



SEMBAWANG

Our Community, Our Home

“Together,
we build a better
community. Take a
peek of our
accomplishments
in 2017.”



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EASTBANK

@ Canberra

Stay
On Track

OUR MEMBERS OF THE PARLIAMENT

FROM 01 OCTOBER 2017 TO 30 SEPTEMBER 2019



Mr Khaw Boon Wan

Coordinating Minister for
Infrastructure
Minister for Transport
MP for Sembawang GRC



Mr Ong Ye Kung

Minister for Education
MP for Sembawang GRC (Gambas)



Mr Amrin Amin

Senior Parliamentary Secretary
for Ministry of Home Affairs &
Ministry of Health
MP for Sembawang GRC
(Woodlands)



Mr Vikram Nair

MP for Sembawang GRC
(Admiralty)
Chairman of Sembawang
Town Council



Dr Lim Wee Kiak, PBM

MP for Sembawang GRC (Canberra)
Vice-Chairman of Sembawang Town
Council

TOWN COUNCILLORS

FROM 01 OCTOBER 2017 TO 30 SEPTEMBER 2019

CONTRACTS AND LEGAL COMMITTEE



**Mr Law Shun Yong,
BBM(L)**
Chairman



Mr Sim Kin Chye, BBM
Co-Chairman



**Mr Bakerche Bin
Mohamed, BBM**
Member



**Mr Alex Tan Yan
Boon, PBM**
Member



**Mr Allen Wong
Kok Wye, PBM**
Member



**Er Lu Qi Min,
PBM**
Member



**Mr Peter Lo Shui
Sung, PBM**
Member



**Mr William Goh Ah
Chuan, BBM**
Member

ESTATE MAINTENANCE COMMITTEE



**Mr Norman Aw Kai
Aik, BBM**
Chairman



**Mr Loh Wee Seng,
BBM**
Member



**Mr Lim Seng Min,
PBM**
Member



**Mr Thor Wan Kwee,
PBM**
Member



**Mr Steve Poh Gim Hong,
PBM**
Member



**Ms Annie Wong
Woon Yoke**
Member



**Ms Bertina
Bay Junxuan**
Member



**Mr Edmund
Tan Liang Ti**
Member

TOWN COUNCILLORS

FROM 01 OCTOBER 2017 TO 30 SEPTEMBER 2019

FINANCE COMMITTEE



Dr Ting Seng Kiong,
Chairman



Mr Liow Kian Huat,
BBM
Member



Mr Wong Hao, BBM
Member



**Mr Michael Ling
Leong Sing, PBM**
Member



**Mr Sam Koh Hock
Thye, BBM**
Member



**Mr Ahmad Subronto
Bin Awang, PBM**
Member



Mr Tay Tze Chuan
Member



**Mr Jordan Ang
Jeok Khoon, PBM**
Member

PUBLICITY AND PUBLIC RELATIONS COMMITTEE



Mdm Lee Tee Choon,
BBM, PBS, PPA
Chairman



Mr Goh Peng Hong,
BBM
Co-Chairman



**Mdm Kalyani D/O
Sinnakkalai Ramasamy, PBM**
Member



Mr George Iskandar
Member



**Mr Gavin Goh
Shiming**
Member



Mdm Lalithama Nair
Member



**Ms Marianne
Yam Wylin**
Member



**Mr Muhamad Faiz
Bin Kamari**
Member

TOWN COUNCILLORS

FROM 01 OCTOBER 2017 TO 30 SEPTEMBER 2019

PROJECTS AND DEVELOPMENT COMMITTEE



**Mr David Sim Yeow
Kwee, BBM**
Chairman



**Mr Eric Toh Siaw Hua,
PBM**
Member



**Ms Gay Meng Choo,
PBM, PB**
Member



**Mr Frank Seah
Pit San, PBM**
Member



**Mr Kuppuswamy
Srinivasan Bhaskar,
PBM**
Member



**Mr Alvin Tan
Phuay Heng**
Member



**Mr Eric Ng Xu Yong,
PBM**
Member



Mr Kyaw Lynn Myat
Member



**Mr Muhamed
Rizal Bin Rasudin**
Member

CHAIRMAN'S REVIEW

MR VIKRAM NAIR



FY 2017/2018 marked the 5th consecutive year which Sembawang Town Council achieved the Green Bands for all five categories of Town Council operations. This is a clear testament to the consistent performance of Sembawang Town Council over the years.

A large scale tender was called in FY 2017/18 to replace 200 lifts ahead of life cycle at a cost of \$24 million. This is a strong commitment on the part of Town Council to constantly improve and upgrade our estates facilities.

Whether it is routine maintenance, estate cleanliness, cyclical works or town improvement projects, Sembawang Town Council constantly looks for ways to improve the work quality and enhance our services to the residents.

In addition, we have also established strong channels of communication, including online and offline media to reach out to our residents, and at the same time, allow our residents to provide useful feedback to us.



FINANCE

In FY 2017/2018, Sembawang Town Council had an operating surplus of \$6.48 million. As of 31 March 2018, our Town Council's Sinking Funds, Lift Replacement Funds and Accumulated Surplus stood at \$172.48 million, \$48.38 million and \$3.98 million respectively.

As of 31 March 2018, the arrears cases for three months and above form 2.43% of the 76,547 residential units under our management. This would not have been possible, if not for the strong partnership and support from our Town Councillors, Grassroots Leaders, agencies and staff in conducting house visits and offering assistance to households in arrears.



TOWN COUNCIL MANAGEMENT REPORT (TCMR)



The Town Council's key role is to ensure that the Towns are kept clean and well maintained for our residents. This will continue to remain as one of our top priorities as we continually explore and enhance our services through various means.

Our efforts were clearly reflected in our performance in the Town Council Management Report (TCMR) for this financial year. Sembawang Town Council has achieved Green Bands across all five categories in the TCMR. The five categories are Lift Performance, Estate Cleanliness, Estate Maintenance, S&CC Arrears Management and Corporate Governance.



CYCLICAL WORKS

The Town Council also undertakes a range of cyclical works, ensuring that our estates are kept in good working conditions for our residents. Examples of cyclical works include repairs and redecoration (R&R), re-roofing, replacement of lift parts, pumps and pipes.

Unlike previous years, a dedicated Lift Replacement Fund has been set up to ensure that adequate funds are set aside for lift replacement.

A tender was called in FY 2017/18 to replace 200 ageing lifts ahead of the lift cycle at a cost of \$24 million. Residents can look forward to a smoother ride, higher lift speed, greater reliability and enhanced safety when the whole project is completed in FY 2019/20.

Of the total sum of \$10.51 million spent on cyclical works in FY 17/18, \$3.47 million was used on the replacement of lift parts; and another \$3.41 million was spent on R&R works. With these works done to vastly enhance our estates, residents are able to enjoy the upgraded facilities around their homes.



TOWN IMPROVEMENT WORKS



Town Improvement Projects are essential in every Town so as to meet the needs of residents through the provision of essential amenities or recreational facilities. Such projects commence after consulting with grassroots organizations and gathering feedback from residents on the kind of facilities necessary.

Sembawang Town Council invested a total of \$3.11 million in town improvement projects in FY 2017/2018. Of this expenditure, \$1.19 million was spent on Large-scale Town Wide (LSTW) Projects; and another \$0.59 million was spent on the construction of covered walkways and barrier-free access facilities to provide more convenience and accessibility to the residents. Other improvement works include the construction and upgrading of playgrounds and fitness corners and the enhancement of lift surveillance system.

Additionally, Fushan Garden at Woodlands was completed in October 2017 as part of the improvement works carried out under the Neighbourhood Upgrading Programme in Woodlands. Some of these improvements include a new basketball court, 3-generational park with children playground and fitness corner, as well as an iconic feature of an upgraded stonehenge with LED lights.

