

ANNUAL REPORT

FY 2016-2017

Marsiling-Yew Tee
Town Council





limbang
shopping centre

Food, Fun & Fashion

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Our Town MPs



Mr Lawrence Wong
Minister for National Development
Second Minister for Finance
MP for Marsiling-Yew Tee GRC
(Limbang)



Mdm Halimah Yacob
Speaker of Parliament
MP for Marsiling-Yew Tee GRC
(Marsiling)



Mr Alex Yam Ziming
MP for Marsiling-Yew Tee GRC
(Yew Tee)
Chairman of Marsiling-Yew Tee
Town Council



Mr Ong Teng Koon
MP for Marsiling-Yew Tee GRC
(Woodgrove)
Vice-Chairman of Marsiling-Yew
Tee Town Council

Our Town Councillors

Term of 01 October 2015 to 30 September 2017

COMMUNICATIONS AND SERVICE QUALITY COMMITTEE



Mr Adrian Lim Kim Hoe
PBM
Chairman



Mr Chua Teck Seng
Member



Ms Jessica Lim Chui Lan
Member



Mr Jonathan Tan Eng Siong
Member



Mr Muhamad Azrin Bin Abdullah
Member



Ms Yeo Keng Lee
Member

COMMUNITY IMPROVEMENT PROJECT COMMITTEE



Mr Ng Poh Wah
PBM
Chairman



Mr Addy Soon Tawn Tawin
PBM
Member



Mr Jeremy Tham Yeu Kuen
Member



Mdm Mindy Ding Lee Choo
Member



Ms Banu Bte Mohamed Elias
PBM
Member



Mr Steven Tan Yong Cheng
Member



Mr Tay Boon Sin
Member



Mr Yeo Swee Khian
PBM
Member

ESTATE AMENITIES COMMITTEE



Mr Bob Shaw Kar Seng
BBM
Chairman



Mr Alex Teo Kim Siah
PBM
Member



Mr Alvin Tan Choon Hwa
PBM
Member



Mr Anthony Saw
Seng Yeok
PBM
Member



Mr Corwin Chew Huang Jia
Member



Mr Gnanapragasam Jagaraj
Member



Mr Kelvin Khoo Lam Beng
PBM
Member



Mr Raymond Ouh
Yew Thiam
Member



Mr Tan Chwee Pow
PBM
Member



Mdm Toh Liew Kee
PBM
Member

Our Town Councillors

Term of 01 October 2015 to 30 September 2017

FINANCE COMMITTEE



Mr Patrick Teo
BBM(L)
Chairman



Mr Abdul Rahim Bin Mawasi
PBM
Member



Ms Elena Lim Beng Goh
Member



Mr Kwan Jih Leong
PBM
Member



Mr N. Sivarajan
PBM
Member



Mr Seah Thian Pau
PBM
Member

TENDERS AND CONTRACTS COMMITTEE



Mr Lim Tai Sun
BBM
Chairman



Mr Adrian Ooi
Member



Mr Eric Lim Chin Heng
PBM
Member



Mr Johnny Lim Peng Siah
PBM
Member



Mr Malik Bin Maksudi
BBM
Member



Mr Mohamed Razaleigh Bin Mohamed
Saem
Member



Mr Ng Si Hiong
PBM
Member

Chairman's Review

FY16/17 has been another fulfilling year within our town, as we at the Town Council continue to upkeep a clean and conducive living environment for our Marsiling-Yew Tee residents. Our core priority remains the provision of a well-maintained estate that is desirable for all our residents, young and old alike, to live in.

Over the past year, we have implemented numerous upgrading and town improvement projects, some of which were completed efficiently, while others are progressing on track. The completed projects across the four divisions – Limbang, Marsiling, Yew Tee and Woodgrove – include construction of community halls and covered linkways, the installation of a Lift Surveillance System (LSS), as well as upgrading of children's playgrounds and fitness corners for the elderly, amongst many others.

Embracing a *kampong spirit*, we are working closely with our grassroots leaders and residents in a collaborative and consultative manner for all our projects. With their invaluable insights, we were able to understand and incorporate the necessary changes in our plans to meet the diverse needs and characteristics of each division.



Finance

For the period from 1 April 2016 to 31 March 2017, Marsiling-Yew Tee Town Council had an operating surplus of \$2.4 million. As at 31 March 2017, our Town Council has a sinking fund of \$89.3 million and an accumulated operating surplus of \$4.78 million.

Our S&CC arrears have been in check. As of 31 March 2017, the number of cases in arrears three months and above reduced to less than 3.5% of the total number of units managed. Together with our grassroots leaders, we have extended assistance to households with financial difficulties over house visits.



Our Customer Service Officer guides a resident in filling up the forms



Our Finance staff explains to a resident the procedures for venue booking



Our new branch office was launched to serve our Limbang and Yew Tee residents better

Estate Maintenance



Our electrician replaces a faulty light set



A conservancy worker uses a hot water high-pressure washer to clean the ground

One of the essential roles of a Town Council is to ensure that our estates are a pleasant living environment for our residents. It is a continuous process to seek innovative ways to improve the efficiency of our work. In the past year, we have introduced various machines and systems to enhance our daily operations on the ground, from the supervision of routine tasks to how the work is carried out. Cleaning machines such as an auto scrubber, ride-on sweeper, hot water high-pressure washer and one-man operated refuse collector, for instance, have significantly improved the productivity of our conservancy workers.



A lift technician conducts lift repair works



Pest control team checks for burrows

Cyclical Works



Replacement of booster pump sets and Refuse Chute Flushing System (RCFS) at Blk 101 to 120, 321 to 326, Blk 336 to 350, Blk 402 to 437(Marsiling)



Repainting works completed in February 2017 for Blk 201 to 206 Marsiling Drive (Marsiling)

A comprehensive cyclical work programme is crucial for breathing life into and sustaining the wear and tear of our estates and its facilities. As a Council, we take pride in ensuring that our properties are maintained in good and serviceable condition.

For FY 16/17, we invested a total of \$14.6 million in cyclical maintenance and replacement works to revive our mature estates and ensure that essential services are of high standards. Of these, \$5.5 million was utilised on repainting and redecoration, \$2.8 million on re-roofing works, replacing booster pump sets and refuse chute flushing system/handling equipment.

A considerable proportion of \$5.7 million from the sinking fund in FY 16/17 was disbursed for maintaining the lifts in good order.



Re-roofing works at Blk 301 to 304, 306 & 306A Woodlands Street 31 (Marsiling)



Replacement of Refuse Handling Equipment to 42 blocks at Blk 356 to 371 Woodlands St 41 (Woodgrove)

Town Improvement Projects



Construction of BFA ramp at
Blk 546 Choa Chu Kang St 52 (Limbang)



Upgrading of children's playground at
Blk 684B Choa Chu Kang Crescent (Yew Tee)



Installation of LSS in 108 lifts
(Limbang and Yew Tee estates)

Town Improvement Projects are undertaken to meet the evolving needs of our residents. We take on a consultative approach, working with our grassroots organisations and residents, to identify improvement works including the installation of Lift Surveillance System (LSS). FY 16/17 saw the completion of 25 projects, which are geared towards enhancing the lifestyle of our neighbourhood, with a total of \$1.97 million invested. At the same time, the team conceptualised over 40 enhancement projects in the pipeline such as conversion of existing fountain to community plaza, as well as the construction of covered linkway and drop-off porch to name a few.



