertingkat tinggi telah menjadi pengangkutan yang sangat penting. Tetapi banyak blok HDB lama kita tidak mempunyai lif yang berhenti di setiap tingkat. Pada tahun 2001, Pemerintah telah memulakan Program Peningkatan Lif (LUP), dan pada hari ini, hampir semua blok-blok HDB mempunyai lif yang berhenti di setiap tingkat, lantas memberikan akses yang lebih baik kepada penduduk kita yang sudah lanjut usia dan mereka yang mengalami kesukaran mobiliti.

Majlis Bandaran kita perlu menjaga lebih dari 1,400 buah lif dan memastikan keselamatan dan boleh dipercayai. Setiap lif diperiksa dan diservis sebulan sekali. Ianya mengambil masa kira-kira satu setengah jam bagi setiap lif, bergantung kepada bilangan tingkat lif tersebut berhenti kerana pintu pendaratan di setiap tingkat perlu diperiksa, dibersihkan dan diselarasakan.

Kos bagi penyenggaraan bulanan ini telah meningkat dengan ketara pada tahun-tahun kebelakangan ini kerana bilangan lif di Bandar kami dan bilangan tingkat ia berhenti telah meningkat dengan ketara. Kos ini akan terus meningkat sambil ciri-ciri keselamatan pada lif kita menjadi semakin kompleks dan kemahiran yang diperlukan daripada pekerja



penyelenggaraan juga meningkat.

Untuk membantu dengan kos-kos operasi yang meningkat ini, Pemerintah telah mengumumkan geran Penyenggaraan Lift sebanyak \$600 bagi setiap lif setiap tahun dari TK 17/18. Insiden-insiden yang melibatkan lif rosak yang dilaporkan pada tahun lepas di berbagai kawasan di Singapura, menekankan pentingnya keselamatan dan kebolehpercayaan lif. Sebagai respon, Pemerintah telah memperkenalkan Program Peningkatan Lif (LEP) pada bulan September 2016.

LEP akan membiayai 90% daripada kos memasang ciri-ciri keselamatan pada lif-lif lama untuk memastikan ia setanding dengan lif-lif yang baru, dengan Majlis Bandaran membiayai baki

10%. Ciri-ciri moden yang tidak didapati di beberapa lif-lif lama termasuk 'tirai cahaya' yang boleh menghalang pintu lif daripada tertutup apabila ia tidak sepatutnya tutup, peranti yang melambatkan pergerakan lif jika ia mula bergerak terlalu pantas dan peranti yang menghalang gerabak lif daripada bergerak jika pintu pendaratan tidak tertutup dengan betul. Kesemuanya terdapat sepuluh ciri-ciri keselamatan yang dicadangkan di bawah LEP. Beberapa ciri keselamatan ini telah pun dipasang di lif-lif lama di Bandar kita, manakala lif-lif baru akan mempunyai kesemua sepuluh ciri keselamatan.

Di samping mempertingkatkan prasarana dan kemudahan kita, kami perlu bekerjasama dengan para penduduk untuk memahami apa lagi yang perlu dilakukan. Tahun ini, Majlis Bandaran telah melancarkan laman Facebook baru dan akaun Instagram baru (@tpckakis) untuk lebih terhubung dengan penduduk kami secara online. Platform-platform media sosial ini akan menengahkan kandungan-kandungan yang menarik seperti tempat-tempat makan yang baik dan hotspot di sekitar bandar kita. Ia juga akan menyediakan maklumat penting seperti projek-projek peningkatan dan perkembangan baru di sekitar bandar kita.

Selama beberapa tahun, para penduduk telah memberikan maklum balas kepada Majlis Bandaran menerusi pelbagai saluran seperti talian hotline, emel, media sosial kami dan juga secara langsung di pejabat-pejabat kami. Hari ini, kami mempunyai aplikasi telefon pintar seperti aplikasi OneService, yang membolehkan semua penduduk menghantarkan maklum balas dengan mudah di mana sahaja mereka berada dan pada bila-bila masa sepanjang hari. Anda hanya perlu mencari hotspot dan hantarkan, dan jika isu-isu tersebut berada dalam kuasa Majlis Bandaran, maklum balas tersebut akan disalurkan kepada kami. Lebih cepat kami mendengarnya, lebih cepat kami dapat melakukan sesuatu.

Satu maklum balas yang biasa kami terima daripada penduduk adalah berkenaan pembuangan sampah sembarangan. Untuk menangani masalah ini, Majlis Bandaran telah bekerjasama dengan Majlis Kebersihan Awam dalam Gerakan "Jaga Kebersihan Singapura" untuk menganjurkan acara-acara mengutip sampah di serata Bandar kita. Kami mengucapkan terima kasih kepada para penduduk yang telah mengambil bahagian dalam acara ini dan mengambil pendirian yang tegas dan bersatu-padu dalam menentang pembuangan sampah sembarangan!

Bersama-sama, kita boleh memastikan Bandar Tanjong Pagar kekal sebagai tempat kediaman yang selamat, bersih dan terbaik untuk semua.

Mr Melvin Yong Yik Chye
Pengerusi



தலைவரின் செய்தி

பல ஆண்டுகளாக, தஞ்சைப் பகார் நகர மன்றம் நமது குடியிருப்புப்பேட்டையைத் திறம்படப் பேணிப் பராமரிப்பதற்கு தன்னாவன முயற்சிகளை மேற்கொண்டு வருகிறது. மேலும், புதிய தொழில்நுட்பம் மற்றும் முறைகளுடன் உற்பத்தித் திறனைத் தொடர்ந்து அதிகரித்து வருகிறது. இயக்கச் செலவுகளை நிர்வகிக்க உதவுவதற்கு சோலார் டேனல்களைப் பயன்படுத்துதல், மின்சாரச் சேமிப்பு விளக்குகளுக்கு மாறுதல், திருத்தியமைக்கப்பட்ட செயல்முறைகள் மற்றும் நமது அலுவலர்கள் மற்றும் ஒப்பந்ததாரர்களுக்காக மறு-வடிவமைப்பு செய்யப்பட்ட வேலை நோக்கம் ஆகியவற்றைப் பயன்படுத்தி மின்சாரத்தை சேமிப்பதற்கு நாங்கள் பங்களிப்புகளுடன் இணைந்து பணியாற்றியுள்ளோம்.

கடந்த காலத்தில், நமது சேவைப் பராமரிப்புக் கட்டணங்கள் (S&CC) மற்றும் அரசாங்க மானியங்கள் மூலம் நகரமன்றத்திற்குக் கிடைத்த வருவாயில் சுமார் 35% வருவாய் ஒரு கடன் தீர் நிதியில் (சிங்கிங் ஃபண்ட்) சேர்க்கப்பட்டன. இது நமது புள்ளிகளுக்கு மறு-வண்ணமடித்தல், மேற்கரை, மின்சார வடங்கள், தண்ணீர் பம்புகள் மற்றும் மின்தூக்கிகளை மாற்றுதல் போன்ற சுழற்சி முறையிலான வேலைகளுக்காகப் பயன்படுத்தப்பட்டது.

மின்தூக்கியை மாற்றுவதற்கு நகர மன்றங்களுக்கு மிகுந்த செலவு பிடிக்கும் என்பதை தேசிய வளர்ச்சி அமைச்சு அறிந்திருப்பதால், ஏப்ரல் 1, 2017 முதல், S&CC மற்றும் அரசாங்க மானியங்களில் இருந்து நகர மன்றத்திற்குக் கிடைக்கும் 14% வருவாயை மின்தூக்கிகளை மாற்றுவதற்கான நிதி என்றழைக்கப்படும் ஒரு கடன் தீர் நிதியில் சேர்க்க வேண்டும் என்றும், குறைந்தது 26% (35% -இல் இருந்து குறைக்கப்படுகிறது) வருவாயைக் குடியிருப்பு மற்றும் வர்த்தகச் சொத்துகளுக்கான சாதாரண கடன் தீர் நிதியில் சேர்க்க வேண்டும் என்றும் தேசிய வளர்ச்சி அமைச்சு உத்தரவிட்டுள்ளது. எனவே நகரமன்றங்கள் இப்போது தங்களுடைய 40% வருவாயைக் கடன் தீர் நிதிக்கு ஒதுக்க வேண்டியுள்ளது.

பராமரிப்பு, இயந்திர மற்றும் மின்சாரச் சேவைகள், கட்டிட மற்றும் மின்தூக்கி பழுதுநீக்கங்கள் மற்றும் வேளாண்மை போன்ற வழக்கமான பராமரிப்புப் பணிகளுக்காக மட்டுமின்றி, பயன்பாட்டுக் கட்டணங்கள், 24-மணிநேர அத்தியாவசியப் பராமரிப்பு மற்றும் மின்தூக்கி மீட்பு, நிர்வாகக் கட்டணங்கள் மற்றும் அலுவலகச் செலவுகளுக்கு நகர மன்றத்திற்குத் தற்போது 5% வருவாய் பற்றாக்குறை ஏற்பட்டுள்ளது என்பதே இதன் அர்த்தமாகும்.