Residents can also look forward to many other large-scale town wide projects taking place including the upgrading of Jelutong Harbour Park, which will offer residents with refurbished facilities for residents of all ages.



CLEAN & GREEN

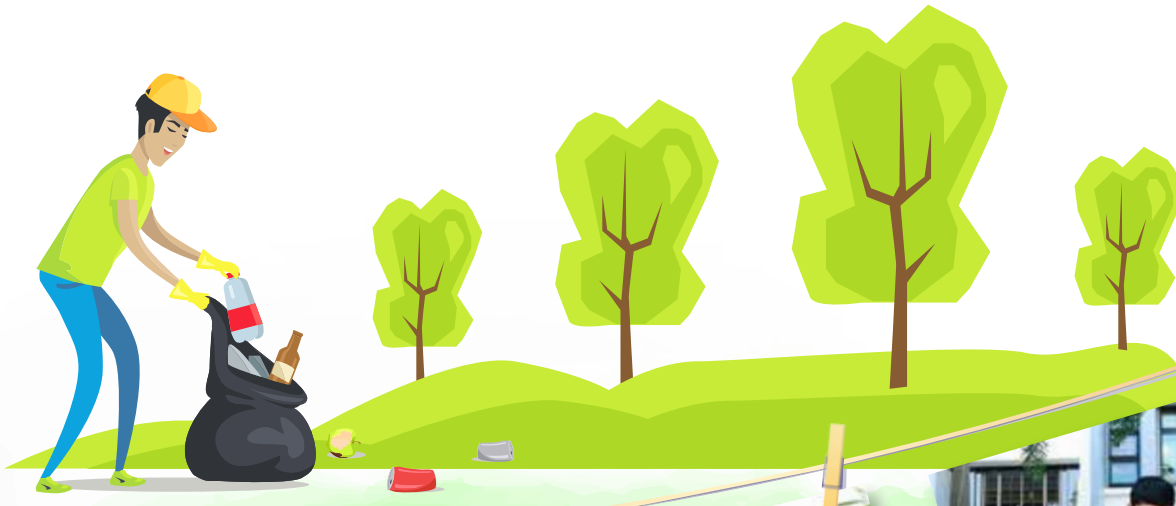
TO A CLEANER AND GREENER SEMBAWANG

Building a clean and green home requires the joint efforts of our cleaners and residents! Sembawang Town Council, together with its community partners and residents, has continued to conduct clean and green activities such as Operation We Clean Up and Tree Planting Day in the financial year to encourage efforts of sustaining the cleanliness and greenery of our neighbourhood as a community.

Regardless of age, residents and grassroots volunteers gathered at various events to clean up the neighbourhoods in litter picking exercises. We also took the opportunity to show appreciation to our cleaners who have worked tirelessly to ensure that our estates remain a pleasant place for all to live in. Together as one, we can continue to make Sembawang a clean estate for everyone.



“ Building a clean and green home requires the joint efforts of our cleaners and residents. ”



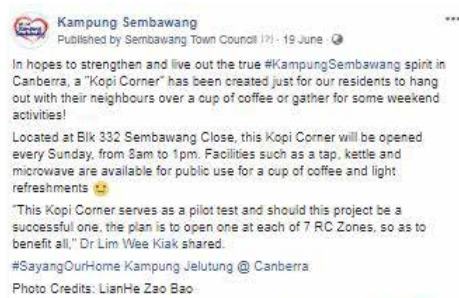
ENGAGING WITH RESIDENTS

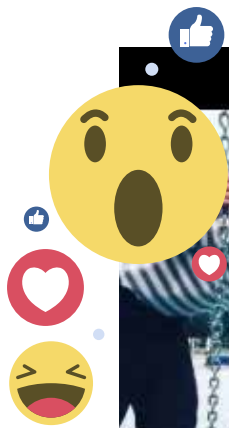
As part of our efforts to seamlessly engage with our residents, Sembawang Town Council has been intentional in strengthening our existing communications channels in FY2017/18. Residents can submit their feedback quickly and easily via our website, iTown app or even our Sembawang Town Council Facebook Page.

We also leverage on our strong social media presence to reach out to our residents. Our Facebook Pages --- Kampung Sembawang Facebook Page and Sembawang Town Council --- have a combined fanbase of 39,000 and are updated frequently to share important updates and news about our Town with our residents. These platforms help us to remain engaged with residents, keep their opinions in view and stay open-minded and receptive to new ideas and constructive feedback.



@sembawangtowncouncil
@kampungsembawang

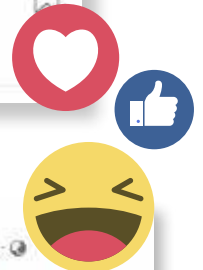




kampungsembawang
Canberra Park

kampungsembawang If you are still wondering what to do for this weekend, why not head down to Canberra Park! We're sure you will have loads of fun there as there are up to 15 swings just for you! Check out the full video if you have not! (Link in bio) Have a great weekend ahead! @starella_ws lets go!! @rainyrainieeeee @xpopo89

315 views
APRIL 19



Kampung Sembawang
Published by Sembawang Town Council [P] · 1 July at 10:00 ·

Youth is an important season in many of our lives because of the luxury of time and space to do the things we enjoy and try the things we haven't. 25 year-old Woodlands resident, Aizat, shares the exact sentiment.

"I have been doing art since I was 3. The genes came from my artistic parents. My dad can sketch and my mom paints, so I just can't run away from art! The first thing I drew when I was young was a policeman because that was what I wanted to grow up to be. All the portraits you see comes from constant self-learning and practice. I focused more on portraits drawing of celebrities, calligraphies and even cartoon drawings on superheroes like Iron Man etc. The sense of achievement emerges when I finish a portrait that I couldn't complete in the past.

Working as a graphic designer now, I have less time for sketching. But this does not stop me from my passion for art. I recently volunteered in the nearest RC to teach kids about drawing and I enjoy it myself!"

When asked to share about something precious about his childhood, growing up in Woodlands lies many memories. "I've seen my home changed over the years. Woodlands was emptier then and I could even count the number of people walking on the pavement. Now with more facilities and HDBs built, Woodlands is like another town area!"

#PeopleofSembawang

Kampung Sembawang
Published by Sembawang Town Council [P] · 1 July at 14:01 ·

Oh no...did you miss the groundbreaking ceremony of Bukit Canberra this morning? No worries! Here's the exclusive update on the brand new sports hub coming your way: <https://wp.me/p6WIB7-1l9>

KAMPUNGSEMAWANG.WORDPRESS.COM

The New Sembawang Sports & Community Hub
Sembawang's newest Sports & Community Hub is about to inject some...

Bukit Canberra- New Sembawang Sports and Community Hub

Stated to be ready by 2020, Sembawang residents will soon enjoy a wide array of facilities found in this multi-faceted sports and community hub located just a stone's throw away from Sembawang MRT Station! Be it a gym, indoor swimming pool, hawker centre or even a medical centre; you name it!

Here are some exclusive updates on this upcoming hub:
For the sports facilities, read [here](#) to find out on what you can expect!
Beyond sports facilities, tons of other facilities will be provided in this integrated hub! Read [here](#) to find out more!
Watch a full fly-through video [here](#).

Official Opening of Kampung Admiralty

Today marks the official opening of Kampung Admiralty, the first retirement community in Singapore right here in the North! We were thrilled to have PM Lee Hsien Loong grace this joyous event, with MPs for Sembawang GRC, Minister Boon Wan Khaw, Minister Ong Ye Kung, Mr Amin Amin and Mr Vikram Nair joining us at the opening too!

Watch our video [here](#) to find out more about what's at Kampung Admiralty!
Read [here](#) to find out more!