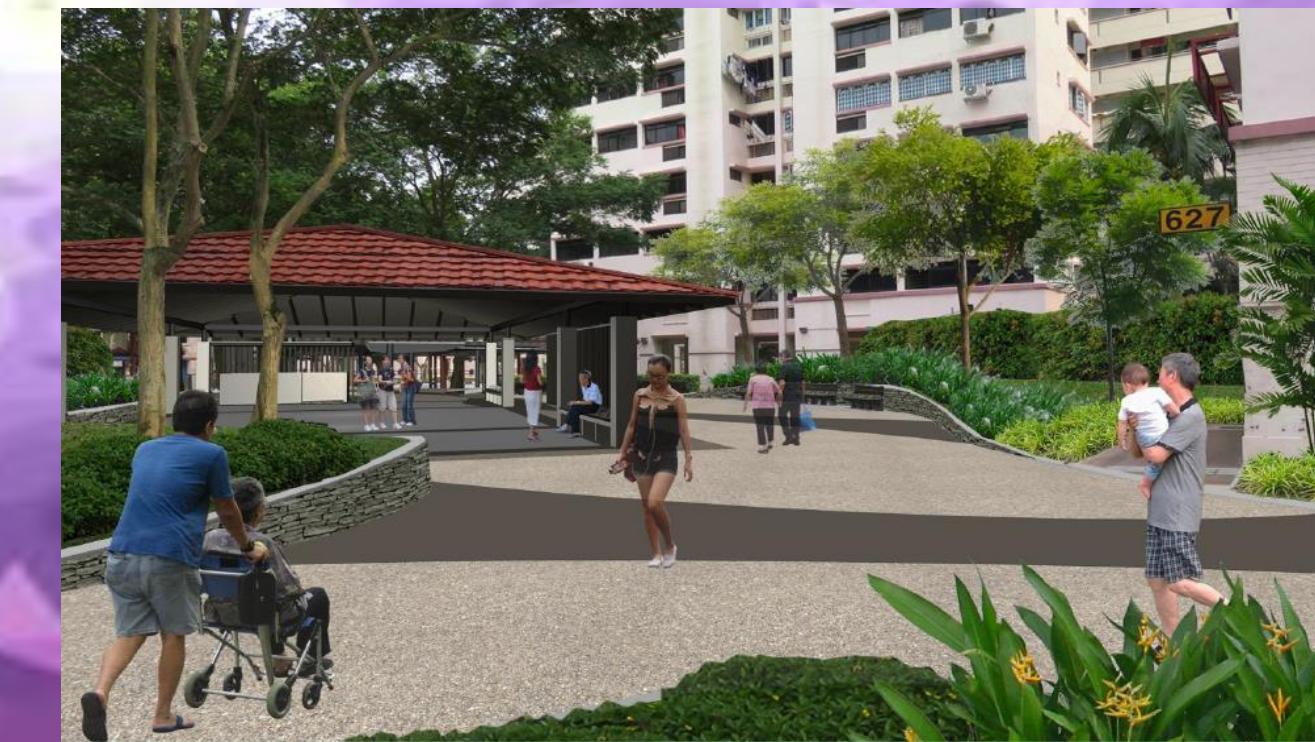
Construction of hardcourt at Mandai Tekong Park
Blk 897C Woodlands Drive 50 (Woodgrove)



Covered Linkway at
Blk 6A to 19 Marsiling Drive (Marsiling)

Neighbourhood Renewal Programme

With the government funding support, our Town Council was able to invigorate our Town with new facilities through the Neighbourhood Renewal Programme (NRP). In this financial year, we successfully launched two other NRPs in Yew Tee and Woodgrove divisions. Public consultations concluded with positive and constructive feedback given by the residents. Constructors are now underway.



The proposed green connector from Blk 604/608 towards to Yew Tee Square (Yew Tee)



Ongoing construction of Plaza at Blks 113 to 115 Woodlands Street 13 (Woodgrove)



New covered hardcourt at Blk 410, 414 and 416 (Woodgrove)



Ongoing construction of Plaza 4 at Blks 121 to 143 Marsiling Road / Woodlands Street 13 (Marsiling)

Clean and Green Energy



Saving electricity usage is an ongoing process and an area where we continue to explore innovative ways to do so. This year, we continue to extend on the solar panel installation at our estates' rooftops which completed to date about 90 blocks in all. The energy generated will be used to power services in the common areas of HDB blocks such as lifts and water pumps. Savings from this project can be channelled to supplement our operations.