நமது குடியிருப்புப்பேட்டைகளைப் பேணிப் பராமரிப்பதற்கான கட்டணங்கள் ஒவ்வொரு ஆண்டும் அதிகரித்துக் கொண்டிருப்பதாலும், இயக்க நிக்களில் 5% குறைந்துள்ளதாலும், 1 ஜூன் 2017 அன்று முதல் நகர மன்றங்கள் கூட்டாகத் தங்களுடைய சேவைப் பராமரிப்புக் கட்டணங்களில் திருத்தங்களை அறிவித்தன. நமது மக்கள்தொகை அதிகரித்து வருவதால், நமது பலமாடிக் கட்டிடங்களில் உள்ள மின்தூக்கிகள் ஒரு அத்தியாவசிய செங்குத்துப் போக்குவரத்து முறையாக மாறியுள்ளன. ஆனால் நமது முந்தைய வீவக புள்ளிகளுடன் பலவற்றில், ஒவ்வொரு மாடியிலும் நின்று செல்கின்ற மின்தூக்கிகள் இல்லை. 2001-இல், மின்தூக்கி மேம்பாட்டுத் திட்டத்தை (LUP) அரசாங்கம் தொடங்கியது. இன்று, ஒவ்வொரு மாடியிலும் நின்று செல்கின்ற மின்தூக்கிகள் கிட்டத்தட்ட எல்லா வீவக புள்ளிகளுக்கிடையே உள்ளன. இது நமது வயது முதிர்ந்த குடியிருப்பாளர்களுக்கும், நடமாடுவதற்குச் சிரமப்படும் நபர்களுக்கும் சிறந்த வசதியை வழங்குகின்றன.

நமது நகர மன்றங்கள் 1,400-க்கும் மேற்பட்ட மின்தூக்கிகளைப் பேணிப் பராமரிக்கவும், அவற்றின் பாதுகாப்பு மற்றும் நம்பகத்தன்மையை உறுதிசெய்யவும் வேண்டியுள்ளது. ஒவ்வொரு மின்தூக்கியும் மாதம் ஒருமுறை ஆய்வு செய்யப்பட்டு, பழுதுநீக்கம் செய்யப்படுகிறது. மின்தூக்கி எத்தனை மாடிகளுக்குச் சேவைபுரிகிறது என்பதன் அடிப்படையில், ஒவ்வொரு மின்தூக்கியையும் பராமரிப்பதற்குச் சுமார் ஒன்றரை மணிநேரம் ஆகிறது. ஒவ்வொரு மாடியிலும் உள்ள மின்தூக்கி முகப்பறைக் கதவுகளை ஆய்வு செய்தல், சுத்தம் செய்து, சரிசெய்தல் ஆகியவை இதில் அடங்கும்.

நமது நகரத்தில் உள்ள மின்தூக்கிகளின் எண்ணிக்கை மற்றும் அவை நின்று செல்லும் மாடிகளின் எண்ணிக்கை கணிசமாக அதிகரித்துள்ளதால், இந்த மாதாந்தரப் பராமரிப்பு செலவு சமீப ஆண்டுகளில் குறிப்பிடத்தக்க வகையில் அதிகரித்துள்ளது. நமது மின்தூக்கிகளின் பாதுகாப்பு அம்சங்கள் மிகவும் சிக்கலானவையாக மாறுவதாலும், சேவையாளரின் திறன்கள் அதிகமாக இருக்க

வேண்டியிருப்பதாலும், இந்தக் கட்டணம் மேலும் அதிகரிக்கும்.

இத்தகைய அதிகரித்த இயக்கச் செலவுகளைச் சமாளிக்க உதவுவதற்கு, அரசாங்கம் 17/18 நிதியாண்டில் ஒவ்வொரு

மின்தூக்கிக்கும் ஆண்டுக்கு \$600 மின்தூக்கி பராமரிப்பு மானியத்தை அறிவித்துள்ளது. நாட்டில் பல்வேறு பகுதிகளில் கடந்த ஆண்டு தெரிவிக்கப்பட்ட மின்தூக்கிகள் செயலிழப்பு தொடர்பான சம்பவங்கள், மின்தூக்கி பாதுகாப்பு மற்றும் நம்பகத்தன்மையின் முக்கியத்துவத்தை உணர்த்தின. இதன் விளைவாக, அரசாங்கம் செப்டம்பர் 2016-இல் மின்தூக்கி மேம்பாட்டுத் திட்டத்தை (LEP) அறிமுகப்படுத்தியது.

பழைய மின்தூக்கிகளைப் புதிய மின்தூக்கிகளுக்கு இணையாக மாற்றுவதற்காக, அவற்றில் பாதுகாப்பு அம்சங்களை நிறுவுவதற்கு LEP 90% நிதியுதவி அளிக்கும், மீதமுள்ள 10% ஐ நகரமன்றம் அளிக்கும். சில பழைய மின்தூக்கிகளில் 'லைட் கர்டெயின்' போன்ற நவீன அம்சங்கள் இல்லை. 'லைட் கர்டெயின்' என்பது மின்தூக்கியின் கதவுகள் திறந்திருக்க வேண்டிய நேரத்தில் மூடிக் கொள்வதைத் தடுக்கும் ஒரு சாதனமாகும். மேலும், மின்தூக்கி வேகமாக நகரத் தொடங்கினால், அதன் வேகத்தைக் குறைப்பதற்கும், மின்தூக்கி முகப்பறைக் கதவுகள் முறையாக மூடப்படவில்லை என்றால்,

மின்தூக்கி நகரத்தைத் தடுப்பதற்கும் சாதனங்கள் அவற்றில் இல்லை. ஆகமொத்தம் பத்து பாதுகாப்பு அம்சங்கள் LEP-இன் கீழ் பரிந்துரைக்கப்பட்டுள்ளன. இத்தகைய பாதுகாப்பு அம்சங்களில் பல நமது நகரத்தின் பழைய மின்தூக்கிகளில் ஏற்கெனவே நிறுவப்பட்டுள்ளன என்றாலும், புதிய மின்தூக்கிகள் மேலே குறிப்பிடப்பட்டவாறு எல்லா பத்து பாதுகாப்பு அம்சங்களையும் கொண்டிருக்கும்.

நமது வசதிகளையும் பயன்பாடுகளையும் மேம்படுத்துவதற்கும் கூடுதலாக, இன்னும் என்ன செய்ய வேண்டியுள்ளது என்பதைப் புரிந்துகொள்வதற்கு நமது குடியிருப்பாளர்களுடன் நாங்கள் இணைந்து செயல்பட வேண்டியுள்ளது. நகர மன்றம் நமது குடியிருப்பாளர்களுடன் இணையத்தில் சிறப்பாகத் தொடர்புகொள்வதற்கு இந்த ஆண்டு ஒரு புதிய முகநூல் (ஃபேஸ்புக்) பக்கத்தையும், இன்ஸ்டாகிராம் கணக்கையும் (@nptckakis) தொடங்கியுள்ளது. நமது நகரத்தைச் சுற்றிலும் உள்ள சிறந்த உணவு இடங்கள் மற்றும் மையங்கள் போன்ற ஆர்வமுடும் உள்ளடங்களை இந்த சமூக ஊடகத் தளங்கள் உள்ளடக்கியிருக்கும். நமது நகரத்தைச் சுற்றி மேற்கொள்ளப்படும் புதுப்பித்தல் திட்டப்பணிகள் மற்றும் புதிய மேம்பாடுகள் போன்ற முக்கியத் தகவல்களையும் அவை உள்ளடக்கியிருக்கும்.

குடியிருப்பாளர்கள் நமது நேரடித் தொலைபேசி எண், மின்னஞ்சல், நேரில் மற்றும் சமூக ஊடகத் தளம் போன்ற பல்வேறு வழிகளில் நகர மன்றத்திடம் தங்கள் கருத்துக்களைப் பல ஆண்டுகளாக வழங்கி வந்தனர். இன்று, நம்மிடம் OneService செயலி போன்ற ஸ்டார்ட்ஃபோன் செயலிகள் உள்ளன. இவை, குடியிருப்பாளர்கள் இருக்கும் இடத்தில் இருந்தே எந்த நேரத்திலும் தங்கள் கருத்துக்களை அனுப்புவதற்கான வசதியை அளிக்கின்றன. நீங்கள் ஏதேனும் பிரச்சினைகளைக் கண்டால், அவற்றைப் படமெடுத்து அனுப்பினால் போதும். அப்பிரச்சினைகள் நகர மன்றத்திற்கு உட்பட்டது எனில், அவை குறித்த விவரங்கள் எங்கள் கவனத்திற்குக் கொண்டு வரப்படும். அத்தகைய பிரச்சினைகள் எவ்வளவு சீக்கிரம் எங்கள் கவனத்திற்கு வருகிறதோ, அவ்வளவு சீக்கிரம் எங்களால் அவற்றைத் தீர்த்துவைக்க முடியும்.

குப்பை போடுவது தான் நமது குடியிருப்பாளர்கள் தெரிவிக்கும் ஒரு பொதுவான புகாராகும். இப்பிரச்சினையைச் சமாளிப்பதற்கு, "சிங்கப்பூரைச் சுத்தமாக வைத்துக்கொள்வோம்" என்ற பிரச்சாரத்தின் மூலம் நமது நகரம் முழுவதும் உள்ள குப்பைகளைச் சேகரிப்பதற்கான நடவடிக்கைகளில் பொதுச் சுகாதார மன்றத்துடன் நகர மன்றம் கூட்டிணைந்துள்ளது. குப்பை போடுவதற்கும், குப்பை போடுபவர்களுக்கும் எதிராக உறுதியாகவும் ஒற்றுமையாகவும் நின்று இத்தகைய நடவடிக்கைகளில் பங்கேற்ற பல குடியிருப்பாளர்களுக்கு நன்றி தெரிவித்துக்கொள்கிறோம்.