SAYANG OUR FUTURE

Indeed, Sembawang GRC is transforming exponentially, with new developments sprouting in many parts of the Town. Plans and developments that will transform our home into a better place are underway.

We have embarked on large scale town-wide projects across Sembawang GRC such as the Jelutung Harbour Park. We all look forward to enjoy the rejuvenated park in our neighbourhood!

Additionally, the Groundbreaking Ceremony for the upcoming Sembawang Sports and Community Hub is the highlight in 2018; and construction work has commenced. Residents will be in for a treat once the Hub is open in phases from 2020!

Another exciting project residents can look forward to is the development of Sembawang Hot Spring Park which will be completed in 2019.

All these will not be made possible without the help of the Town Councillors, Grassroots Leaders and the staff. Credits have to be given to residents for their invaluable inputs to better our town, and also for their unwavering support.

Let us continue to work together for a better home, a better Sembawang.



Vikram Nair

Chairman, Sembawang Town Council



Build-a-playground @Canberra



Cultural Plaza @Blk852 Woodlands St 83



Kampung Admiralty

“For a better home,
a better
Sembawang.”



Vista Park



Bukit Canberra Community lawn



Sembawang Hot Spring Park



Bukit Canberra Swimming Complex



Bukit Canberra Natural Setting Pool

SEMBAWANG TOWN COUNCIL

**FINANCIAL
STATEMENTS
31 MARCH 2018**

SEMBAWANG TOWN COUNCIL

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

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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Block 504C Canberra Link
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Singapore 753504

Auditor

Ecovis Assurance LLP

INDEPENDANT AUDITOR'S REPORT

Report On The Audit Of The Financial Statements

Opinion

We have audited the accompanying financial statements of Sembawang Town Council (the "Town Council"), which comprise the statement of financial position of the Town Council as at 31 March 2018, 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 5 to 52.

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 2018 and of the financial performance, changes in Town Council funds and cash flows of the Town Council for the financial year ended on that date.

Basis of Opinion

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

Other Matters

The financial statements of the Town Council for the financial year ended 31 March 2017, were audited by another firm of auditors whose report dated 4 September 2017 expressed an unmodified opinion on those financial statements.

We previously issued an audit report dated 29 August 2018 on the financial statements for the financial year ended 31 March 2018. On 20 October 2018, the members of the Town Council approved a voluntary contribution of \$6,483,000 from the accumulated surplus as at 31 March 2018 to Lift Replacement Funds. Accordingly, the financial statements were subsequently amended to include the above mentioned transfer.

Other Information

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 Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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.

A Town Council is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as

INDEPENDANT AUDITOR'S REPORT

Report On The Audit Of The Financial Statements (Continued)

a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDANT AUDITOR'S REPORT

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 of Opinion

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

Responsibilities of Management for compliance with legal and regulatory requirements

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

Auditor's responsibilities for the Compliance Audit

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

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.



Ecovis Assurance LLP

Public Accountants and
Chartered Accountants
Singapore

Date: 29 October 2018

INCOME AND EXPENDITURE STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

		2018	2017
	Note	S\$'000	S\$'000
OPERATING INCOME			
Conservancy and service fees		55,015	47,617
Less: Operating Income transfer to Sinking Funds		(14,304)	(16,544)
Operating Income transfer to Lift Replacement Funds		(7,702)	-
		33,009	31,073
Agency Fees	6	5,787	5,222
Other Income	10(a)	3,412	2,871
		42,208	39,166
Less: OPERATING EXPENDITURE			
Cleaning Work		(9,016)	(7,985)
Managing Agents' Fees	5	(5,332)	(4,783)
Lift Maintenance		(6,872)	(6,473)
Other Works and Maintenance		(4,935)	(5,409)
Water and Electricity		(12,094)	(11,597)
General and Administrative Expenditure	7	(2,054)	(2,169)
		(40,303)	(38,416)
OPERATING SURPLUS		1,905	750
NON-OPERATING INCOME			
Add: Interest Income		103	70
SURPLUS BEFORE TAXATION AND GRANTS		2,008	820
Less: Income tax expense	8(a)	(338)	(323)
SURPLUS BEFORE GOVERNMENT GRANTS		1,670	497
Add: Government Grants	9	17,185	10,101
Less: Transfer to Sinking Funds	9,11	(2,086)	(2,118)
Transfer to Lift Replacement Funds	12	(7,656)	-
Transfer to Town Improvement and Project Funds	9,13	(2,630)	(3,815)
		4,813	4,168
SURPLUS FOR THE FINANCIAL YEAR		6,483	4,665
Add: Accumulated Surplus at 1 April		9,571	5,370
		16,054	10,035
Less: Transfer from accumulated surplus to Lift Replacement Funds	12	(11,148)	-
Less: Transfer from accumulated surplus to Town Improvement and Project Funds	13	(927)	(464)
ACCUMULATED SURPLUS AT 31 MARCH		3,979	9,571



Vikram Nair
Chairman

Singapore
29 October 2018



Soon Min Sin
Secretary

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018	2017
		S\$'000	S\$'000
SURPLUS FOR THE FINANCIAL YEAR	10	6,483	4,665
MOVEMENT OF VARIOUS FUNDS			
Sinking Funds	11	13,586	10,099
Lift Replacement Funds	12	11,545	-
Town Improvement and Project Funds	13	(483)	(474)
		31,131	14,290
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified subsequently to income and expenditure statement			
Fair value gain on available-for-sale financial assets	20	139	378
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR, NET OF INCOME TAX		139	378
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ATTRIBUTABLE TO TOWN COUNCIL FUNDS		31,270	14,668



Vikram Nair
Chairman



Soon Min Sin
Secretary

Singapore
Date: 29 October 2018

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Note	2018	2017
		S\$'000	S\$'000
TOWN COUNCIL FUNDS			
Residential Property Funds			
Accumulated surplus	10	2,611	7,787
Sinking Funds	11	160,268	170,874
Lift Replacement Funds	12	45,587	-
Town Improvement and Project Funds	13	1,583	1,145
		210,049	179,806
Commercial Property Funds			
Accumulated surplus	10	1,814	2,107
Sinking Funds	11	11,124	12,621
Lift Replacement Funds	12	2,795	-
Town Improvement and Project Funds	13	19	13
		15,752	14,741
Carpark			
Accumulated losses	10	(446)	(323)
Fair Value Reserve			
Sinking Funds	11	1,086	947
Total town council funds		226,441	195,171
Represented by:			
Current assets			
Cash and cash equivalents	15	146,497	112,713
Interest receivables		817	727
Financial assets at fair value through profit or loss	16	62,263	60,592
Conservancy and service fee receivables	18	1,455	1,434
Other receivables and prepayments	19	6,958	6,437
Held-to maturity financial assets	21	4,519	4,981
		222,509	186,884
Non-current assets			
Available-for-sale financial assets	20	7,331	7,216
Held-to maturity financial assets	21	8,584	13,144
Plant and equipment	22	676	673
		16,591	21,033
Total assets		239,100	207,917

STATEMENT OF FINANCIAL POSITION (Continued)

AS AT 31 MARCH 2018

	Note	2018 S\$'000	2017 S\$'000
Current liabilities			
Conservancy and service fees received in advance		814	661
Creditors and accrued expenses	24	9,380	8,757
Current tax liabilities	8(b)	1,612	1,486
Advances received for Neighbourhood Renewal Programme	25	853	1,842
Total liabilities		12,659	12,746
Net assets		226,441	195,171