Clean and Green Efforts

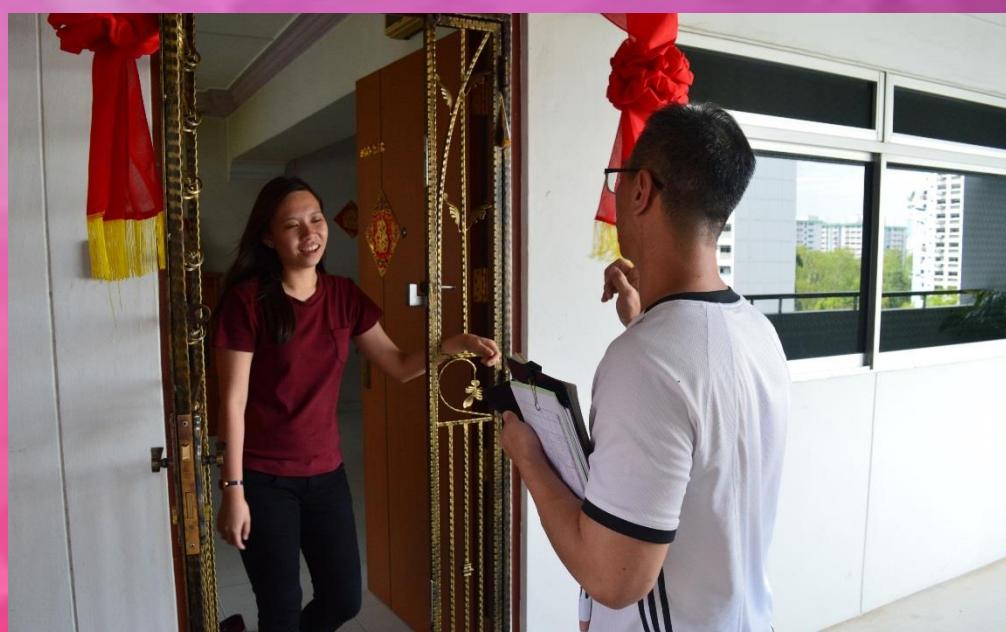


Communication with Residents



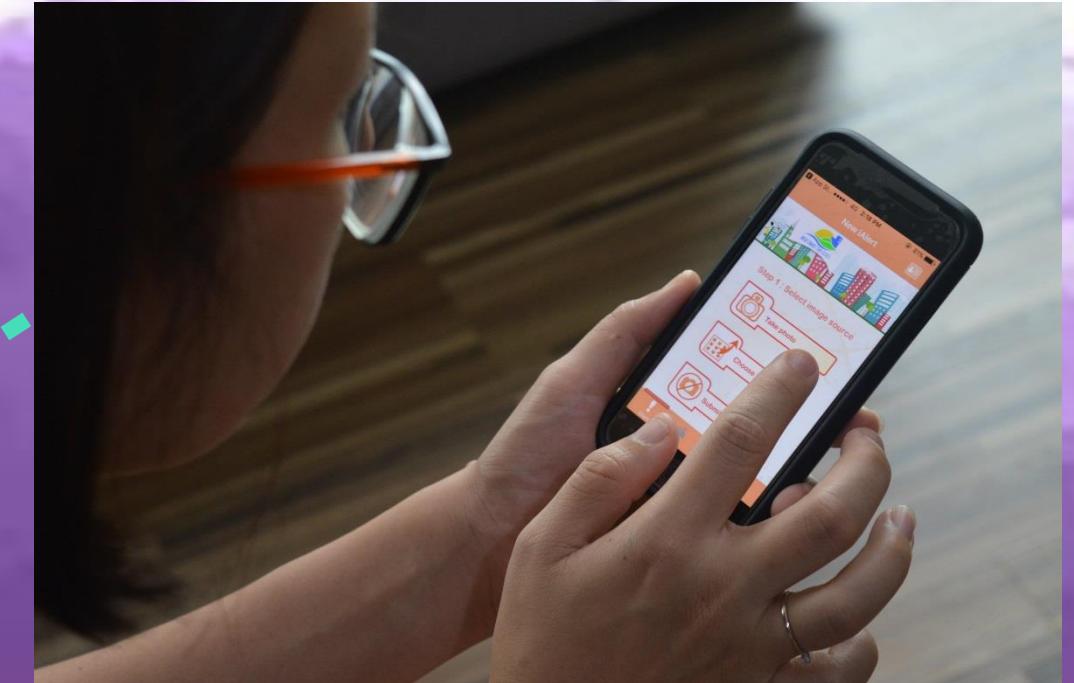
A resident reading our Town's quarterly newsletter

With the opening of Marsiling-Yew Tee branch office at Block 562 and 563 Choa Chu Kang Street 52 in March, we now have an additional touch point for residents who are living in the Limbang and Yew Yee divisions. Over the counter, residents are welcome to speak with our staff in person when they have any enquiries or feedback.

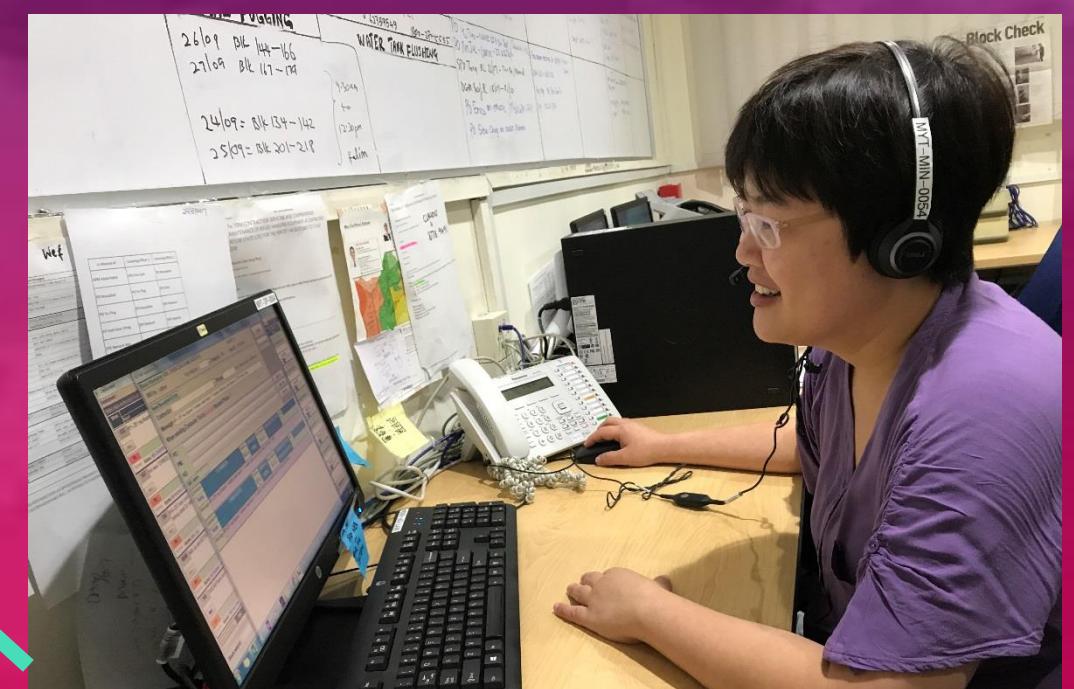


A resident is visited by a Property Officer to check up on how the estate is doing

In today's social media era where communication is instantaneous, we continue to ensure a strong online presence for our residents. Besides sharing relevant information on our estates and its developments, much effort has been channelled into our official Facebook feedback page to attain the "Very responsive" badge consistently throughout the year, with 100% response rate.



Residents using different communication channels like the MYTTC website, Facebook app and iTown App to feedback to the Town Council



A call centre staff speaks over the phone with a concerned resident



≡ VISION AHEAD ≡

Hand in hand with our residents and grassroots partners, we will continue to design, enhance and construct a home ground, which is unique to the needs of our people and their families.

In the coming year, Marsiling-Yew Tee Town Council will continue to upkeep and improve the vicinities with utmost care and high-quality standards. Apart from enjoying the existing facilities with their friends and loved ones, residents can also keep their eyes peeled for the new developments around their precincts.

I would like to thank all our town councillors, grassroots leaders and staff for their dedication, active participation and contributions to the running of the Town Council. I would also like to thank our residents for their ever-ready support and feedback. We are always looking for ways to improve our service, and your feedback is an invaluable part of that process.

Together, we will progress onward and upward with better homes, better lives for all our residents!


Mr Alex Yam Ziming
MP for Marsiling-Yew Tee GRC
(Yew Tee)
Chairman of Marsiling-Yew Tee Town Council



Marsiling-Yew Tee Town Council

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

Financial Statements

For the period from 01 April 2016 to 31 March 2017

Marsiling-Yew Tee Town Council
(Established under the Town Councils Act,
Chapter 329A)

Annual Financial Statements
31 March 2017



Marsiling-Yew Tee Town Council

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Marsiling-Yew Tee Town Council

**Independent auditor's report
For the financial year ended 31 March 2017**

Independent auditor's report to the members of the Marsiling-Yew Tee Town Council

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Marsiling-Yew Tee Town Council (the "Town Council"), which comprise the balance sheet as at 31 March 2017, and income and expenditure statement, the 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.