நாம் அனைவரும் ஒன்றிணைந்து தஞ்சைப் பகார் நகரத்தை அனைவருக்கும் பாதுகாப்பான, சுத்தமான மற்றும் சிறந்த இல்லமாக உருவாக்குவோம்.

மேல்வின் யொங் யிக் சப் தலைவர்



Financial statements

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Auditors' report

Independent Auditors' Report to the Members of Tanjong Pagar Town Council

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tanjong Pagar Town Council (the "Town Council"), which comprise the balance sheet of the Town Council as at 31 March 2017, the income and expenditure statement, statement of comprehensive income, statement of changes in Town Council funds and cash flow statement for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 47.

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, Cap 329A (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Town Council as at 31 March 2017 and 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report 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.

Responsibility of Management and Members of the Town Council for the Financial Statements

Management is responsible for the preparation of 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.

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 management either intends to liquidate the Town Council or to cease operations, or has no realistic alternative but to do so.

The Members of the Town Council's responsibilities include 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.

Auditors' report

Independent Auditors' Report to the Members of Tanjong Pagar Town Council

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

Report on the Audit of the Financial Statements (Cont'd)

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

- 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.

We communicate with the Members of the Town Council 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 and investment of moneys and the acquisition and disposal of assets by the Town Council during the financial year are, in all material respects, in accordance with the provisions of the Act; 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.

Responsibility of Management and Members of the Town Council 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 implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

The Members of the Town Council's responsibilities include overseeing Town Council's compliance with legal and regulatory requirements.

Auditor's responsibility for the Compliance Audit

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

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

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

Ecovis Assurance LLP

Ecovis Assurance LLP

Public Accountants and
Chartered Accountants
Singapore

22 August 2017

Statement of financial position

| | Note | 2017 S\$ | 2016 S\$ |
|--|------|--------------------|--------------------|
| TOWN COUNCIL FUNDS | | | |
| Residential Property Funds | | | |
| Accumulated Surplus | 3 | 2,078,446 | 2,190,865 |
| Sinking Fund | 4 | 111,743,807 | 110,104,519 |
| Town Improvement and Project Fund | 5 | - | 139,398 |
| | | 113,822,253 | 112,434,782 |
| Commercial Property Funds | | | |
| Accumulated Surplus | 3 | 851,058 | 427 |
| Sinking Fund | 4 | 60,360,108 | 60,089,407 |
| Town Improvement and Project Fund | 5 | 1,689,332 | 1,736,281 |
| | | 62,900,498 | 61,826,115 |
| Car Park Funds | | | |
| Accumulated Surplus | 3 | 982,742 | 922,901 |
| Fair Value Reserve | | | |
| | 4 | 426,783 | 389,928 |
| | | 178,132,276 | 175,573,726 |
| Represented by: | | | |
| Non-Current Assets | | | |
| Plant and equipment | 7 | 167,871 | 231,139 |
| Available-for-sale investments | 8 | 9,410,158 | 9,373,303 |
| Held-to-maturity investments | 9 | 68,024,382 | 74,010,536 |
| | | 77,602,411 | 83,614,978 |
| Current Assets | | | |
| Conservancy and service receivables | 10 | 1,445,871 | 1,184,769 |
| Other receivables | 11 | 3,109,369 | 4,470,383 |
| Interest receivable | | 1,104,347 | 1,202,842 |
| Held-to-maturity investments | 9 | 3,013,944 | 16,002,678 |
| Cash and cash equivalents | 13 | 106,410,735 | 109,149,678 |
| | | 115,084,266 | 132,010,350 |
| Total Assets | | 192,686,677 | 215,625,328 |
| Less: | | | |
| Current Liabilities | | | |
| Conservancy and service fees received in advance | | 789,249 | 879,311 |
| Payables and accrued expenses | 14 | 12,176,560 | 37,550,234 |
| Provision for taxation | | 1,588,592 | 1,622,057 |
| | | 14,554,401 | 40,051,602 |
| Net assets | | 178,132,276 | 175,573,726 |



Mr Melvin Yong Yik Chye
Chairman



Simon Koh Tee Chuan
Secretary

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

Income & expenditure statement

| | Note | <u>2017</u> S\$ | <u>2016</u> S\$ |
|---|-------|-------------------------|-------------------------|
| Operating Income | | | |
| Conservancy and Service Fees | 3 | 46,451,018 | 49,369,598 |
| Operating transfer to Sinking Fund (minimum required by law) | 3,4 | <u>(15,467,228)</u> | <u>(16,403,982)</u> |
| | | 30,983,790 | 32,965,616 |
| Agency Fees | 15(a) | 3,478,802 | 3,501,797 |
| Other Income | 15(b) | <u>3,562,518</u> | <u>3,742,585</u> |
| | | 38,025,110 | 40,209,998 |
| Operating Expenditure | | | |
| Cleaning Works | | (8,499,520) | (9,064,735) |
| Managing Agent's Fees | 16 | (5,944,376) | (6,199,179) |
| Lift Maintenance | | (6,984,372) | (6,389,969) |
| Other Works and Maintenance | | (8,343,599) | (8,452,631) |
| Water and Electricity | | (13,352,372) | (12,485,987) |
| General and Administrative Expenditure | 18 | (1,962,753) | (2,872,335) |
| | | (45,086,992) | (45,464,836) |
| Operating Deficit | | (7,061,882) | (5,254,838) |
| Non-Operating Income | | | |
| Interest Income | | <u>1,361</u> | <u>59,346</u> |
| Deficit before taxation and government grants | | (7,060,521) | (5,195,492) |
| Taxation | 19 | <u>(335,759)</u> | <u>(384,926)</u> |
| Deficit after taxation but before government grants | | (7,396,280) | (5,580,418) |
| Government Grants | 3,6 | 11,093,351 | 13,278,351 |
| Transfer to sinking fund | 3,4,6 | (3,250,894) | (3,680,201) |
| Transfer to town improvement and project fund | 3,5,6 | (600,024) | (1,375,763) |
| | | 7,242,433 | 8,222,387 |
| GST Subvention | 3,6 | 1,541,043 | 1,602,742 |
| Transfer to sinking fund | 3,4,6 | (508,704) | (527,030) |
| | | 1,032,339 | 1,075,712 |
| Surplus for the financial year | | 878,492 | 3,717,681 |
| Accumulated surplus as at 1 April | | 3,114,193 | 9,122,945 |
| 80% transfer to sinking fund | 4 | - | (6,965,351) |
| Accumulated surplus transferred to Jalan Besar Town Council | | - | (640,138) |
| Accumulated deficit transferred from Jalan Besar Town Council | | - | (120,944) |
| Transfer to town improvement project fund | 5 | <u>(80,439)</u> | <u>(2,000,000)</u> |
| Accumulated surplus as at 31 March | 3 | <u>3,912,246</u> | <u>3,114,193</u> |

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

Statement of comprehensive income

| | Note | <u>2017</u> S\$ | <u>2016</u> S\$ |
|---|------|--------------------------------|--------------------------------|
| Surplus for the financial year | | | |
| Accumulated Surplus | 3 | 878,492 | 3,717,681 |
| Sinking Fund | 4 | 1,909,989 | 291,602 |
| Town Improvement and Project Fund | 5 | <u>(266,786)</u> | <u>(740,177)</u> |
| Total surplus for the year | | <u>2,521,695</u> | <u>3,269,106</u> |
| Other comprehensive income | | | |
| Available-for-sale financial assets | | | |
| - Fair value gain (loss) | | <u>36,855</u> | <u>(207,236)</u> |
| Other comprehensive income for the year, net of income tax | | <u>36,855</u> | <u>(207,236)</u> |
| Total comprehensive income for the year attributable to town council funds | | <u><u>2,558,550</u></u> | <u><u>3,061,870</u></u> |

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

Statement of changes in Town Council funds

| | Total | | Residential Property Fund | |
|--|--------------------|--------------------|---------------------------|--------------------|
| | <u>2017</u> S\$ | <u>2016</u> S\$ | <u>2017</u> S\$ | <u>2016</u> S\$ |
| Balance as at 1 April | 175,573,726 | 199,398,014 | 112,434,782 | 118,375,215 |
| Surplus for the year | 2,521,695 | 3,269,106 | 1,387,471 | 1,908,441 |
| Other comprehensive income | | | | |
| Fair value gain (loss) on available-for-sale investments | 36,855 | (207,236) | - | - |
| Total comprehensive Income (loss) for the year | 2,558,550 | 3,061,870 | 1,387,471 | 1,908,441 |
| Transfer to Jalan Besar Town Council | - | (42,097,462) | - | (15,898,051) |
| Transfer from Jalan Besar Town Council | - | 15,211,304 | - | 6,088,723 |
| Inter-fund transfer - current year | - | - | - | 1,960,454 |
| Balance as at 31 March | 178,132,276 | 175,573,726 | 113,822,253 | 112,434,782 |

The surplus for the year comprise the following:

| | Note | <u>2017</u> S\$ | <u>2016</u> S\$ |
|-----------------------------------|------|--------------------|--------------------|
| Accumulated surplus | 3 | 878,492 | 3,717,681 |
| Sinking Fund | 4 | 1,909,989 | 291,602 |
| Town Improvement and Project Fund | 5 | (266,786) | (740,177) |
| Total | | 2,521,695 | 3,269,106 |