Vikram Nair
Chairman



Soon Min Sin
Secretary

Singapore
Date: 29 October 2018

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN TOWN COUNCIL FUNDS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	Residential property funds	Commercial property funds	Carpark fund	Fair value reserve	Total
		S\$'000	S\$'000			
Balance as at 1 April 2016		165,674	14,159	101	569	180,503
Surplus/(deficit) for the financial year		14,132	582	(424)	-	14,290
Other comprehensive income						
Fair value gain on available-for-sale financial assets	23	-	-	-	378	378
Total comprehensive income for the financial year		14,132	582	(424)	378	14,668
Balance as at 31 March 2017		179,806	14,741	(323)	947	195,171
Balance as at 1 April 2017		179,806	14,741	(323)	947	195,171
Surplus/(deficit) for the financial year		30,243	1,011	(123)	-	31,131
Other comprehensive income						
Fair value gain on available-for-sale financial assets	23	-	-	-	139	139
Total comprehensive income for the financial year		30,243	1,011	(123)	139	31,270
Balance as at 31 March 2018		210,049	15,752	(446)	1,086	226,441

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018	2017
		S\$'000	S\$'000
Operating activities			
Surplus before taxation and government grants	10	2,008	820
Adjustments:			
Operating income transfer to Sinking Funds	10,11	14,304	16,544
Operating income transfer to Lift Replacement Funds	10,12	7,702	-
Gain in financial assets at fair value through profit or loss	11(a)	(2,295)	(2,685)
Interest income		(103)	(70)
Provision for impairment losses on available-for-sale financial assets		43	53
Loss from disposal of available-for-sale assets	20	-	26
Depreciation of plant and equipment	22	212	179
Operating surplus before changes in working capital changes		21,871	14,867
(Decrease)/increase in receivables		(423)	27,343
Increase/(decrease) in payables		774	(36,079)
Cash flows generated from operations		22,222	6,131
Sinking Funds expenditure	11	(6,400)	(12,950)
Town Improvement and Project Funds expenditure	13	(3,113)	(4,289)
Lift Replacement Funds expenditure	12	(4,108)	-
Neighbourhood Renewal Programme expenditure	25	(4,023)	(3,188)
Taxes paid		(688)	(722)
Net cash flows generated from/(used in) operating activities		3,890	(15,018)
Investing activities			
Purchase of plant and equipment	22	(215)	(140)
Return of capital from available-for-sale financial assets	20	15	16
Proceeds from redemption of available-for-sale assets	20	-	137
Purchase of available-for-sale assets	20	(34)	-
Proceeds from held-to-maturity financial assets		4,975	2,933
Investment and interest income received		4,379	5,011
Net cash flows generated from investing activities		9,120	7,957
Financing activities			
Government grants received	9	17,102	10,195
Funding received from HDB for Neighbourhood Renewal Programme projects	25	3,034	4,831
Cash flows generated from financing activities		20,136	15,026
Net increase in cash and cash equivalents		33,146	7,965
Cash and cash equivalents at the beginning of financial year		109,386	101,421
Cash and cash equivalents at the end of financial year	15	142,532	109,386

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

1. General information

Sembawang Town Council was formed on 1 September 1990 under the Town Councils Act (Chapter 329A) and has its registered office at Blk 504C Canberra Link, #01-63, Singapore 753504.

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.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Town Council have been prepared in accordance with the provisions of the Town Councils Act, Chapter 329A (the "Act") and Financial Reporting Standards in Singapore ("FRSs").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Town Council takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, 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 net reliable value in FRS 2 Inventories or 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 entity, 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 dollar which is the Town Council's functional currency. All financial information presented in Singapore dollar has been rounded to the nearest thousand ("S\$'000"), unless otherwise stated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Town Council has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not have any significant effect on the financial performance or position of the Town Council.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective

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

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. The Town Council is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening funds.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model to account for 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 in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under FRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. The Town Council is currently assessing the impact of FRS 115.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Town Council is currently assessing the impact of the new standard and plan to adopt the new standard on the required effective date. The Town Council expects the adoption of the new standard will result in increase in total assets and total liabilities.

2.4 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

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

Furniture, fixtures and fittings	- 5 years
Office equipment	- 2 to 3 years
Data processing equipment	- 3 years
Leasehold improvement	- 5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in income and expenditure statement in the year the asset is derecognised.

Plant and equipment costing below \$1,000 each are charged to the income and expenditure statement in the financial year of purchase. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual lives are reviewed and adjusted as appropriate at the end of each reporting period as a change in estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. Summary of significant accounting policies (continued)

2.5 Funds

(a) Town Council Funds

In accordance with Section 33(1) of the Town Councils Act, separate funds were established to account for the management of the various types of properties. The types of properties currently under the management of the Town Council are as follows:

- Residential Property;
- Commercial Property.

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

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

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

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

(b) Sinking Funds

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

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.

Under the Town Councils Act, the Ministry for National Development ("MND") may, from time-to-time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid (Note 9), to be paid into the Sinking Fund. The Lift Replacement Fund Matching Grant, which is a grants-in-aid, is not subject to the minimum contribution rates.

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

- (i) 26% (2017: 30%) for 1-room to 3-rooms and 26% (2017: 35%) for 4-rooms to executive flats respectively of conservancy and service charges and grants-in-aid for residential property.
- (ii) 26% (2017: 35%) of conservancy and service charges and grants-in-aid for commercial property.

These contributions are treated as operating transfers and deducted from the gross conservancy and service fees and government grants in the income and expenditure statement.

The Sinking Funds are utilised for major cyclical works such as repair and redecoration, re-roofing, rewiring and replacement of pumps, water tanks and water pipes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. Summary of significant accounting policies (continued)

2.5 Funds (continued)

(c) Lift Replacement Funds

In accordance with Section 33(4A) of the Town Councils Act, Town Councils are required to establish a new Lift Replacement Funds with effective from 1 April 2017. The establishment of the Lift Replacement Funds are standalone fund, carved out from the Sinking Funds specifically for lift-related replacements and lift upgrading works of residential property and commercial property. These Lift Replacement Funds are maintained as part of the Town Council Funds.

Under the Town Councils Act, the Ministry for National Development ("MND") may, from time-to-time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid (Note 9) to be paid into the Lift Replacement Funds. The Lift Replacement Fund Matching Grant, which is a grants-in-aid, is not subject to the minimum contribution rates.

Currently, the amounts to be paid into the Lift Replacement Funds is 14% of conservancy and service charges and grants-in-aid for residential property and commercial property.

These contributions are treated as operating transfers and deducted from the gross conservancy and service fees and government grants in the income and expenditure statement.

(d) Town Improvement and Project Funds

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

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

2.6 Allocation of general overheads

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

Property type	Equivalent Dwelling Unit(s)	
	2018	2017
1 Residential Property Unit	1	1
1 Commercial Property Unit	2	2
6 Car lots or 36 Motorcycle lots or 4 Lorry lots	1	1

3.5% (2017: Nil) of general overheads are allocated to the Lift Replacement Funds and 6.5% (2017: 10%) of general overheads are allocated to the Sinking Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. Summary of significant accounting policies (continued)

2.7 *Government grants*

The Town Council receives from the Government, namely, Conservancy and Service Charges Grant, Lift Maintenance Grant, Lift Replacement Fund Matching Grant, payments from CCC and GST subvention grant.

Government grants are accounted in the income and expenditure statement on an accrual basis. Conservancy and Service Charges Grant, Lift Maintenance Grant and GST Subvention Grant are transferred to Sinking Funds and Lift Replacement Fund based on the amount prescribed in Note 2.5(b) and Note 2.5(c) to the financial statements.

The Lift Maintenance Grant and Lift Replacement Fund Matching Grant are given as additional support to help Town Council with the operating needs and to ensure sufficient funds are set aside for long-term capital expenditure requirements for lift replacements and lift-related works.

The payment from CCC is given as reimbursement claims under the Community Improvement Projects Committee scheme.

The GST subvention is given as grants-in-aid and is granted to Town Councils to assist them to absorb the GST increases in Conservancy and Service Charge for HDB residential flats.