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, Chapter 329A (the "Act") and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the statement of affairs of the Town Council as at 31 March 2017 and of the financial performance, changes in Town Council funds and cash flows of the Town Council for the year ended on that date.

Basis for opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report and General Information, 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.

Marsiling-Yew Tee Town Council

Independent auditor's report
For the financial year 31 March 2017

Independent auditor's report to the members of the Marsiling-Yew Tee Town Council

Responsibilities 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 Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized 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, the management of the Town Council is responsible for assessing the Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Marsiling-Yew Tee Town Council

**Independent auditor's report
For the financial year 31 March 2017**

Independent auditor's report to the members of the Marsiling-Yew Tee Town Council

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.
- 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.

Report on other legal and regulatory requirements

Opinion

In our opinion:

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

Basis for opinion

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

Responsibilities of management for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipts, expenditure, investments 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.

Marsiling-Yew Tee Town Council

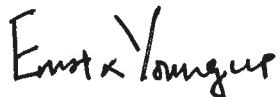
Independent auditor's report
For the financial year 31 March 2017

Independent auditor's report to the members of the Marsiling-Yew Tee Town Council

Auditor's responsibilities for the compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investments 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, investments 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.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

25 September 2017

Marsiling-Yew Tee Town Council

Balance sheet
As at 31 March 2017

	Note	2017 \$	2016 S\$
TOWN COUNCIL FUNDS			
Residential Property Funds			
Accumulated surplus	5	1,407,596	239,412
Sinking Funds	6	64,468,405	65,066,757
Town Improvement and Project Funds	7	667,210	256,979
		<u>66,543,211</u>	<u>65,563,148</u>
Commercial Property Funds			
Accumulated surplus	5	1,934,647	1,168,557
Sinking Funds	6	24,880,533	24,384,635
Town Improvement and Project Funds	7	147,579	155,823
		<u>26,962,759</u>	<u>25,709,015</u>
Carpark Fund			
Accumulated surplus	5	1,433,054	1,338,034
Total Town Council Funds		<u>94,939,024</u>	<u>92,610,197</u>
Represented by:			
Current assets			
Cash and cash equivalents	8	76,851,044	17,107,740
Financial assets at fair value through profit or loss	9	21,486,942	20,771,309
Neighbourhood Renewal Programme (NRP) receivable	14	966,782	—
Conservancy and service fee receivables	11	1,412,004	1,249,406
Other receivables	12	4,231,927	69,674,248
		<u>104,948,699</u>	<u>108,802,703</u>
Non-current assets			
Plant and equipment	13	496,394	45,599
Total assets		<u>105,445,093</u>	<u>108,848,302</u>
Current liabilities			
Advances received for NRP	14	—	3,267,853
Conservancy and service fees received-in advance		459,311	442,037
Other payables	15	9,562,551	12,361,346
Income tax payable	19(b)	484,207	166,869
		<u>10,506,069</u>	<u>16,238,105</u>
Total liabilities		<u>94,939,024</u>	<u>92,610,197</u>
Net assets			

MR ALEX YAM ZIMING
Chairman

Singapore
25 September 2017

MR YEO JIN KIAT
Secretary

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

Marsiling-Yew Tee Town Council

Income and expenditure statement For the financial year ended 31 March 2017

		1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016
	Note	S\$	S\$
OPERATING INCOME			
Conservancy and service fees		33,092,154	11,011,652
Less: Operating income transfer to Sinking Funds		(11,392,614)	(3,790,706)
Agency fees	16	21,699,540	7,220,946
Other income	5(a)	2,943,925	975,760
		2,646,465	709,012
		27,289,930	8,905,718
Less:			
OPERATING EXPENDITURE			
Cleaning work		5,278,107	1,844,283
Managing agent's fees	17	3,402,376	1,116,148
Lift maintenance		5,468,690	1,758,891
Other works and maintenance		4,760,676	1,209,454
Water and electricity		7,476,804	2,418,837
General and administrative (G&A) expenditure	18	1,610,571	1,200,708
		(27,997,224)	(9,548,321)
OPERATING DEFICIT			
		(707,294)	(642,603)
Add:			
NON-OPERATING INCOME			
Interest income		57,219	-
DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS			
		(650,075)	(642,603)
Less: Income tax expense	19(a)	(253,807)	(147,557)
DEFICIT BEFORE GOVERNMENT GRANTS			
		(903,882)	(790,160)
Add: Government grants	21	6,925,136	3,049,274
Less: Transfer to Sinking Funds	6, 21	(1,626,684)	(539,617)
Transfer to Town Improvement and Project Funds	7, 21	(1,964,177)	(1,403,623)
SURPLUS FOR THE YEAR/PERIOD			
		2,430,393	315,874
ACCUMULATED SURPLUS AS AT 1 APRIL/1 OCTOBER			
		2,746,003	-
Add: Accumulated surplus transferred from Sembawang Town Council	22(a)	-	1,854,829
Add: Accumulated surplus transferred from Chua Chu Kang Town Council	22(b)	-	736,046
Less: Accumulated surplus transferred to Town Improvement & Project Funds	7	(401,099)	(160,746)
ACCUMULATED SURPLUS AT 31 MARCH			
		4,775,297	2,746,003

MR ALEX YAM ZIMING
Chairman

Singapore
25 September 2017

MR YEO JIN KIAT
Secretary

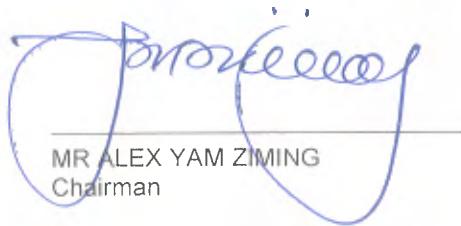
MR YEO JIN KIAT
Secretary

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

Marsiling-Yew Tee Town Council

Statement of comprehensive income
For the financial year ended 31 March 2017

	1 October 2015	
	1 April 2016 to (date of formation)	
Note	31 March 2017 to 31 March 2016	
	S\$	S\$
SURPLUS FOR THE YEAR/PERIOD	5	<u>2,430,393</u> 315,874
MOVEMENT OF VARIOUS FUNDS		
Accumulated Surplus	5	2,430,393 315,874
Sinking Funds	6	(102,454) (1,366,180)
Town Improvement and Project Funds	7	888 44,271
		<u>2,328,827</u> <u>(1,006,035)</u>