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

| Commercial Property Fund | | Carpark Fund | | Fair Value Reserve | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <u>2017</u> S\$ | <u>2016</u> S\$ | <u>2017</u> S\$ | <u>2016</u> S\$ | <u>2017</u> S\$ | <u>2016</u> S\$ |
| 61,826,115 | 78,445,148 | 922,901 | 1,980,487 | 389,928 | 597,164 |
| 1,074,383 | 388,642 | 59,841 | 972,023 | - | - |
| - | - | - | - | 36,855 | (207,236) |
| 1,074,383 | 388,642 | 59,841 | 972,023 | 36,855 | (207,236) |
| - | (26,104,089) | - | (95,322) | - | - |
| | 9,096,414 | | 26,167 | | |
| - | - | - | (1,960,454) | - | - |
| 62,900,498 | 61,826,115 | 982,742 | 922,901 | 426,783 | 389,928 |

Cash flow statement

| | <u>2017</u> | <u>2016</u> |
|--|--------------------------|--------------------------|
| | S\$ | S\$ |
| Cash flows from operating activities | | |
| Deficit before taxation and government grants | (7,060,521) | (5,195,492) |
| Adjustments for: | | |
| Interest income | (1,361) | (59,346) |
| Depreciation of plant and equipment | 99,217 | 104,526 |
| (Write-back of) Provision for doubtful debts | (71,536) | 252,043 |
| Amortisation of held-to-maturity investments | - | 71,551 |
| Gain on disposal of held-to-maturity investments | - | (16,900) |
| Operating transfer to Sinking Funds | 15,467,228 | 16,403,982 |
| Operating surplus before working capital changes | <u>8,433,027</u> | <u>11,560,364</u> |
| Conservancy and service fee receivables | (189,566) | (2,525) |
| Other receivables | 852,601 | (769,850) |
| Trade and other payables | 1,422,422 | (39,589) |
| Cash used in operations | <u>10,518,484</u> | <u>10,748,400</u> |
| Sinking Funds Expenditure | (20,427,870) | (23,826,195) |
| Sinking Funds other income received | 23,463 | 106,206 |
| Town Improvement and Project Expenditure | (866,810) | (2,115,940) |
| Income tax paid | (802,131) | (756,668) |
| Net cash used in operating activities | <u>(11,554,864)</u> | <u>(15,844,197)</u> |
| Cash flows from investing activities | | |
| Proceeds from held-to-maturity investments | 21,035,842 | 1,016,900 |
| Cash restricted in use | (8,500,000) | (16,000,000) |
| Purchase of investments | (2,060,954) | (9,011,500) |
| Purchase of plant and equipment | (35,949) | (150,497) |
| Interest received | 3,521,838 | 3,672,434 |
| Net cash generated from (used in) investing activities | <u>13,960,777</u> | <u>(20,472,663)</u> |
| Cash flows from financing activities | | |
| Government grants received | 11,893,762 | 14,706,913 |
| GST Subvention | 1,540,529 | 1,601,944 |
| Transfer to Jalan Besar Town Council | (27,079,147) | - |
| Net cash (used in) generated from financing activities | <u>(13,644,856)</u> | <u>16,308,857</u> |
| Net decrease in cash and cash equivalents | (11,238,943) | (20,008,003) |
| Cash and cash equivalents at beginning of year | <u>69,149,678</u> | <u>89,157,681</u> |
| Cash and cash equivalents at end of year (Note 13) | <u><u>57,910,735</u></u> | <u><u>69,149,678</u></u> |

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

Notes to the financial statements

1 General information

Tanjong Pagar Town Council was formed on 13 November 2001 under the Town Councils Act, Cap. 329A. The functions of the Town Council are to control, manage, maintain and improve the common property of residential, other commercial property and market and food centres in the housing estates of the Housing and Development Board (HDB) within the Town.

By virtue of the writ of election issued on 25 August 2015, a general election was called for on 11 September 2015. Subsequently, the electoral boundaries were redrawn and as at 1 October 2015, the Kreta Ayer-Kim Seng Constituency, which was previously under Tanjong Pagar Town Council, was transferred to Jalan Besar Town Council. At the same time, part of Moulmein Division from the dissolved Moulmein-Kallang Town Council became part of the Constituency of Tanjong Pagar Town Council.

With the Town Councils (Declaration of Towns) Order 2015, both Tanjong Pagar Town Council and the newly formed Jalan Besar Town Council continued to maintain the accounting records during the caretaking period from 1 October 2015 to 30 November 2015 on behalf of each other.

During the caretaking period, the management continued to maintain one set of accounting records. At the end of the caretaking period, 30 November 2015, and as agreed by the general managers of Tanjong Pagar and Jalan Besar Town Councils, the assets and liabilities and fund balances were split as at that date, and the income and expenditure was apportioned for the period from 1 April 2015 to 30 November 2015. The basis of the apportionment are as follows:

- (a) fund balances as at 31 March 2015 were apportioned based on the number of equivalent dwelling units as at the same date;
- (b) for the period from 1 April 2015 to 30 November 2015, where the fund balances, income or expenditure, assets and liabilities can be directly attributable to the blocks in each respective Town Council, these have been specifically identified and allocated to the respective Town Councils; and
- (c) where the fund balances, income or expenditure, assets and liabilities cannot be directly attributable to the blocks in each respective Town Council, these have been allocated to the respective Town Councils based on the number of equivalent dwelling units for the period from 1 April 2015 to 30 November 2015.

The assets, liabilities and fund balances transferred to Jalan Besar Town Council were agreed between the general managers of Tanjong Pagar Town Council and Jalan Besar Town Council on the basis set out above.

The financial statements of the Town Council for the financial year ended 31 March 2017 were authorised for issue by the members of Town Council on 22 August 2017.

The main office of the Town Council is situated at:

Blk 166 Bukit Merah Central
#03-3527
Singapore 150166

2(a) Basis of preparation

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, Cap.329A. 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.

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

Notes to the financial statements

2(a) Basis of preparation (Cont'd)

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Singapore dollars which is the Town Council's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRSs requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

Critical accounting judgements and key sources of estimation uncertainty

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.

(a) Critical accounting estimates and assumptions

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

(i) Impairment for bad and doubtful debts

Impairment for doubtful conservancy and service debts and legal fees amounting to S\$805,784 (2016: S\$877,320) have been estimated on the basis of age of debts, results of recovery efforts and historical experience.

(ii) Income tax

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

Notes to the financial statements

2(a) Basis of preparation (Cont'd)

Critical accounting judgements and key sources of estimation uncertainty (cont'd)

(a) Critical accounting estimates and assumptions (cont'd)

(iii) 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.

(b) Key sources of estimation uncertainty

Management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, except for those as disclosed above under critical accounting estimates and assumptions.

2(b) New or revised accounting standards and interpretation not yet effective

Interpretations and amendments to published standards

The Town Council has adopted the new or revised FRSs and INT FRSs that are mandatory for application on 1 April 2016. The adoption of these new or revised FRSs and INT FRSs did not result in substantial changes to the Town Council's accounting policies and had no material effects on the financial statements.

FRSs and INT FRSs issued but not yet effective

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

FRS 109 Financial Instruments

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

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

FRS 115 Revenue from Contracts with Customers

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

Notes to the financial statements

2(b) New or revised accounting standards and interpretation not yet effective (Cont'd)

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

FRS 115 Revenue from Contracts with Customers (Cont'd)

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

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

FRS 116 Leases

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

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

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

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

2(c) Summary of significant accounting policies

(a) Funds

Town Council Funds

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

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

- Residential Property
- Commercial Property
- Carparks are managed by the Town Council for the Housing and Development Board (HDB) on an agency basis.

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

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

Notes to the financial statements

2(c) Summary of significant accounting policies (Cont'd)

(a) Funds (cont'd)

Town Council Funds (cont'd)

Assets and liabilities of the various funds of the Town Council are pooled in the Statement of Financial Position.

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

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

For the current financial year, the minimum amounts to be paid into the Sinking Funds are as follows:

| | Property Type | Percentage of Conservancy and Service Fees and Grant-in-Aid |
|-------|--------------------------------|--|
| (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 minimum contributions are treated as operating transfers and netted off against the conservancy and service fees and government grants in the Income and Expenditure Statement.

The Sinking Funds are utilised for cyclical major repainting, renewal or replacement of roofing system, water tanks, pumps and water supply system, lightning protection system and lifts, 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.

Town Improvement and Project Funds

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

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

Expenditure on Town Improvement Projects is taken directly to the Town Improvement and Project Funds. Payments from CCC are shown as part of Government Grants in the Income and Expenditure Statement and then transferred to the Town Improvement and Project Funds.

Notes to the financial statements

2(c) Summary of significant accounting policies (Cont'd)

(b) Allocation of General Overheads

Expenditure not relating specifically to any property type managed, for example, administrative overheads 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 Funds and Town Improvement and Project Funds.

(c) Government Grants

The Town Council receives three types of grants from Government, namely, Conservancy and Service Grant, GST Subvention Grant and Payment from Citizens' Consultative Committee.

The GST Subvention is given as grants-in-aid to Town Councils for absorbing the GST increase in conservancy and service charges for residential properties.