2.8 *Funds with fund managers*

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

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

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

2.9 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. Summary of significant accounting policies (continued)

2.9 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement

(ii) Loans and receivables (including conservancy and service fees receivables)

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

De-recognition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. Summary of significant accounting policies (continued)

2.9 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

Other financial liabilities

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

De-recognition

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

2.10 Impairment of financial assets

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

(a) Financial assets carried at amortised cost

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. Summary of significant accounting policies (continued)

2.10 Impairment of financial assets (continued)

(b) Financial assets carried at cost

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

(c) Available-for-sale financial assets

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

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

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

2.11 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in income and expenditure statement, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in income and expenditure statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. Summary of significant accounting policies (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, call deposits and fixed deposits, less cash and fixed deposits with fund managers that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.13 Provisions

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

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

2.14 Lease

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

2.15 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 and available-for-sale instruments is recognised in the Sinking Funds while investment income from investments in held-to-maturity financial assets is recognised on a time-proportion basis, using the effective interest method, in the Sinking Funds.

2.16 Income tax

Tax is provided on the following income:

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

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

Income tax expense comprises current tax. Current tax is recognised in the income and expenditure statement or Sinking Funds or Lift Replacement Funds, except to the extent that it relates to items recognised directly in equity.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. Summary of significant accounting policies (continued)

2.17 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Town Council; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Town Council.

Contingent liabilities and assets are not recognised on the statement of financial position of the Town Council, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Town Council's financial statements requires management to exercise its judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future period.

3.1 Judgements made in applying accounting policies

In the process of applying the Town Council's accounting policies, management has not made any significant judgements, apart from those involving estimations.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying value amounts of assets and liabilities within the next financial year are discussed below. The Town Council based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Town Council. Such changes are reflected in the assumptions when they occur.

(a) Classification of held-to-maturity investments

The Town Council follows the guidance of FRS 39 Financial Instruments: Recognition and Measurement ("FRS 39") on classifying non-derivatives financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Town Council evaluates its intention and ability to hold such investments to maturity.

If the Town Council is unable to keep these investments to maturity other than for specific circumstances explained in FRS 39, it will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value and not amortised cost.

If the class of held-to-maturity investments is tainted, the fair value would increase by approximately \$31,100 (2017: increase by \$147,700), with a corresponding entry in the fair value reserve in Town Council Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

(b) Impairment of conservancy and services fees receivables

The Town Council assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For the case conservancy and service fees receivables, the Town Council considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments to determine whether there is objective evidence of impairment.

Allowance for impairment is made in the financial statements for amount in arrears that are outstanding for more than twelve months (2017: twelve months) and/or where collection is doubtful. All known bad debts are written-off in accordance with the Town Council Financial Rules.

The carrying amount of the Town Council's conservancy and service fee receivables at the end of the reporting period is disclosed in Note 18 to the financial statements. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Town Council's allowance for impairment will increase by \$138,100 (2017: \$138,100).

4. Inter-fund transfer

The Town Council may transfer funds in accordance to the Section 33(9) and Section 43(1)(i) of the Town Council Act (Chapter 329A), and Rule 11A of Town Council Financial Rules.

5. Managing agents' fees

The Town council does not have any other employees on its payroll as management of its daily operations have been outsourced to managing agents for a total fee of \$5,849,784 (2017: \$5,246,648) for the financial year ended 31 March 2018. Included in the managing agents' fee, there is a total allocation of 10% managing agents' fee of \$517,843 (2017: \$463,346), for which \$336,598 (2017: \$463,346) and \$181,245 (2017: Nil) allocated to Sinking Funds and Lift Replacement Funds respectively, during the financial year (Note 11b, 12b).

Total managing agent fee to a related party (Note 27) amounting \$5,846,013 (2017: \$5,246,648) in year 2018.

6. Agency fees

These are fees received for routine maintenance of HDB's car park in the Town Council.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

7. General and administrative expenditure

The general and administrative expenditure comprise the following:

	2018	2017
	S\$'000	S\$'000
Office rental and upkeep expenditure	364	335
Computer services	285	236
Advertising, publicity and public relations	318	295
Office supplies and stationery	233	216
Town Councillors' allowances	183	185
Property tax	202	205
Legal fee	61	52
Depreciation of plant and equipment	213	179
Insurance premium	22	20
Plant and equipment not capitalised	3	10
Staff Costs	1	1
Non-claimable goods and services tax (Note 14)	44	136
Others	326	502
Allocation of 6.5% (2017: 10%) general and administrative to Sinking Funds (Note 11b)	(131)	(203)
Allocation of 3.5% general and administrative to Lift Replacement Funds (Note 12b)	(70)	-
	2,054	2,169

8. Income tax expense

(a) Income tax expense

Income tax expense attributable to income is made up of:

- Current income tax
- Over provision in respect of previous years

Accumulated surplus:

- Current income tax
- Over provision in respect of previous years

Sinking Funds:

- Current income tax
- Over provision in respect of previous years

Lift Replacement Funds:

- Current income tax

Current income tax expense

	2018	2017
	S\$'000	S\$'000
	821	799
	(8)	(5)
	813	794
	340	324
	(2)	(1)
	338	323
	420	475
	(6)	(4)
	414	471
	61	-
	813	794

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

8. Income tax expense (continued)

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

(a) Income tax expense	2018	2017
	S\$'000	S\$'000
Investment and interest income received	3,590	3,554
Other income	2,124	2,051
Allowable expenses	(228)	(216)
	5,486	5,389
Tax calculated at a tax rate of 17% (2017: 17%)	933	916
Tax effect of certain income taxed at concessionary tax rate	(112)	(117)
Over provision in respect of previous years	(8)	(5)
	813	794

(b) Current income tax liabilities	2018	2017
	S\$'000	S\$'000
Taken up in:		
Accumulated surplus	661	561
Sinking Funds (Note 11)	890	925
Lift Replacement Funds (Note 12)	61	-
	1,612	1,486

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

9. Government Grants

Government grants recognised in the Income and Expenditure Statement and the transfer to the respective funds during the financial year are as follows:

		Total		Conservancy and Service Charges Grant		Lift Maintenance Grant	
		2018	2017	2018	2017	2018	2017
Note		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Government grant received / receivable during the financial year	10	17,185	10,101	5,057	4,474	873	-
Less: Transfer to -							
Sinking Funds	11	(2,086)	(2,118)	(1,315)	(1,489)	(227)	-
Lift Replacement Funds	12	(7,656)	-	(708)	-	(122)	-
Town Improvement and Project Funds	13	(2,630)	(3,815)	-	-	-	-
		4,813	4,168	3,034	2,985	524	-

		Lift Replacement Fund Matching Grant		Payment from Citizens' Consultative Committee		GST Subvention Grant	
		2018	2017	2018	2017	2018	2017
Note		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Government grant received / receivable during the financial year	10	6,533	-	2,630	3,815	2,092	1,812
Less: Transfer to -							
Sinking Funds	11	-	-	-	-	(544)	(629)
Lift Replacement Funds	12	(6,533)	-	-	-	(293)	-
Town Improvement and Project Funds	13	-	-	(2,630)	(3,815)	-	-
		-	-	-	-	1,255	1,183

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

		Total	
		2018	2017
Note		S\$'000	S\$'000
Total grants received as at 1 April		363,347	353,152
Add:			
Grants received during the financial year		17,102	10,195
Total grants received as at 31 March		380,449	363,347

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10. Accumulated surplus/deficit