MR ALEX YAM ZIMING
Chairman



MR YEO JIN KIAT
Secretary

Singapore
25 September 2017

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

Marsiling-Yew Tee Town Council

Statement of changes in town council funds
For the financial year 31 March 2017

	Note	Residential property funds S\$	Commercial property funds S\$	Carpark fund S\$	Total S\$
Balance as at 1 April 2016		65,563,147	25,709,016	1,338,034	92,610,197
Surplus for the year, representing total comprehensive income for the year		980,064	1,253,743	95,020	2,328,827
Balance as at 31 March 2017		66,543,211	26,962,759	1,433,054	94,939,024
Balance as at 1 October 2015 (date of formation)		—	—	—	—
Funds transferred from Sembawang Town Council	22(a)	37,919,194	22,465,742	114,894	60,499,830
Funds transferred from Chua Chu Kang Town Council	22(b)	29,249,902	2,847,864	1,018,636	33,116,402
(Deficit)/surplus for the year/period, representing total comprehensive income for the year/period		(1,605,949)	395,410	204,504	(1,006,035)
Balance as at 31 March 2016		65,563,147	25,709,016	1,338,034	92,610,197

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

Marsiling-Yew Tee Town Council

Cash flow statement
For the financial year 31 March 2017

		1 April 2016 to 31 March 2017 Note	1 October 2015 (date of formation) to 31 March 2016 S\$
Operating activities			
Deficit before taxation and government grants	5	(650,075)	(642,603)
Adjustments:			
Operating income transfer to Sinking Funds	5,6	11,392,614	3,790,706
Depreciation of plant and equipment	13	45,530	8,048
Interest income		(57,219)	–
Gain in financial assets at fair value through profit or loss		(1,015,884)	(240,552)
Operating surplus before working capital changes		9,714,966	2,915,599
Increase in conservancy and service fee receivables		(162,598)	(296,602)
Decrease/(increase) in other receivables		66,118,257	(32,461,424)
(Decrease)/increase in other payables		(3,029,822)	10,931,606
Cash flows generated from/(used in) operations		72,640,803	(18,910,821)
Sinking Funds expenditure	6	(14,635,991)	(5,885,912)
Town Improvement and Project Funds expenditure	7	(1,968,065)	(1,359,352)
Town Improvement and Project other income received		4,800	–
Neighbourhood Renewal Programme Fund expenditure	14	(5,518,056)	(3,027,166)
Net cash flows generated from/(used in) operating activities		50,523,491	(29,183,251)
Investing activities			
Purchase of plant and equipment	13	(496,325)	(24,795)
Investments income received		136,549	118,858
Net cash flows (used in)/generated from investing activities		(359,776)	94,063
Financing activities			
Government grants received	21	7,731,035	118,106
Funding received from HDB for:			
– Neighbourhood Renewal Programme projects	14	1,283,421	2,724,490
Net cash flows generated from financing activities		9,014,456	2,842,596
Net increase/(decrease) in cash and cash equivalents		59,178,171	(26,246,592)
Cash and cash equivalents at 1 April / 1 October		15,527,194	–
Add: Funds transferred from Sembawang Town Council	22(a)	–	8,729,616
Add: Funds transferred from Chua Chu Kang Town Council	22(b)	–	33,044,170
Cash and cash equivalents at 31 March	8	74,705,365	15,527,194

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

Marsiling-Yew Tee Town Council

Notes to the financial statements For the financial year 31 March 2017

1. General information

Marsiling-Yew Tee Town Council was formed on 1 October 2015 under the Town Councils Act (Chapter 329A) and has its registered office at Blk 306A Woodlands Street 31, #02-00, Singapore 731306.

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 Singapore Financial Reporting Standards ("FRS").

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

The financial statements are presented in Singapore dollars ("SGD" or "S\$") which is the Town Council's functional currency. All financial information presented in Singapore dollars ("S\$").

2.2 Changes in accounting policies

The Town Council has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2016. The adoption of these standards did not have any significant effect on the financial performance or position of the Town Council.

2.3 Standards issued but not yet effective

The Town Council has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 7 Disclosure Initiative	1 January 2017
Amendments to FRS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Improvements to FRSs (December 2016)	
- Amendments to FRS 112: <i>Classifications of the Scope of the Standard</i>	1 January 2017
- Amendments to FRS 28: <i>Measuring an Associate of Joint Venture at fair value</i>	1 January 2018
- Amendments to FRS 40: <i>Transfers of Investment Property</i>	1 January 2018
Amendments to FRS 102: <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to FRS 104: <i>Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts</i>	1 January 2018

Marsiling-Yew Tee Town Council

Notes to the financial statements For the financial year 31 March 2017

2. Summary of significant accounting policies (continued)

2.3 *Standards issued but not yet effective (continued)*

Description	Effective for annual periods beginning on or after
Amendments to FRS 115: <i>Clarifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
INT FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
Amendments to FRS 110 & FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

Except for FRS 109, FRS 115 and FRS 116, the Town Council expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

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. Early adoption is permitted. The Town Council is currently assessing the impact of FRS 115 and does not expect any significant impact to arise from the changes.

Marsiling-Yew Tee Town Council

Notes to the financial statements For the financial year 31 March 2017

2. Summary of significant accounting policies (continued)

2.3 ***Standards issued but not yet effective (continued)***

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets 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, operating surplus and gearing ratio.

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 utilising the straight-line method to write-off the cost of these assets over their estimated useful lives as follows:

Office equipment	-	3 years
Data processing equipment	-	3 years
Furniture, fixtures and fittings	-	5 years

An item of property, 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 profit or loss in the year the asset is derecognised.

Plant and equipment costing below S\$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.

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 and the Town Improvement and Project Funds form the Town Council Funds.

Marsiling-Yew Tee Town Council

Notes to the financial statements For the financial year 31 March 2017

2. Summary of significant accounting policies (continued)

2.5 Funds (continued)

(a) Town Council Funds (continued)

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

Assets and liabilities of the various funds of the Town Council are pooled in the Balance Sheet.

(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.

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 to be paid into the Sinking Funds.

In accordance with the Town Councils Act (Minimum Amount of Charges for Payment into Sinking Fund) (Amendment Rule 2004), the minimum amounts to be paid into the Sinking Funds are as follows:

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

These minimum contributions are treated as operating transfers and netted off against the conservancy and service fees and government grants in the Income and Expenditure Statement.

The Sinking Funds are utilised for major cyclical works such as repainting, renewal, or replacement of roofing systems, water tanks, pumps and water supply systems, lightning protection systems and lifts, installation of any sensor and starter controller to the time-controlled booster pumping system, installation or replacement of any video lift monitoring devices, major repairs and maintenance of the common area and contributions to the HDB in respect of general upgrading works carried out on the common property under the Housing & Development Act.

The Town Council apportions 5% of General and Administrative expenses and 30% of Allowance for impairment from Routine Funds to Sinking Funds.

Marsiling-Yew Tee Town Council

Notes to the financial statements For the financial year 31 March 2017

2. Summary of significant accounting policies (continued)

2.5 Funds (continued)

(c) 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 Neighbourhood Renewal Programme

Neighbourhood Renewal Programme (NRP) is established in respect of the neighbourhood renewal programme works carried out on the qualifying properties. This upgrading scheme was entered into between the Town Council, HDB, and MND. The funding for the programme comes from the Government and is for the specific use of projects under the programme.

2.7 Allocation of general overheads

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

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

No overheads are allocated to the Town Improvement and Project Funds.