Government grants are accounted for on an accrual basis 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.

(d) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. 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.

Depreciation is calculated on the straight line basis to write off the cost of the assets over their estimated useful lives as follows:

| | |
|----------------------------------|--------------|
| Office equipment | 3 to 5 years |
| Data processing equipment | 3 years |
| Furniture, fixtures and fittings | 5 years |
| Leasehold improvements | 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 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 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.

Notes to the financial statements

2(c) Summary of significant accounting policies (Cont'd)

(e) Impairment of Non-financial Assets

The carrying amount of other 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.

(f) Financial assets

(a) Classification

The Town Council classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the nature and purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the end of the reporting period.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Town Council provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except those maturing more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets. Loans and receivables include conservancy and service fee receivables, other receivables, interest/investment income receivable, fixed deposits and cash and bank balances on the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Town Council's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income and expenditure statement when the held-to-maturity investments are derecognised or impaired, and through the amortisation process. The Town Council's held-to-maturity investments include investments in fixed and variable rate corporate and government bonds.

Notes to the financial statements

2(c) Summary of significant accounting policies (Cont'd)

(f) Financial assets (cont'd)

(a) Classification (Cont'd)

(iv) Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the profit or loss for the period.

(b) Recognition and derecognition

Purchase and sale of financial assets are recognised on trade-date - the date on which the Town Council commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Town Council has transferred substantially all risks and rewards of ownership.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through income statement, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" investment category are included in the Income and Expenditure Statement in the period in which they arise.

(e) Determination of fair value

The fair value of financial assets traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Town Council is the quoted closing price at the measurement date.

The carrying amount of current financial assets, carried at amortised costs, are assumed to approximate their fair values.

(f) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

Notes to the financial statements

2(c) Summary of significant accounting policies (Cont'd)

(f) Financial assets (cont'd)

(f) Impairment of financial assets (cont'd)

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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

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

Such objective evidence is determined on the following basis:

- | | |
|---|--|
| (i) Rental/Sold property (live) | - full provision for accounts which have balances in excess of 12 months |
| (ii) Rental/Sold property (Ex-accounts) | - full amount in arrears |

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

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, 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 through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserves. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Notes to the financial statements

2(c) Summary of significant accounting policies (Cont'd)

(f) Financial assets (cont'd)

(g) Effective interest method

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

(g) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Cash on hand and in banks and short-term deposits which are held to maturity are carried at amortised cost, using the effective interest method.

(h) Payables

Payables are initially measured at fair value (net of transaction costs), and subsequently measured at amortised cost, using the effective interest method.

(i) Provisions

Provisions are recognised when the Town Council has a present obligation (legal or constructive) as a result of a past event, where 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. Provision 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.

(j) 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 is 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 is recognised in the Income and Expenditure Statement when the rights to receive payment have been established.

Investment income from investments in held-to-maturity financial assets is recognised on a time-proportion basis using the effective interest method.

(k) Income tax

Income tax is provided on the following income:

- (i) Income derived from investments and bank deposits;
- (ii) Agency fee derived from acting as agents for HDB;
- (iii) Fees, rents and other charges received from non-residents of properties in the Town; and
- (iv) Donations from non-residents or non-owners of properties in the Town.

Notes to the financial statements

2(c) Summary of significant accounting policies (Cont'd)

(k) Income tax (cont'd)

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 each reporting date and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences.

In respect of government grant received, the Town Council has been granted remission under Section 92(2) of the Income Tax Act, Cap. 134.

Tax shall be payable at the rate of 10% on the income derived from the operation of its approved Finance and Treasury Centre in respect of the provision of qualifying services and activities which have been approved under Section 43G(2) of the Income Tax Act, Cap. 134.

(l) Leases as Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in the income and expenditure statement on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in the income and expenditure statement as an integral part of the total lease expense.

(m) Inter-fund transfer

Under Section 33(9) of the Town Councils Act, Cap. 329A, the Town Council may transfer an amount not exceeding the surplus from any of its other funds established by the Town Council, to a fund which is in deficit to make good the deficit in that fund.

(n) 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 dollar which is also the functional currency of the Town Council.

Notes to the financial statements

3 Accumulated Surplus

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

| | NOTE | Total | | Residential Property | |
|---|------|---------------------|--------------|----------------------|--------------|
| | | 2017 S\$ | 2016 S\$ | 2017 S\$ | 2016 S\$ |
| Operating Income | | | | | |
| Conservancy and service fees | | 46,451,018 | 49,369,598 | 39,707,181 | 41,301,396 |
| Operating transfer to Sinking Funds (minimum required by law) | 4 | (15,467,228) | (16,403,982) | (13,106,882) | (13,580,108) |
| | | 30,983,790 | 32,965,616 | 26,600,299 | 27,721,288 |
| Other Income | | 7,041,320 | 7,244,382 | 2,657,604 | 2,953,250 |
| | | 38,025,110 | 40,209,998 | 29,257,903 | 30,674,538 |
| Operating expenditure | | (45,086,992) | (45,464,836) | (37,283,920) | (37,154,082) |
| Operating (deficit) surplus | | (7,061,882) | (5,254,838) | (8,026,017) | (6,479,544) |
| Non-operating income | | 1,361 | 59,346 | 1,142 | 49,935 |
| (Deficit) Surplus before taxation and Government grants | | (7,060,521) | (5,195,492) | (8,024,875) | (6,429,609) |
| Taxation | 19 | (335,759) | (384,926) | (281,877) | (320,821) |
| (Deficit) Surplus after taxation but before Government grants | | (7,396,280) | (5,580,418) | (8,306,752) | (6,750,430) |
| Government Grants | 6 | 11,093,351 | 13,278,351 | 11,035,328 | 13,145,452 |
| Transfer to sinking fund | 4,6 | (3,250,894) | (3,680,201) | (3,250,894) | (3,680,201) |
| Transfer to town improvement and project funds | 5,6 | (600,024) | (1,375,763) | (542,001) | (1,242,864) |
| | | 7,242,433 | 8,222,387 | 7,242,433 | 8,222,387 |
| Add: GST Subvention | 6 | 1,541,043 | 1,602,742 | 1,541,043 | 1,602,742 |
| Transfer to sinking fund | 4,6 | (508,704) | (527,030) | (508,704) | (527,030) |
| | | 1,032,339 | 1,075,712 | 1,032,339 | 1,075,712 |
| Surplus (Deficit) for the year | | 878,492 | 3,717,681 | (31,980) | 2,547,669 |
| Accumulated surplus at the beginning of year | | 3,114,193 | 9,122,945 | 2,190,865 | 655,749 |
| 80% transfer to sinking fund | 4 | - | (6,965,351) | - | (478,642) |
| Accumulated surplus transferred to Jalan Besar Town Council | | - | (640,138) | - | (278,781) |
| Accumulated deficit transferred from Jalan Besar Town Council | | - | (120,944) | - | (215,584) |
| Transfer to town improvement project fund | 5 | (80,439) | (2,000,000) | (80,439) | (2,000,000) |
| Transfer of Accumulated Surplus from carpark to residential property | | - | - | - | 1,960,454 |
| Accumulated surplus at end of year | | 3,912,246 | 3,114,193 | 2,078,446 | 2,190,865 |

Notes to the financial statements

| Commercial Property | | Carparks | |
|---------------------|-------------|-------------|-------------|
| 2017 | 2016 | 2017 | 2016 |
| S\$ | S\$ | S\$ | S\$ |
| 6,743,837 | 8,068,202 | - | - |
| (2,360,346) | (2,823,874) | - | - |
| 4,383,491 | 5,244,328 | - | - |
| 863,206 | 746,522 | 3,520,510 | 3,544,610 |
| 5,246,697 | 5,990,850 | 3,520,510 | 3,544,610 |
| (4,366,008) | (5,761,800) | (3,437,064) | (2,548,954) |
| 880,689 | 229,050 | 83,446 | 995,656 |
| 123 | 6,232 | 96 | 3,179 |
| 880,812 | 235,282 | 83,542 | 998,835 |
| (30,181) | (37,293) | (23,701) | (26,812) |
| 850,631 | 197,989 | 59,841 | 972,023 |
| 58,023 | 132,899 | - | - |
| - | - | - | - |
| (58,023) | (132,899) | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 850,631 | 197,989 | 59,841 | 972,023 |
| 427 | 6,486,709 | 922,901 | 1,980,487 |
| - | (6,486,709) | - | - |
| - | (266,035) | - | (95,322) |
| - | 68,473 | - | 26,167 |
| - | - | - | - |
| - | - | - | (1,960,454) |
| 851,058 | 427 | 982,742 | 922,901 |