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

	Note	Total		Residential	
		2018	2017	2018	2017
		S\$'000	S\$'000	S\$'000	S\$'000
Operating Income					
Conservancy and service fees		55,015	47,617	53,874	46,664
Less: Operating transfer to Sinking Funds	11	(14,304)	(16,544)	(14,007)	(16,210)
Less: Operating transfer to Lift Replacement Funds	12	(7,702)	-	(7,542)	-
		33,009	31,073	32,325	30,454
Agency fee		5,787	5,222	-	-
Other income	10(a)	3,412	2,871	3,092	2,608
		42,208	39,166	35,417	33,062
Less: Operating expenditure		(40,303)	(38,416)	(33,816)	(32,234)
Operating surplus/deficit		1,905	750	1,601	828
Add: Interest income		103	70	91	61
Surplus/(deficit) before taxation and grants		2,008	820	1,692	889
Less: Income tax expenses	8(a)	(338)	(323)	(296)	(283)
Surplus/(deficit) before grants		1,670	497	1,396	606
Add: Government grants	9	17,185	10,101	16,925	10,059
Less: Transfer to Sinking Funds	11	(2,086)	(2,118)	(2,084)	(2,118)
Less: Transfer to Lift Replacement Funds	12	(7,656)	-	(7,432)	-
Less: Transfer to Town Improvement and Project Funds	13	(2,630)	(3,815)	(2,601)	(3,773)
		4,813	4,168	4,808	4,168
Surplus/(deficit) for the financial year		6,483	4,665	6,204	4,774
Add: Accumulated surplus/(deficit) at 1 April		9,571	5,370	7,787	3,472
		16,054	10,035	13,991	8,246
Less: Transfer to Lift Replacement Funds ^	12	(11,148)	-	(10,465)	-
Less: Appropriation to Town Improvement and Project Funds	13	(927)	(464)	(915)	(459)
Accumulated surplus at 31 March		3,979	9,571	2,611	7,787

^ The transfer is a voluntary contribution made in accordance with Section 33(9) of the Town Council Act (Chapter 329A).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10. Accumulated surplus/deficit (continued)

		Commercial		Carpark	
		2018	2017	2018	2017
	Note	S\$'000	S\$'000	S\$'000	S\$'000
Operating Income					
Conservancy and service fees		1,141	953	-	-
Less: Operating transfer to Sinking Funds	11	(297)	(334)	-	-
Less: Operating transfer to Lift Replacement Funds	12	(160)	-	-	-
		684	619	-	-
Agency fee		-	-	5,787	5,222
Other income	10(a)	214	176	106	87
		898	795	5,893	5,309
Less: Operating expenditure		(498)	(478)	(5,989)	(5,704)
Operating surplus/(deficit)		400	317	(96)	(395)
Add: Interest income		1	1	11	8
Surplus/(deficit) before taxation and grants		401	318	(85)	(387)
Less: Income tax expenses	8(a)	(4)	(3)	(38)	(37)
Surplus/ (deficit) before grants		397	315	(123)	(424)
Add: Government grants	9	260	42	-	-
Less: Transfer to Sinking Funds	11	(2)	-	-	-
Less: Transfer to Lift Replacement Funds	12	(224)	-	-	-
Less: Transfer to Town Improvement and Project Funds	13	(29)	(42)	-	-
		5	-	-	-
Surplus/(deficit) for the financial year		402	315	(123)	(424)
Add: Accumulated surplus/(deficit) at 1 April		2,107	1,797	(323)	101
		2,509	2,112	(446)	(323)
Less: Transfer to Lift Replacement Funds ^	12	(683)	-	-	-
Less: Appropriation to Town Improvement and Project Funds	13	(12)	(5)	-	-
Accumulated surplus at 31 March		1,814	2,107	(446)	(323)

^ The transfer is a voluntary contribution made in accordance with Section 33(9) of the Town Council Act (Chapter 329A).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

10. Accumulated surplus/deficit (continued)

10 a. Other income

	2018	2017
	S\$'000	S\$'000
Late payment penalty	274	271
Liquidated damages	190	129
Sale of tender documents	26	23
Sundry fines	39	23
Sundry income	175	72
Temporary Occupational Licence income	2,100	2,014
Use of common property income	8	8
Use of void decks	46	46
Use of water and electricity at void decks	554	285
	3,412	2,871

11. Sinking Funds

		Total		Residential Property		Commercial Property	
		2018	2017	2018	2017	2018	2017
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April	Note	183,495	173,396	170,874	161,047	12,621	12,349
Appropriation to Lift Replacement Funds	12	(25,689)	-	(23,922)	-	(1,767)	-
		157,806	173,396	146,952	161,047	10,854	12,349
Add:							
Income	11(a)	4,010	4,858	3,961	4,802	49	56
Operating income transfer from conservancy and service fees	10	14,304	16,544	14,007	16,210	297	334
Transfer from government grants	9,10	2,086	2,118	2,084	2,118	2	-
		20,400	23,520	20,052	23,130	348	390
Less: Expenditure	11(b)	(6,400)	(12,950)	(6,327)	(12,837)	(73)	(113)
Income tax Expense	8(a)	(414)	(471)	(409)	(466)	(5)	(5)
Surplus for the year		13,586	10,099	13,316	9,827	270	272
		171,392	183,495	160,268	170,874	11,124	12,621
Add: Fair value reserves		1,086	947				
At 31 March		172,478	184,442				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

11. Sinking Funds (continued)

	Note	2018 S\$'000	2017 S\$'000
Current assets			
Cash and cash equivalents	15	86,053	95,013
Amount due from accumulated surplus		4,101	5,696
Interest receivables		577	713
Financial assets at fair value through profit or loss	16,17	62,263	60,592
Conservancy and service fee receivables		295	388
Held-to-maturity financial assets	21	4,519	4,981
Other receivables		462	649
		158,270	168,032
Non-current assets			
Available-for-sale financial assets	20	7,331	7,216
Held-to-maturity financial assets	21	8,584	13,144
Total assets		174,185	188,392
Current liabilities			
Creditors and accrued expenses		(817)	(3,025)
Current tax liabilities	8(b)	(890)	(925)
Total liabilities		(1,707)	(3,950)
Net assets		172,478	184,442
(a) Income			
Fixed deposit interest income		982	1,252
Gain in financial assets at fair value through profit or loss		2,295	2,685
Bond interest income		360	464
Income from other investments		373	457
		4,010	4,858

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

11. Sinking Funds (continued)

	Note	2018	2017
		S\$'000	S\$'000
(b) Expenditure			
Reroofing works		332	1,240
Lift works		-	4,720
Redecoration & repainting		3,411	3,507
Replacement of			
- transfer & booster pumpsets		537	408
- water pipes & stainless steel water tank lining		90	25
- refuse handling plant & chute flushing system		1,544	1,506
Replacement of Fire Pump		6	-
Consultancy fee & other charges		325	613
Provision of impairment loss on available-for-sales assets		43	53
Non-claimable goods and services tax (Note 14)		(225)	415
Allocation of 6.5% (2017: 10%) managing agents' fee	6	337	463
		6,400	12,950

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

12. Lift Replacement Funds

	Note	Total		Residential Property		Commercial Property	
		2018	2017	2018	2017	2018	2017
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Appropriation from Sinking Funds at 1 April	11	25,689	-	23,922	-	1,767	-
Add :							
Income	12(a)	356	-	352	-	4	-
Operating income transfer from Conservancy and Service Charges	10	7,702	-	7,542	-	160	-
Transfer from government grants	9,10	1,123	-	1,122	-	1	-
Lift replacement fund matching grant	9	6,533	-	6,310	-	223	-
		15,714	-	15,326	-	388	-
Less: Expenditure	12(b)	(4,108)	-	(4,066)	-	(42)	-
Income Tax Expenses	8 (a)	(61)	-	(60)	-	(1)	-
Suplus for the year		11,545	-	11,200	-	345	-
Transfer from Accumulated Surplus ^	10	11,148	-	10,465	-	683	-
At 31 March		48,382	-	45,587	-	2,795	-