2.8 Government grants

The Town Council receives from the Government, namely, Conservancy and Service Charges Grant, payments from CCC and Goods and Services Tax (GST) subvention grant.

Government grants are accounted in the Income and Expenditure Statement on an accrual basis. Conservancy and Service Charges Grants received are transferred to Sinking Funds based on the amount prescribed in Note 2.5(b) to the financial statements.

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. Summary of significant accounting policies (continued)

2.9 Funds with fund managers

Funds with fund managers represent the market value 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 and bonds. 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 balance sheet.

On expiry of the management term, a performance fee calculated principally based on a percentage share of any return in excess of the performance benchmark of the fund managers or a minimum guaranteed return may be paid to the fund managers. Where such a fee is payable, it is provided for and deducted from the amount of funds with fund managers.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would be determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10 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.

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

2. Summary of significant accounting policies (continued)

2.10 *Financial instruments (continued)*

(a) Financial assets (continued)

(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 loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in Income and Expenditure Statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

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.

(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 and in the case of other financial liabilities, plus 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. Summary of significant accounting policies (continued)

2.11 *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.

(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.

Marsiling-Yew Tee Town Council

Notes to the financial statements For the financial year 31 March 2017

2. Summary of significant accounting policies (continued)

2.12 *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 groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

2.13 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 *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.

2.15 *Lease*

Operating lease payments are recognised as an expense in the profit or loss 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.

2.16 *Revenue recognition*

Conservancy and service fees and agency fees are recognised on a time-proportion basis for the period when the service is rendered.

Investment income from investments in financial assets held at fair value through profit or loss is recognised in the Sinking Fund.

Marsiling-Yew Tee Town Council

Notes to the financial statements For the financial year 31 March 2017

2. Summary of significant accounting policies (continued)

2.17 Taxes

(a) Current income tax

Tax is provided on the following income:

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

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

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

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

2.18 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 balance sheet 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 make judgements, estimates and assumptions that affect the reported amounts of the revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. 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 periods. Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

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 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.

Impairment of conservancy and service fee 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. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Town Council considers whether there is observable data indicating that there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Town Council's conservancy and service fee receivables at the end of the reporting period is disclosed in Note 11 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 S\$141,200 (2016: S\$124,940).

4. Inter-fund transfer

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

Marsiling-Yew Tee Town Council

**Notes to the financial statements
For the financial year 31 March 2017**

5. Accumulated surplus

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

Note	Total		Residential		Commercial		Car park	
	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Operating incomes								
Conservancy and service fees	33,092,154	11,011,652	31,120,394	10,354,869	1,971,760	656,783	-	-
Less: Operating income transfer to Sinking Funds	6 (11,392,614)	(3,790,706)	(10,702,497)	(3,560,832)	(690,117)	(229,874)	-	-
	21,699,540	7,220,946	20,417,897	6,794,037	1,281,643	426,909	-	-
Agency fee	2,943,925	975,760	-	-	-	-	2,943,925	975,760
Other income	5(a) 2,646,465	709,012	2,000,461	525,288	569,242	164,419	76,762	19,305
	27,289,930	8,905,718	22,418,358	7,319,325	1,850,885	591,328	3,020,687	995,065
Less: Operating expenditure	(27,997,224)	(9,548,321)	(24,026,889)	(8,398,086)	(1,064,637)	(374,681)	(2,905,698)	(775,554)
Operating (deficit)/surplus	(707,294)	(642,603)	(1,608,531)	(1,078,761)	786,248	216,647	114,989	219,511
Add: Non-operating income	57,219	-	49,548	-	1,859	-	5,812	-
(Deficit)/surplus before taxation and grants	(650,075)	(642,603)	(1,558,983)	(1,078,761)	788,107	216,647	120,801	219,511
Less: Income tax expense	19(a) (253,807)	(147,557)	(219,773)	(127,769)	(8,253)	(4,781)	(25,781)	(15,007)
(Deficit)/surplus before government grants	(903,882)	(790,160)	(1,778,756)	(1,206,530)	779,854	211,866	95,020	204,504

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

5. Accumulated surplus (continued)

Note	Total		Residential		Commercial		Car park		
	1 October 2015 (date of formation) to 31 March 2017		1 October 2015 (date of formation) to 31 March 2016		1 October 2015 (date of formation) to 31 March 2017		1 October 2015 (date of formation) to 31 March 2016		
	1 April 2016 to 31 March 2017	S\$	1 April 2016 to 31 March 2017	S\$	1 April 2016 to 31 March 2017	S\$	1 April 2016 to 31 March 2017	S\$	
(Deficit)/surplus before government grants		(903,882)	(790,160)	(1,778,756)	(1,206,530)	779,854	211,866	95,020	204,504
Add: Government grants	21	6,925,136	3,049,274	6,925,136	3,009,834	–	39,440	–	–
Less: Transfer to Sinking Funds	6	(1,626,684)	(539,617)	(1,626,684)	(539,617)	–	–	–	–
Transfer (to)/from Town Improvement and Project Funds	7	(1,964,177)	(1,403,623)	(1,964,933)	(1,364,183)	756	(39,440)	–	–
		3,334,275	1,106,034	3,333,519	1,106,034	756	–	–	–
Surplus/(deficit) for the financial year/period		2,430,393	315,874	1,554,763	(100,496)	780,610	211,866	95,020	204,504
Add: Accumulated surplus at 1 April / 1 October	22(a)	2,746,003	–	239,412	–	1,168,557	–	1,338,034	–
Add: Funds transferred from Sembawang Town Council		–	1,854,829	–	853,231	–	886,704	–	114,894
Add: Funds transferred from Chua Chu Kang Town Council	22(b)	–	736,046	–	(358,380)	–	75,790	–	1,018,636
Less: Appropriation to Town Improvement and Project Funds	7	(401,099)	(160,746)	(386,579)	(154,943)	(14,520)	(5,803)	–	–
Accumulated surplus at 31 March		4,775,297	2,746,003	1,407,596	239,412	1,934,647	1,168,557	1,433,054	1,338,034

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

5. Accumulated surplus (continued)

(a) Other income

	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016
	S\$	S\$
Late payment penalty	170,961	17,297
Liquidated damages	88,255	14,281
Sale of tender documents	22,492	800
Sundry fines	15,710	3,520
Sundry income	215,995	49,136
Temporary Occupational Licence income	1,630,900	529,467
Use of common property income	15,470	3,760
Use of void decks	58,810	16,400
Use of water and electricity at void decks	421,284	73,592
Others	6,588	759
	<hr/>	<hr/>
	2,646,465	709,012