Notes to the financial statements

4 Sinking Fund

| | NOTE | Total | |
|--|------|--------------|--------------|
| | | 2017 S\$ | 2016 S\$ |
| Balance at beginning of year | | 170,193,926 | 188,516,774 |
| Investment and interest income | 17 | 3,520,477 | 3,859,659 |
| Other income | | 23,463 | 106,206 |
| Operating transfer from conservancy and service Fees (Minimum required by law) | 3 | 15,467,228 | 16,403,982 |
| Government grants | 3,6 | 3,250,894 | 3,680,201 |
| GST Subvention | 3,6 | 508,704 | 527,030 |
| | | 22,770,766 | 24,577,078 |
| Expenditure | | (20,427,870) | (23,826,195) |
| Surplus before tax | | 2,342,896 | 750,883 |
| Taxation | 19 | (432,907) | (459,281) |
| Surplus for the financial year | | 1,909,989 | 291,602 |
| 80% transfer from Accumulated Surplus | 3 | - | 6,965,351 |
| 80% transfer from Town Improvement and Project Fund | 5 | - | 545,275 |
| Sinking fund transferred to Jalan Besar Town Council | | - | (41,457,324) |
| Sinking fund transferred from the dissolved Moulmein-Kallang Town Council | | - | 15,332,248 |
| Balance at end of year | | 172,103,915 | 170,193,926 |
| Add: Fair value reserve | | 426,783 | 389,928 |
| | | 172,530,698 | 170,583,854 |
| Represented by: | | | |
| Non-Current Assets | | | |
| Available-for-sale investments | 8 | 9,410,158 | 9,373,303 |
| Held-to-maturity investments | 9 | 68,024,382 | 74,010,536 |
| | | 77,434,540 | 83,383,839 |
| Current Assets | | | |
| Conservancy and services and other receivables | | 456,404 | 1,272,416 |
| Held-to-maturity investments | | 3,013,944 | 16,002,678 |
| Interest receivable | | 1,104,347 | 1,202,842 |
| Cash and cash equivalents | | 94,454,837 | 99,240,904 |
| | | 99,029,532 | 117,718,840 |
| Total assets | | 176,464,072 | 201,102,679 |
| Less: Current Liabilities | | | |
| Payables and accrued expenses | | 3,053,315 | 29,809,853 |
| Provision for taxation | | 880,059 | 707,972 |
| | | 3,933,374 | 30,517,825 |
| Net Assets | | 172,530,698 | 170,584,854 |
| | | 2017 S\$ | 2016 S\$ |
| Lift works | | 6,350,227 | 4,282,568 |
| Reroofing works | | 681,265 | 2,758,953 |
| Redecoration and repainting | | 10,853,532 | 14,609,204 |
| Electrical rewiring | | 633,000 | 214,425 |
| Project management fee | | 686,929 | 786,043 |
| Replacement of water tank, pipes and booster pump | | 598,192 | 583,251 |
| Others | | 624,725 | 591,751 |
| | | 20,427,870 | 23,826,195 |

Notes to the financial statements

| Residential Property | | Commercial Property | |
|----------------------|--------------------|---------------------|-------------------|
| <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> |
| S\$ | S\$ | S\$ | S\$ |
| 110,104,519 | 118,959,676 | 60,089,407 | 69,557,098 |
| 3,179,971 | 3,453,896 | 340,506 | 405,763 |
| 21,492 | 96,057 | 1,971 | 10,149 |
| 13,106,882 | 13,580,108 | 2,360,346 | 2,823,874 |
| 3,250,894 | 3,680,201 | - | - |
| 508,704 | 527,030 | - | - |
| 20,067,943 | 21,337,292 | 2,702,823 | 3,239,786 |
| (18,037,617) | (20,944,501) | (2,390,253) | (2,881,694) |
| 2,030,326 | 392,791 | 312,570 | 358,092 |
| (391,038) | (411,627) | (41,869) | (47,654) |
| 1,639,288 | (18,836) | 270,701 | 310,438 |
| - | 478,642 | - | 6,486,709 |
| - | - | - | 545,275 |
| - | (15,619,270) | - | (25,838,054) |
| - | 6,304,307 | - | 9,027,941 |
| 111,743,807 | 110,104,519 | 60,360,108 | 60,089,407 |

Notes to the financial statements

5 Town Improvement and Project Fund

| | | Total | Residential Property | | Commercial Property | |
|-------------------------------------|-------------|------------------|----------------------|------------------|---------------------|------------------|
| NOTE | 2017 S\$ | 2016 S\$ | 2017 S\$ | 2016 S\$ | 2017 S\$ | 2016 S\$ |
| Balance as at 1 April | 1,875,679 | 1,161,131 | 139,398 | (1,240,210) | 1,736,281 | 2,401,341 |
| Government grants | 3,20 | 600,024 | 542,001 | 1,242,864 | 58,023 | 132,899 |
| Expenditure | | (866,810) | (761,838) | (1,863,256) | (104,972) | (252,684) |
| | | (266,786) | (219,837) | (620,392) | (46,949) | (119,785) |
| 80% transfer to Sinking fund | | - | - | - | - | (545,275) |
| Transfer from Accumulated Surplus | 3 | 80,439 | 80,439 | 2,000,000 | - | - |
| Balance as at 31 March | | <u>1,689,332</u> | <u>-</u> | <u>139,398</u> | <u>1,689,332</u> | <u>1,736,281</u> |
| Represented by: | | | | | | |
| Current Assets | | | | | | |
| Other receivables | | 465,784 | | 1,270,878 | | |
| Amount due from accumulated surplus | | 1,286,342 | | 836,069 | | |
| | | 1,752,126 | | 2,106,947 | | |
| Less: | | | | | | |
| Current Liabilities | | | | | | |
| Payables and accrued expenses | | 62,794 | | 231,268 | | |
| Net Assets | | <u>1,689,332</u> | | <u>1,875,679</u> | | |

Notes to the financial statements

6 Government Grants

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

| | NOTE | Total | | Conservancy and Services Grant | | Payments from Citizens Consultative Committee | | GST Subvention | |
|---|------|-------------------------|------------------|--------------------------------|------------------|---|-------------|-------------------------|------------------|
| | | 2017 S\$ | 2016 S\$ | 2017 S\$ | 2016 S\$ | 2017 S\$ | 2016 S\$ | 2017 S\$ | 2016 S\$ |
| Government grants received/receivable | 3 | 11,093,351 | 13,278,351 | 10,493,327 | 11,902,588 | 600,024 | 1,375,763 | - | - |
| GST subvention received/receivable | 3 | 1,541,043 | 1,602,742 | - | - | - | - | 1,541,043 | 1,602,742 |
| Less : Transfers to Sinking Funds | 3,4 | (3,759,598) | (4,207,231) | (3,250,894) | (3,680,201) | - | - | (508,704) | (527,030) |
| Transfers to Town Improvement and Project Funds | 3,5 | (600,024) | (1,375,763) | - | - | (600,024) | (1,375,763) | - | - |
| | | <u>8,274,772</u> | <u>9,298,099</u> | <u>7,242,433</u> | <u>8,222,387</u> | <u>-</u> | <u>-</u> | <u>1,032,339</u> | <u>1,075,712</u> |

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

| | 2017 S\$ | 2016 S\$ |
|---|---------------------------|--------------------|
| Balance at beginning of year | 189,893,050 | 173,584,193 |
| Add: Grants received for the financial year | 13,434,291 | 16,308,857 |
| Balance at end of year | <u>203,327,341</u> | <u>189,893,050</u> |

Notes to the financial statements

7 Plant and Equipment

| | Office Equipment S\$ | Data Processing Equipment S\$ | Furniture, Fixtures and Fittings S\$ | Leasehold Improvement S\$ | Total S\$ |
|----------------------------------|----------------------------|--|---|---------------------------------|------------------|
| Cost: | | | | | |
| Balance as at 1 April 2015 | 122,679 | 183,151 | 200,025 | 368,164 | 874,019 |
| Additions | - | 12,190 | 35,007 | 103,300 | 150,497 |
| Disposals | - | - | - | (6,200) | (6,200) |
| Balance as at 31 March 2016 | <u>122,679</u> | <u>195,341</u> | <u>235,032</u> | <u>465,264</u> | <u>1,018,316</u> |
| Accumulated depreciation: | | | | | |
| Balance as at 1 April 2015 | 115,591 | 117,459 | 174,566 | 281,235 | 688,851 |
| Charge for the financial year | 4,231 | 34,444 | 14,478 | 51,373 | 104,526 |
| Disposals | - | - | - | (6,200) | (6,200) |
| Balance as at 31 March 2016 | <u>119,822</u> | <u>151,903</u> | <u>189,044</u> | <u>326,408</u> | <u>787,177</u> |
| Net book value: | | | | | |
| Balance as at 31 March 2016 | <u>2,857</u> | <u>43,438</u> | <u>45,988</u> | <u>138,856</u> | <u>231,139</u> |
| Cost: | | | | | |
| Balance as at 1 April 2016 | 122,679 | 195,341 | 235,032 | 465,264 | 1,018,316 |
| Additions | 11,210 | 2,827 | - | 21,912 | 35,949 |
| Disposals | (17,810) | - | (5,050) | (8,575) | (31,435) |
| Balance as at 31 March 2017 | <u>116,079</u> | <u>198,168</u> | <u>229,982</u> | <u>478,601</u> | <u>1,022,830</u> |
| Accumulated depreciation: | | | | | |
| Balance as at 1 April 2016 | 119,822 | 151,903 | 189,044 | 326,408 | 787,177 |
| Charge for the financial year | 3,361 | 36,213 | 14,890 | 44,753 | 99,217 |
| Disposals | (17,810) | - | (5,050) | (8,575) | (31,435) |
| Balance as at 31 March 2017 | <u>105,373</u> | <u>188,116</u> | <u>198,884</u> | <u>362,586</u> | <u>854,959</u> |
| Net book value: | | | | | |
| Balance as at 31 March 2017 | <u>10,706</u> | <u>10,052</u> | <u>31,098</u> | <u>116,015</u> | <u>167,871</u> |

Notes to the financial statements

8 Available-For-Sale Investments

| | <u>2017</u> | <u>2016</u> |
|--|-------------------------|-------------------------|
| | S\$ | S\$ |
| Balance is made up of: | | |
| Quoted unit trusts as available-for-sale at fair value | 1,145,500 | 1,170,000 |
| Quoted equities as available-for-sale at fair value | <u>8,264,658</u> | <u>8,203,303</u> |
| | <u><u>9,410,158</u></u> | <u><u>9,373,303</u></u> |

The fair value of quoted unit trust and equities are based on quoted market prices at the end of reporting period.