Represented by:

Current assets

Cash and cash equivalents	15	40,634	-
Amount due from accumulated surplus		8,499	-
Interest receivables		180	-
Conservancy and service receivables		260	-
Other receivables		1,114	-
		50,687	-

Current liabilities

Creditors and accrued expenses		(2,244)	-
Current tax liabilities	8(b)	(61)	-
Total liabilities		(2,305)	-
Net assets		48,382	-

^ The transfer is a voluntary contribution made in accordance with Section 33(9) of the Town Council Act (Chapter 329A).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

12. Lift Replacement Funds (continued)

(a) Income

	2018	2017
	S\$'000	S\$'000
Bank & fixed deposit interest income	356	-

(b) Expenditure

Replacement of hoisting ropes and sheaves of lifts	1,305	-
Replacement of batteries for ARD	114	-
Replacement of batteries for EBOPS	138	-
Overhauling and upgrading of lifts	1	-
Replacement of lift position display panel	365	-
Replacement of lift inverter drive	1,549	-
Consultancy fee and other charges	258	-
Non-claimable goods and services tax (Note 14)	197	-
Allocation of 3.5% managing agents' fee	181	-
	4,108	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

13. Town Improvement and Project Funds

	Note	Total		Residential Property		Commercial Property	
		2018	2017	2018	2017	2018	2017
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April		1,158	1,168	1,145	1,155	13	13
Transfer from government grants	9	2,630	3,815	2,601	3,773	29	42
Less : Expenditure	13(a)	(3,113)	(4,289)	(3,078)	(4,242)	(35)	(47)
Deficit for the financial year		(483)	(474)	(477)	(469)	(6)	(5)
		675	694	668	686	7	8
Appropriation from accumulated surplus	10	927	464	915	459	12	5
At 31 March		1,602	1,158	1,583	1,145	19	13

Represented by:

Current asset

Other receivables 2,260 3,737

Current liabilities

Creditors and accrued expenses (542) (1,538)

Amount due to accumulated surplus (116) (1,041)

1,602 1,158

(a) Expenditure

Construction of covered walkways 581 445

Upgrading of open spaces 427 280

Construction/upgrading of playgrounds / fitness corners etc 137 1,369

Lift surveillance system - 9

General and administrative charges 2 8

Consultancy fees and project management fees 384 384

Other amenities 381 825

Construction of barrier free access facilities 9 137

Large Scale Town Wide (LSTW) Projects 1,192 832

3,113 4,289

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

14. Non-claimable 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 ("IRAS"). The non-claimable portion is charged to the respective funds.

15. Cash and cash equivalents

	Note	2018	2017
		S\$'000	S\$'000
Cash and bank balances		22,346	14,517
Fixed deposits		120,186	94,869
Cash and fixed deposits held in trust by fund managers	17	3,965	3,327
		146,497	112,713
Taken up in:			
Accumulated surplus:			
- Cash and bank balances		12,707	11,640
- Fixed deposits		7,103	6,060
		19,810	17,700
Sinking Funds:			
- Cash and bank balances		2,802	2,877
- Fixed deposits		79,286	88,809
- Cash held in trust by fund - managers	17	3,965	3,327
	11	86,053	95,013
Lift Replacement Funds:			
- Cash and bank balances		6,837	-
- Fixed deposits		33,797	-
	12	40,634	-
Total cash and bank balances		146,497	112,713

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

15. Cash and cash equivalents (continued)

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

The fixed deposits with financial institutions mature between two months to eleven months (2017: between two months to eleven months) after the financial year end. The interest rate as at 31 March 2018 was between 1.19% and 1.63% (2017: between 1.25% and 1.55%).

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

	2018	2017
	S\$'000	S\$'000
Total cash and bank equivalents	146,497	112,713
Less: Cash and fixed deposits held in trust by fund managers (Note 17)	(3,965)	(3,327)
Cash and cash equivalents per cash flow statement	142,532	109,386

16. Financial assets at fair value through profit or loss

Note	2018	2017
	S\$'000	S\$'000
Sinking Funds:		
- Listed equities	15,732	14,920
- Bonds securities	46,531	45,672
11,17, 30(a)	62,263	60,592

The financial assets at fair value through profit or loss have been designated to be held for trading purposes.

17. Funds with fund managers

At the end of the reporting period, the funds with fund managers comprise the followings:

Note	2018	2017
	S\$'000	S\$'000
Financial assets at fair value through profit or loss	62,263	60,592
Cash and fixed deposits	3,965	3,327
Accrued interest	242	256
Management fees payable to fund managers	(22)	(21)
	66,448	64,154

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

18. Conservancy and service fee receivables

	2018	2017
	S\$'000	S\$'000
Conservancy and service fee receivables	2,290	2,415
Less: Allowance for impairment losses	(835)	(981)
	1,455	1,434

Concentration of credit risk relating to conservancy and service receivables is limited due to the Town Council's large base of residents. Town Council's historical experience in the non-collection of conservancy and service fee receivables shows that no additional credit risk beyond amounts provided for collection losses is inherent in the Town Council's conservancy and service fee receivables.

Conservancy and service fee receivables that are past due and impaired:

	Gross conservancy and service fee receivables		Allowance for impairment losses	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Not past due	74	53	-	-
Past due 0 - 30 days	437	504	-	-
Past due 31 - 120 days	321	289	-	-
Past due 121 -364 days	515	586	-	-
Past due more than 365 days	943	983	835	981
	2,290	2,415	835	981

Movement in allowance for impairment is as follows:

	2018	2017
	S\$'000	S\$'000
At 1 April	981	853
(Written-off)/Charge for the financial year	(146)	128
At 31 March	835	981

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

19. Other receivables and prepayments

Note	2018	2017
	S\$'000	S\$'000
Penalty on late payment	389	380
Less: Allowance for impairment losses	(158)	(173)
	231	207
Citizens' Consultative Committee grant receivables	2,241	3,705
Lift replacement fund matching grant receivables	1,032	-
Conservancy and service charges grant receivables	457	15
GST subvention grant	540	463
Accrued interest	242	256
Amount receivable from Nee Soon Town Council	-	3
Others	2,028	1,638
	6,771	6,287
Prepayments	187	150
Other receivables and prepayments	6,958	6,437

The ageing of other receivables (excluding prepayments) at the end of the reporting period is as follows:

	Gross other receivables		Allowance for impairment losses	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Not past due	6,470	5,156	-	-
Past due 0 - 30 days	67	59	-	-
Past due 31 - 120 days	98	207	-	-
Past due 121 -364 days	123	695	-	-
Past due more than 365 days	171	343	158	173
	6,929	6,460	158	173

The change in impairment losses in respect of other receivable during the financial year is as follows:

	2018	2017
	S\$'000	S\$'000
At 1 April	173	151
(Written-off)/Charge for the financial year	(15)	22
At 31 March	158	173

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

20. Available-for-sale financial assets

	Note	2018	2017
		S\$'000	S\$'000
At 1 April		7,216	7,082
Transfer from Nee Soon Town Council		-	1,645
Transfer to Fund Manager		-	(1,657)
Loss from disposal		-	(26)
Additions/Redemption		34	(137)
Return of capital		(15)	(16)
Provision for impairment loss		(43)	(53)
Fair value gain recorded in fair value reserve	23	139	378
At 31 March	30(a)	7,331	7,216
Taken up in:			
Sinking Funds	11	7,331	7,216

Available-for-sale financial assets include the following:

	2018	2017
	S\$'000	S\$'000
Quoted equities	4,372	4,481
Quoted real estate investment trusts	2,959	2,735
	7,331	7,216

21. Held-to-maturity financial assets

Included in below are the assets at carrying amounts, categorised by the earlier of contractual repricing or maturity dates:

	Note	2018	2017
		S\$'000	S\$'000
Quoted bonds with fixed interest of 1.368% to 4.00% (2017: 1.01% to 4.00%)			
- Current		4,519	4,981
- Non-current		8,584	13,144
		13,103	18,125
Taken up in:			
Sinking Funds	11	13,103	18,125

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

21. Held-to-maturity financial assets (continued)

The effective interest rates for the bonds are as follows:

	2018	2017
	%	%
Quoted bonds with fixed interest	1.32 to 2.64	1.32 to 2.64

The fair value for the held-to-maturity financial assets are as follows:

	Fair Value	
	2018	2017
	S\$'000	S\$'000
Quoted bonds with fixed interest	13,133	18,273

The held-to-maturity financial assets are denominated in Singapore dollar.