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

6. Sinking funds

Note	Total		Residential property		Commercial property	
	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016
	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 April / 1 October	89,451,392	-	65,066,757	-	24,384,635	-
Add: Funds transferred from Sembawang Town Council	22(a)	-	58,305,756	-	36,748,458	-
Add: Funds transferred from Chua Chu Kang Town Council	22(b)	-	32,511,816	-	29,869,870	-
		89,451,392	90,817,572	65,066,757	66,618,328	24,384,635
						24,199,244
Add:						
Income	6(a)	1,577,746	240,552	1,577,743	231,868	3
Operating income transfer from conservancy and service fees	5	11,392,614	3,790,706	10,702,497	3,560,832	690,117
Transfer from government grants	21	1,626,684	539,617	1,626,684	539,617	-
		14,597,044	4,570,875	13,906,924	4,332,317	690,120
						238,558
Less: Expenditure	6(b)	(14,635,991)	(5,917,743)	(14,444,068)	(5,865,273)	(191,923)
						(52,470)
(Deficit)/surplus before taxation		(38,947)	(1,346,868)	(537,144)	(1,532,956)	498,197
						186,088
Less: Income tax expense	19	(63,507)	(19,312)	(61,208)	(18,615)	(2,299)
						(697)
(Deficit)/surplus for the financial year/period		(102,454)	(1,366,180)	(598,352)	(1,551,571)	495,898
						185,391
At 31 March		89,348,938	89,451,392	64,468,405	65,066,757	24,880,533
						24,384,635

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

6. Sinking funds (continued)

	2017 S\$	2016 S\$
Represented by:		
Current assets		
Cash and cash equivalents	69,362,310	11,689,719
Conservancy and service fee receivables	492,363	432,268
Interest receivable	442,614	–
Other receivables	471,961	62,032,543
Amount due from operating fund	885,240	432,050
Financial assets at fair value through profit or loss	21,486,942	20,771,309
Total assets	93,141,430	95,357,889
Current liabilities		
Conservancy and service fee received-in-advance	156,820	150,613
Other payables	3,552,853	5,736,572
Income tax payable	82,819	19,312
Total liabilities	3,792,492	5,906,497
Net assets	89,348,938	89,451,392

(a) *Income*

	Total 1 October 2015 (date of formation) to 31 March 2017	31 March 2016 S\$
Gain in financial assets at fair value through profit or loss	1,015,884	240,552
Interest income	561,862	–
	1,577,746	240,552

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

6. Sinking funds (continued)

(b) *Expenditure*

	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	Total
	S\$	S\$	S\$
External wall façade	16,098	—	—
Reroofing works	938,132	90,304	—
Lift works	3,679,698	837,006	—
Lift overhaul	1,984,530	1,605,305	—
Modification of existing pilot operated ball float to solenoid valve at suction tank	126,856	—	—
Repairs and redecoration works	5,476,779	3,020,424	—
Replacement of booster pumpsets	154,980	—	—
Replacement of water pipes and stainless steel water tank lining	—	1,884	—
Replacement of refuse chute	840,384	190,830	—
Replacement of refuse handling equipment	7,803	—	—
Replacement of refuse chute flushing system	708,405	—	—
Town Council Lift Upgrading Programme	11,565	—	—
Consultancy fees	379,261	84,432	—
Unclaimable goods and services tax	202,579	31,831	—
General and administrative expenses	108,921	55,727	—
	<hr/> 14,635,991	<hr/> 5,917,743	<hr/> —

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

7. Town Improvement and Project Funds

Note	1 April 2016 to 31 March 2017	S\$	Total		Residential property		Commercial property	
			1 October 2015 (date of formation) to 31 March 2016		1 April 2016 to 31 March 2017	S\$	1 October 2015 (date of formation) to 31 March 2016	S\$
			1 October 2015 (date of formation) to 31 March 2016	S\$	1 April 2016 to 31 March 2017	S\$	1 October 2015 (date of formation) to 31 March 2016	S\$
Balance at 1 April / 1 October		412,802		-	256,979		155,823	-
Add: Funds transferred from Sembawang Town Council	22(a)	-	339,245		-	317,505	-	21,740
Add: Funds transferred from Chua Chu Kang Town Council	22(b)	-	(131,460)		-	(261,588)	-	130,128
Add:								
Transfer from government grants	21	1,964,177	1,403,623		1,964,933	1,364,183	(756)	39,440
Other income		4,800	-	4,751	-	-	49	-
Less: Expenditure	7(a)	(1,968,065)	(1,359,352)		(1,946,008)	(1,318,064)	(22,057)	(41,288)
Surplus/(deficit) before taxation		912	44,271		23,676	46,119	(22,764)	(1,848)
Less: Income tax expense		(24)	-		(24)	-	-	-
Surplus/(deficit) for the financial year/period		888	44,271		23,652	46,119	(22,764)	(1,848)
Appropriation from accumulated surplus	5	401,099	160,746		386,579	154,943	14,520	5,803
At 31 March		814,789	412,802		667,210	256,979	147,579	155,823

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

7. Town Improvement and Project Funds (continued)

	2017 S\$	2016 S\$
Represented by:		
Current assets		
Other receivables		
	1,954,547	2,565,669
Current liabilities		
Other payables	1,107,217	798,167
Amount due to accumulated surplus	32,517	702,270
Income tax payable	24	-
	1,139,758	1,500,437
Net assets	814,789	1,065,232

(a) Expenditure

	Total	1 October 2015 (date of formation) to 31 March 2016
	1 April 2016 to 31 March 2017 S\$	S\$
Construction of covered linkway	785,770	76,866
Minor improvements	443,319	-
Upgrading of open spaces	6,583	136,073
Construction/upgrading of playgrounds/fitness Corners, etc	538,983	916,869
Upgrading of lift lobbies	-	23,212
Residents' corner and study corner	4,144	129,109
Consultancy fees and Managing Agent's fees	113,163	45,775
General and administrative charges	76,103	31,448
	1,968,065	1,359,352

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

8. Cash and cash equivalents

	2017 S\$	2016 S\$
Cash and bank balances	4,581,153	15,527,194
Fixed deposits	70,124,212	-
Cash and fixed deposits held in trust by fund managers	2,145,679	1,580,546
	<hr/> 76,851,044	<hr/> 17,107,740
Taken up in:		
Accumulated surplus:		
Cash and bank balances	1,488,734	5,418,021
Fixed deposits	6,000,000	-
	<hr/> 7,488,734	<hr/> 5,418,021
Sinking Funds:		
Cash and bank balances	3,092,419	10,109,173
Fixed deposits	64,124,212	-
Cash and fixed deposits held in trust by fund managers	2,145,679	1,580,546
	<hr/> 69,362,310	<hr/> 11,689,719
Total cash and bank balances	<hr/> 76,851,044	<hr/> 17,107,740

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

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

	2017 S\$	2016 S\$
Cash and bank balances	76,851,044	17,107,740
Less: Cash and fixed deposits held in trust by fund managers (Note 10)	(2,145,679)	(1,580,546)
Cash and cash equivalents per cash flow statement	<hr/> 74,705,365	<hr/> 15,527,194

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

9. Financial assets at fair value through profit or loss

	2017 S\$	2016 S\$
Sinking Funds:		
Listed equities	4,329,992	4,510,075
Bonds securities	16,347,214	16,261,234
Others	809,736	—
	<hr/>	<hr/>
	21,486,942	20,771,309

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

10. Funds with fund managers

At the end of the reporting year/period, the funds with fund managers comprise the following:

	Note	2017 S\$	2016 S\$
Financial assets at fair value through profit or loss	9	21,486,942	20,771,309
Cash and fixed deposits	8	2,145,679	1,580,546
Accrued interest	12	79,552	95,790
Management fees payable to fund managers		(8,923)	(7,563)
Other payables		(250,000)	(3,060)
		<hr/>	<hr/>
		23,453,250	22,437,022

In the prior period, the funds are held with Sembawang Town Council's fund managers.