Held-To-Maturity Investments

| | <u>2017</u> | <u>2016</u> |
|---|--------------------------|--------------------------|
| | S\$ | S\$ |
| <u>Movements during the year - at amortised cost:</u> | | |
| Amortised cost at beginning of year | 90,013,214 | 82,073,264 |
| Additions for the year | 2,060,954 | 8,947,699 |
| Disposal on maturity | <u>(21,035,842)</u> | <u>(1,007,749)</u> |
| Amortised cost at end of year | <u><u>71,038,326</u></u> | <u><u>90,013,214</u></u> |
| Balance is made up of: | | |
| <u>Current</u> | | |
| Quoted bonds with maturity less than 1 year - 3.60% to 4.45% (2016 : 1.10% to 3.80%) p.a. | 3,013,944 | 16,002,678 |
| <u>Non-Current</u> | | |
| Quoted bonds with maturity within 2 to 5 years - 1.52% to 3.95% (2016 : 1.52% to 4.45%) p.a. | 46,809,425 | 42,088,633 |
| Quoted bonds with maturity over 5 years - 2.505% to 4.70% (2016 : 2.505% to 4.70%) p.a. | <u>21,214,957</u> | <u>31,921,903</u> |
| | <u><u>68,024,382</u></u> | <u><u>74,010,536</u></u> |
| Total | <u><u>71,038,326</u></u> | <u><u>90,013,214</u></u> |
| Fair value at end of year: | | |
| <u>Current</u> | | |
| Quoted bonds with maturity less than 1 year - 3.60% to 4.45% (2016 : 1.10% to 3.80%) p.a. | 3,036,450 | 16,041,070 |
| <u>Non-current</u> | | |
| Quoted bonds with maturity within 2 to 5 years - 1.52% to 3.95% (2016 : 1.52% to 4.45%) p.a. | 47,428,533 | 42,563,750 |
| Quoted bonds with maturity over 5 years - 2.505% to 4.70% (2016 : 2.505% to 4.70%) p.a. | <u>21,351,435</u> | <u>32,062,160</u> |
| | <u><u>68,779,968</u></u> | <u><u>74,625,910</u></u> |
| Total | <u><u>71,816,418</u></u> | <u><u>90,666,980</u></u> |

Notes to the financial statements

10 Conservancy and Service Receivables

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|--------------------------------------|--------------------|--------------------|
| Conservancy and service receivables | 1,393,877 | 1,223,756 |
| Interest receivable on late payments | <u>857,778</u> | <u>838,333</u> |
| | 2,251,655 | 2,062,089 |
| Provision for impairment | <u>(805,784)</u> | <u>(877,320)</u> |
| | <u>1,445,871</u> | <u>1,184,769</u> |

Movement in above provision:

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|---|--------------------|--------------------|
| Balance as at 1 April | 877,320 | 663,086 |
| Transfer to Jalan Besar Town Council | - | (85,651) |
| Transfer from Jalan Besar Town Council | - | 47,842 |
| Additional provision for the financial year | - | 252,043 |
| Write back of provision | <u>(71,536)</u> | - |
| Balance as at 31 March | <u>805,784</u> | <u>877,320</u> |

The average credit period generally granted to conservancy and service receivables is about 10 days (2016:10 days).

11 Other Receivables

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|--|--------------------|--------------------|
| Citizens' consultative committee grant receivables | 549,481 | 1,270,406 |
| Deposits | 381,087 | 384,520 |
| Prepayments | 219,629 | 10,363 |
| Other sundry debtors | 1,154,175 | 901,395 |
| Recoverable from contractors | 419,107 | 61,008 |
| GST subvention grant | 385,890 | 385,376 |
| Neighbourhood Renewal Programme (Note 12) | - | 91,917 |
| Other receivables | <u>-</u> | <u>1,365,398</u> |
| | <u>3,109,369</u> | <u>4,470,383</u> |

Other receivables with a short duration was not discounted and the carrying amounts are assumed to be a reasonable approximation of fair values. The other receivables are denominated in Singapore dollar.

12 Neighbourhood Renewal Programme (Payables)/Receivables

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|-------------------------|--------------------|--------------------|
| Balance as at 1 April | 91,917 | (115,663) |
| Funding from Government | (4,170,744) | (251,643) |
| Payment to Contractors | <u>2,178,079</u> | <u>459,223</u> |
| Balance as at 31 March | <u>(1,900,748)</u> | <u>91,917</u> |

Notes to the financial statements

13 Cash and Bank Balances

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|--|---------------------------|---------------------------|
| Cash and fixed deposits maturing in less than 3 months | 57,910,735 | 69,149,678 |
| Fixed deposits maturing in more than 3 months | <u>48,500,000</u> | <u>40,000,000</u> |
| | <u><u>106,410,735</u></u> | <u><u>109,149,678</u></u> |

The exposure of the fixed deposits to interest rate changes and the maturity dates at the balance sheet dates are as follows:

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|-----------------------|--------------------------|--------------------------|
| Below 3 months | - | 20,000,000 |
| Within 3 to 12 months | <u>48,500,000</u> | <u>40,000,000</u> |
| Total fixed deposits | <u><u>48,500,000</u></u> | <u><u>60,000,000</u></u> |

The rate of interest for cash on interest earning balances of **S\$48,500,000** (2016: S\$60,000,000) is between **1.05%** to **1.6%** (2016 : 1.63% to 1.68%) per annum receivable within 12 months depending on the terms of the fixed deposits. The effective interest rate is **1.33%** (2016 : 1.65%) per annum.

14 Payables and Accrued Expenses

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|---|--------------------------|--------------------------|
| Accruals for completed works | 2,894,767 | 3,408,891 |
| Amount due to managing agent | 83,017 | 130,439 |
| Accrued operating expenses | 6,508,734 | 4,741,552 |
| Refundable deposits | 12,929 | 13,560 |
| Performance bond | 404,232 | 533,250 |
| Neighbourhood Renewal Programme (Note 12) | 1,900,748 | - |
| Selective Lift Replacement Programme | 339,190 | - |
| Other creditors | 32,943 | 519,401 |
| Project cost paid on behalf by Jalan Besar Town Council | - | 1,316,983 |
| Amount due to Jalan Besar Town Council | - | <u>26,886,158</u> |
| | <u><u>12,176,560</u></u> | <u><u>37,550,234</u></u> |

The average credit period taken to settle trade payable is about 30 days (2016 : 30 days). The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair values.

Notes to the financial statements

15(a) Agency Fees

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

(b) Other Income

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|--|--------------------|--------------------|
| Temporary Occupational Licence income | 2,535,244 | 2,643,095 |
| Use of water and electricity | 87,701 | 136,340 |
| Usage of Void Deck and Common Property | 87,890 | 97,442 |
| Liquidated damages | 225,599 | 208,795 |
| Late payment penalty | 214,432 | 198,540 |
| Sundry fines and income | 282,086 | 298,031 |
| Others | 129,565 | 160,342 |
| | <u>3,562,518</u> | <u>3,742,585</u> |

16 Significant Related Party Transactions

Related party relates to the managing agent of the Town Council who manages the operations of the Town Council. In addition, the managing agent performs certain operating and cyclical work for the Town Council. The following are the transactions entered by the Town Council with the managing agent during the financial year:

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|-------------------------|--------------------|--------------------|
| Managing agent fee | 5,944,376 | 6,199,179 |
| Electrical works | 4,993,199 | 2,007,913 |
| Lift works | 1,361,161 | 876,603 |
| Water pump works | 437,411 | 453,423 |
| Project management fees | 747,126 | 739,146 |
| Other expenditures | 78,851 | 55,816 |

17 Investment and Interest Income On Sinking Funds

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|--------------------------------------|--------------------|--------------------|
| Income - Bonds and other investments | 2,771,114 | 2,983,653 |
| Interest Income - fixed bank deposit | 749,363 | 876,006 |
| | <u>3,520,477</u> | <u>3,859,659</u> |

Notes to the financial statements

18 General and Administrative Expenditure

The general and administrative expenditure comprise the following:

| | | <u>2017</u> | <u>2016</u> |
|--------------------------------------|------|------------------|------------------|
| | Note | S\$ | S\$ |
| Advertising and public relations | | 219,847 | 403,664 |
| Bad debts written off | | 20,348 | 240,701 |
| Computer services | | 288,540 | 476,187 |
| Depreciation of plant and equipment | 7 | 99,217 | 104,526 |
| Office rental and upkeep expenditure | | 164,639 | 165,756 |
| Office supplies and stationery | | 102,064 | 146,198 |
| Property tax | | 69,190 | 262,144 |
| Telephone | | 89,012 | 88,214 |
| Town Councillors' allowance | | 234,000 | 214,200 |
| Water and electricity | | 28,299 | 37,466 |
| Insurance premium | | 20,691 | 33,316 |
| Goods and services tax | 20 | 300,158 | 345,749 |
| Legal fee and professional fee | | 96,063 | 143,966 |
| Others | | 230,684 | 210,248 |
| | | <u>1,962,753</u> | <u>2,872,335</u> |