22. Plant and equipment

	Furniture, fixtures and fittings	Office equipment	Data processing equipment	Renovation in-progress	Leasehold improve- ment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost						
At 1 April 2016	57	76	71	741	-	945
Additions	12	83	45	-	-	140
Written off	(2)	(6)	(3)	(56)	-	(67)
Reclassification	-	-	-	(685)	685	-
Transfer to Marsiling-Yew Tee Town Council	-	(29)	-	-	-	(29)
At 31 March 2017 and 1 April 2017	67	124	113	-	685	989
Additions	20	9	9	-	177	215
Written off	(42)	(6)	(2)	-	-	(50)
At 31 March 2018	45	127	120	-	862	1,154

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

22. Plant and equipment (continued)

	Furniture, fixtures and fittings	Office equipment	Data processing equipment	Renovation in-progress	Leasehold improve- ment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Accumulated depreciation						
At 1 April 2016	53	75	49	-	-	177
Depreciation charge for the financial year	3	23	27	-	126	179
Written off	(2)	(6)	(3)	-	-	(11)
Transfer to Marsiling-Yew Tee Town Council	-	(29)	-	-	-	(29)
At 31 March 2017 and 1 April 2017	54	63	73	-	126	316
Depreciation charge for the financial year	6	28	22	-	156	212
Written off	(42)	(6)	(2)	-	-	(50)
At 31 March 2018	18	85	93	-	282	478
Net carrying amount						
At 31 March 2017	13	61	40	-	559	673
At 31 March 2018	27	42	27	-	580	676

23. Fair value reserve

		2018	2017
	Note	S\$'000	S\$'000
At 1 April		947	569
Fair value gain on available-for-sale financial assets for the financial year	20	139	378
At 31 March		1,086	947

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

24. Creditors and accrued expenses

	2018	2017
	S\$'000	S\$'000
Accounts payable	5,195	5,893
Work order accruals	675	59
Other accruals	1,895	1,790
Sundry creditors - utilities	1,027	792
Sundry deposits	115	139
Others	473	84
Total creditors and accrued expenses	9,380	8,757

Total amount of \$1.269 million (2017: \$1.002 million) is related to amount due to a related party (managing agent), which is unsecured, interest-free and is expected to be repaid in cash or settled within twelve months from the end of the reporting period.

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

25. Advances received for Neighbourhood Renewal Programme

	2018	2017
	S\$'000	S\$'000
At 1 April	1,842	199
Funding from HDB	3,034	4,831
Payments to contractors	(4,023)	(3,188)
At 31 March	853	1,842

26. Commitments

(a) Expenditure commitments

Expenditure commitments approved by the Town Council but not provided for in the financial statements:

	2018	2017
	S\$'000	S\$'000
Amount approved and contracted for	34,981	6,772
Amount approved but not contracted for	3,678	2,685
	38,659	9,457

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

26. Commitments (continued)

(b) Operating lease commitments

The Town Council has various operating lease agreements for office premises, office equipment, computer hardware and software that are non-cancellable. These leases have an average lease tenure three to seven years.

Future minimum lease payments recognised by the Town Council as expense for the financial year ended 31 March 2018 amounted to \$445,000 (2017: \$428,000).

Future minimum lease payable under the non-cancellable operating lease at the end of the reporting period are as follows:

	2018	2017
	S\$'000	S\$'000
Not later than one year	459	448
Later than one year but not later than five years	302	696
	761	1,144

27. Related party transactions

E M Services Pte Ltd, the managing agent, appointed by the Town Council is classified as a related party as the managing agent provides key management personnel services to the Town Council.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Town Council and the managing agent took place during the financial year.

	2018	2017
	S\$'000	S\$'000
Managing agent's fees	5,846	5,247
Energy saving project	3,236	3,590
Essential maintenance services expenses	860	782
Project management fees	687	712
Upgrading and construction of playgrounds	-	157
Lift repairs and servicing	1,007	651
Others	80	201

28. 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;
- (b) to provide resources to sustain future development; and
- (c) to provide funds for the purpose of strengthening the Town Council's risk management capability.

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

There were no changes in the Town Council's approach to funds management during the year.

The Town Council is not subject to externally imposed capital requirements.

The Town Council total funds amounted to \$226.441 million (2017: \$195.171 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

29. Financial risk management objectives and policies

Overview

The Town Council has a system of controls in place to create an acceptable balance between the cost 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.

The Town Council is exposed to credit, interest rate and other market risk in the normal course of the Town Council's operations.

(a) 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 high quality counterparties.

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

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(b) Liquidity risk

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

The financial assets and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations have a maturity of less than one year other than held-to-maturity financial assets disclosed in Note 21 to the financial statements.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Town Council's income or the value of its holdings of financial instruments:

(i) Interest rate risk

The Town Council's exposure to market risk for changes in interest rates relate to interest-bearing fixed deposits with financial institutions. The Town Council's surplus funds are placed with reputable financial institutions. The interest rates on these funds are at prevailing rates.

Sensitivity analysis

A 1% change in interest rate at the reporting date would increase or decrease investment income by the amount shown below. The analysis assumed that all other variables remain constant.

	2018	2017
	\$'000	\$'000
Fixed deposits	1,202	949

(ii) Price risk

Sensitivity analysis-equity price risk

The Town Council's equity instruments are quoted. A 10% increase/(decrease) in the underlying equity prices at the reporting date would increase/(decrease) fair value reserve and sinking funds by the following amount:

	2018	2017
	\$'000	\$'000
Fair value reserve	733	722
Fair value though Sinking fund	1,573	1,492

This analysis assumes that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

30. Fair value of financial instruments

(a) 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:

	Note	2018 \$'000	2017 \$'000
Financial assets at fair value through profit or loss	16	62,263	60,592
Available-for-sale financial assets	20	7,331	7,216
		69,594	67,808

Determination of fair values

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid prices at the end of the reporting date.

(b) Financial instruments not carried at fair value and whose carrying amount are reasonable approximation of fair value

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including cash and cash equivalents, interest receivables, conservancy and service fee receivables, other receivables, conservancy and service fees received-in-advance, creditors and accrued expenses and government grant received-in-advance) are assumed to approximate their fair values because of the short period to maturity.

(c) 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 represented in the following table:

	2018		2017	
	Carrying amount S\$'000	Fair value S\$'000	Carrying amount S\$'000	Fair value S\$'000
Financial assets				
Held-to maturity financial assets	13,103	13,133	18,125	18,273
Unrecognised gain		30		148

Determination of fair values

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.

31. Authorisation of financial statements for issue

The financial statements of the Town Council for the financial year ended 31 March 2018 were authorized for issue by the members of the Town Council on 29 August 2018. On 20 October 2018, the members of the Town Council approved a voluntary contribution of \$6,483,000 from the accumulated surplus as at 31 March 2018 to Lift Replacement Funds. Accordingly, the financial statements were subsequently amended to include the above mentioned transfer and were authorized for re-issuance on 29 October 2018.

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