19 Income Tax

| | | <u>2017</u> | <u>2016</u> |
|--|--|----------------|----------------|
| | | S\$ | S\$ |
| Current income tax provision | | 755,894 | 868,408 |
| Under/(Over) provision in respect of prior years | | 12,772 | (24,201) |
| | | <u>768,666</u> | <u>844,207</u> |
| Taken up in: | | | |
| Income and Expenditure Statement | | 335,759 | 384,926 |
| Sinking Fund Statement | | 432,907 | 459,281 |
| | | <u>768,666</u> | <u>844,207</u> |

A reconciliation between the tax expense and the product of accounting surplus multiplied by the applicable tax rate for the year ended 31 March is as follows:

| | | <u>2017</u> | <u>2016</u> |
|--|--|------------------|------------------|
| | | S\$ | S\$ |
| Interest and dividend income | | 1,105,338 | 1,261,745 |
| Bonds income | | 2,314,050 | 2,522,562 |
| Other income | | 2,010,001 | 2,169,449 |
| | | <u>5,429,389</u> | <u>5,953,756</u> |
| Tax at the statutory rate 17% (2016 : 17%) | | 922,996 | 1,012,139 |
| Concessionary tax relief | | (167,102) | (143,731) |
| Under/(Over) provision in respect of prior years | | 12,772 | (24,201) |
| | | <u>768,666</u> | <u>844,207</u> |

20 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.

Notes to the financial statements

21 Operating Lease Payment Commitments

At the balance sheet date, the Town Council was committed to making the following payments in respect of rental of computer hardware and software with lease terms of more than one year:

| | <u>2017</u> S\$ | <u>2016</u> S\$ |
|-------------------------------------|-------------------------|-------------------------|
| Due within 1 year | 444,781 | 482,183 |
| Due after 1 year but within 5 years | <u>832,386</u> | <u>775,021</u> |
| | <u><u>1,277,167</u></u> | <u><u>1,257,204</u></u> |

The leases on the Town Council's office premises and computer services on which rentals are payable will expire earliest 31 March 2019 (2016: 31 May 2017) and not later than 31 May 2020 (2016: 31 March 2019). The current rent payable on the leases range from \$651 to \$12,500 (2016: \$651 to \$12,500) per month, respectively, which are subject to revision and renewal.

22 Commitments for capital expenditure

| | <u>2017</u> S\$ | <u>2016</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 | 23,595,041 | 13,481,664 |
| Amount approved but not contracted for | <u>38,610,648</u> | <u>47,603,413</u> |
| | <u><u>62,205,689</u></u> | <u><u>61,085,077</u></u> |

23 Financial risk management objectives and policies

The Town Council's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. Risk management is integral to the whole operation of the Town Council. 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 management continually monitors the Town Council's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Town Council's activities.

23.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Town Council's operational activities are carried out in Singapore dollar. Hence, its exposure to foreign currency risk is minimal.

23.2 Interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Town Council's main interest bearing assets are fixed deposits with financial institutions and held-to-maturity investments. The Town Council's surplus or deficit are not expected to be affected by the changes in interest rates as these interest-bearing instruments carry fixed interest and are measured at amortised cost.

Notes to the financial statements

23 Financial risk management objectives and policies (Cont'd)

23.3 Liquidity Risk

Liquidity risk arises in the general funding of the Town Council's operating activities. It includes the risks of not being able to fund operating activities at settlement dates and liquidate investments in a timely manner at a reasonable price. The Town Council adopts prudent liquidity risk management by maintaining sufficient cash to meet its routine and sinking fund expenditure requirements. Surplus funds, that are not required in the near future, are invested into short-term deposits and held-to-maturity investments.

23.4 Price Risk

The Town Council is exposed to price risks arising from investments classified as available-for-sale and held-to-maturity. Available-for-sale equity investments are held for strategic rather than for trading purposes. The Town Council does not actively trade available-for-sale investments. Further details of these investments can be found in Notes 8 and 9 to the financial statements.

Price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. The Town Council's equity instruments are listed. A 10% increase in the available-for-sale equity prices at the reporting date would increase the fair value reserve by S\$941,016 (2016: S\$937,330). This analysis assumes that all other variables remain constant.

23.5 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting from financial loss to the Town Council. For conservancy and service receivables, at the end of the reporting period, there were no significant concentrations of credit risk. For investment in financial assets, the Town Council adopts a policy of only dealing with counterparties that have high credit ratings.

The Town Council manages credit risk through the setting of guidelines for its investments. The guidelines are reviewed and approved by the Investment Committee. Ongoing monitoring is undertaken by management to ensure that all investment activities are in compliance with the guidelines.

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

- (i) Financial assets that are neither past due nor impaired

Conservancy and service fees receivables that are neither past due nor impaired are substantially counterparties with good payment records with the Town Council.

- (ii) Financial assets that are past due but not impaired

The ageing analysis of conservancy and service fee receivables is categorised based on the oldest invoice outstanding and not aged based on the date of the individual invoice that made up the outstanding receivables. Management considers this as a more appropriate method to categorise the ageing of receivables for credit control purposes. The ageing analysis of conservancy and service fee receivables with number of months of fees past due but not impaired are as follows:

| | <u>2017</u> | <u>2016</u> |
|--|----------------|-------------|
| | S\$ | S\$ |
| With less than 3 months of fees past due | 497,390 | 467,063 |
| With more than 3 months of fees past due | 205,007 | 167,423 |
| With more than 6 months of fees past due | 547,097 | 528,818 |

Based on historical default rates, the Town Council believes that no additional impairment allowance is necessary in respect of conservancy and service fee receivables not past due or past due but not impaired.

Notes to the financial statements

23 Financial risk management objectives and policies (Cont'd)

(iii) Financial assets that are past due and impaired

The carrying amount of conservancy and service fee receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------|------------------|------------------|
| | S\$ | S\$ |
| Gross amount | 805,784 | 877,320 |
| Less: Allowance for impairment | <u>(805,784)</u> | <u>(877,320)</u> |
| | <u>-</u> | <u>-</u> |

The impaired conservancy and service fee receivables arise mainly from residents who are facing significant financial hardships and have difficulties paying their conservancy and service fees despite letters of demand sent.

24 Financial instruments carried at fair value

The table below analyses financial instruments carried at fair value, by valuation method. Level 1: quoted prices (unadjusted) in active markets for identical assets are as follows:

| | <u>2017</u> | <u>2016</u> |
|-------------------------------------|------------------|------------------|
| | S\$ | S\$ |
| Available-for-sale financial assets | <u>9,410,158</u> | <u>9,373,303</u> |

The fair value of available-for-sale financial assets is determined by reference to their quoted bid prices at the end of the reporting period.

Financial instruments not carried at fair value

The aggregate net fair values of financial assets and liabilities which are not carried at fair value in the statement of financial position as at 31 March are as follows:

| | <u>2017</u> | | <u>2016</u> | |
|------------------------------|------------------------|-------------------|------------------------|-------------------|
| | <u>Carrying amount</u> | <u>Fair value</u> | <u>Carrying amount</u> | <u>Fair value</u> |
| | S\$ | S\$ | S\$ | S\$ |
| Held-to-maturity investments | <u>71,038,326</u> | <u>71,816,418</u> | 90,013,214 | 90,666,980 |
| Unrecognised gain | | <u>778,092</u> | | <u>653,766</u> |

The fair value of held-to maturity financial assets is determined by reference to their quoted bid prices at the end of the reporting period. The held-to-maturity investments are categorised into Level 1 of the fair value hierarchy.

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the financial year.

25 Management of Town Council's funds

The Town Council's objectives when managing funds are:

- (a) To safeguard the Town Council's ability to continue as going concern; and
- (b) To provide capacity to support the Town Council's investment in public sector human capital, intellectual capital and technical capability development.

The Town Council actively and regularly reviews and manages its funds structure to ensure optimal capital structure, taking into consideration the future requirements, prevailing and projected operating cash flows, projected capital expenditures and projected investments in public sector capability development.

Notes to the financial statements

26 Reclassification

A reclassification has been made in the comparative figures whereby S\$16,002,678 of held-to-maturity investments previously classified as non-current asset has not been reclassified as current assets.

27 Post Balance Sheet Event

The Ministry of National Development has gazetted the Commencement Notification for the Town Councils (Amendment) Act 2017 on 26 April 2017.

Starting 1 April 2017, in accordance with Section 33(4A) of the Town Councils Act (Chap 329), Town Councils are to establish and maintain a sinking fund called Lift Replacement Funds. The funds are ringfenced to meet the costs of lift replacement and lift-related works. For the initial setup of this fund, the Town Council is required to transfer a minimum of 14% of the sinking funds closing balance as at 31 March 2017 for both residential and commercial properties into the lift replacement funds.

The initial transfer from the sinking funds to the lift replacement funds as at 31 March 2017 would be **S\$15,644,133** for residential property and **S\$8,450,415** for commercial property.

With the establishment of the lift replacement funds, the minimum contribution rates for service and conservancy charges and grants-in-aid for sinking funds and lift replacement funds would be 26% and 14% respectively.