11. Conservancy and service fee receivables

	Note	2017 S\$	2016 S\$
Conservancy and service fee receivables		2,073,545	1,804,762
Less: Allowance for impairment		(661,541)	(555,356)
		<hr/>	<hr/>
Total conservancy and service fee receivables		1,412,004	1,249,406
Add: Other receivables, excluding net GST receivables	12	3,545,872	69,336,658
Cash and cash equivalents	8	74,705,365	15,527,194
		<hr/>	<hr/>
Total loans and receivables		79,663,241	86,113,258

Marsiling-Yew Tee Town Council

Notes to the financial statements For the financial year 31 March 2017

11. Conservancy and service fee receivables (continued)

Concentration of credit risk relating to conservancy and service receivables is limited due to the Town Council's many varied customers. These customers widely dispersed. The Town Council's historical experience in the collection of conservancy and service fee receivables 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 fees are denominated in Singapore dollars.

Receivables that are past due but not impaired

The Town Council has conservancy and service fee receivables amounting to \$1,367,856 (2016: \$1,201,872) that are past due at the end of the reporting year/period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting year/period is as follows:

	2017 S\$	2016 S\$
Trade receivables past due but not impaired:		
Less than 90 days	727,617	455,087
90 to 180 days	201,225	278,021
181 to 365 days	247,237	302,589
More than 365 days	191,777	166,175
	<hr/> 1,367,856	<hr/> 1,201,872

Receivables that are impaired

The Town Council's conservancy and service fee receivables that are impaired at the end of the reporting year/period and the movement of the allowance accounts used to record the impairment are as follows:

	Note S\$	2017 S\$	2016 S\$
Conservancy and service fee receivables – nominal amounts		661,541	555,356
Less: Allowance for impairment		(661,541)	(555,356)
		<hr/> —	<hr/> —
Movement in allowance accounts:			
At 1 April / 1 October		555,356	—
Provisions transferred from Sembawang Town Council		—	562,799
Charge for the financial year/period	18	114,704	—
Reversal of allowance	18	—	(7,443)
Written off		(8,519)	—
At 31 March		<hr/> 661,541	<hr/> 555,356

Conservancy and service fee receivables that are individually determined to be impaired at the end of the reporting year/period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

12. Other receivables

	Note	2017 S\$	2016 S\$
Goods and service tax subvention receivable		302,129	301,891
Deposits		241,100	263,178
Receivables from Citizens' Consultative Committee		1,846,163	2,538,209
Accrued interest	10	79,552	95,790
Accrued interest on fixed deposits		482,188	—
Receivables from Sembawang Town Council		—	35,322,107
Receivables from Chua Chu Kang Town Council		—	29,220,382
Other receivables		594,740	1,595,101
Other receivables, excluding net GST receivables		3,545,872	69,336,658
Add: Goods and service tax receivable		686,055	337,590
Total other receivables		4,231,927	69,674,248

13. Plant and equipment

	Office equipment S\$	Data processing equipment S\$	Furniture, fixtures and fittings S\$	Renovation- in-progress S\$	Total S\$
Cost:					
At 1 October 2015 (date of formation)	—	—	—	—	—
Transferred from Sembawang Town Council (Note 22(a))	161,183	36,664	600,006	—	797,853
Additions	23,800	995	—	—	24,795
At 31 March 2016 and 1 April 2016	184,983	37,659	600,006	—	822,648
Additions	42,054	62,842	—	391,429	496,325
Disposals	—	(1,174)	(318)	—	(1,492)
At 31 March 2017	227,037	99,327	599,688	391,429	1,317,481

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

13. Plant and equipment (continued)

	Office equipment S\$	Data processing equipment S\$	Furniture, fixtures and fittings S\$	Renovation-in-progress S\$	Total S\$
Accumulated depreciation:					
At 1 October 2015 (date of formation)	—	—	—	—	—
Transferred from Sembawang Town Council (Note 22(a))	159,099	24,518	585,384	—	769,001
Depreciation charge for the financial period	1,977	3,004	3,067	—	8,048
At 31 March 2016 and 1 April 2016	161,076	27,522	588,451	—	777,049
Depreciation charge for the financial year	17,613	22,856	5,061	—	45,530
Disposals	—	(1,174)	(318)	—	(1,492)
At 31 March 2017	178,689	49,204	593,194	—	821,087
Net carrying amount:					
At 31 March 2016	23,907	10,137	11,555	—	45,599
At 31 March 2017	48,348	50,123	6,494	391,429	496,394

14. (NRP receivable)/Advances received for NRP

	Note	2017 S\$	2016 S\$
At 1 April / 1 October		3,267,853	—
Add: Funds transferred from Sembawang Town Council	22(a)	—	3,570,782
Add: Funds transferred from Chua Chu Kang Town Council	22(b)	—	(253)
Add: Funding from Government		1,283,421	2,724,490
Less: Payments to contractors		(5,518,056)	(3,027,166)
Deficit for the financial year/period		(4,234,635)	(302,676)
At 31 March		(966,782)	3,267,853

Marsiling-Yew Tee Town Council

Notes to the financial statements For the financial year 31 March 2017

14. (NRP receivable)/Advances received for NRP (continued)

The total amount of cash received from the Government for the funding of NRP is as follows:

	Note	2017 S\$	2016 S\$
Cumulative funding received at 1 April / 1 October		6,295,019	-
Add: Funds transferred from Sembawang Town Council	22(a)	-	3,570,782
Add: Funds transferred from Chua Chu Kang Town Council	22(b)	-	(253)
 Funding from Government for the financial year/period		1,283,421	2,724,490
 Cumulative funding received at 31 March		7,578,440	6,295,019

15. Other payables

	2017 S\$	2016 S\$
Accrued operating expenses	3,442,787	7,175,544
Other creditors	928,401	604,307
Payables to contractors	5,028,625	4,335,813
Refundable deposits	162,738	245,682
 	9,562,551	12,361,346

Included in other creditors is an amount of S\$831,744 (2016: S\$711,157) that is related to amount due to a related party, which is unsecured, interest-free and is expected to be repaid in cash or settled within twelve months from the end of the reporting year/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 refundable deposits that are repayable on demand.

16. Agency fees

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

17. Managing agent's fees

The Town council does not have any other employees on its payroll as management of its daily operations have been outsourced to a managing agent for a fee of S\$3,402,376 (financial period from 1 October 2015 (date of formation) to 31 March 2016: S\$1,116,148) for the financial year ended 31 March 2017.

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

18. General and administrative expenditure

The general and administrative expenditure comprise the following:

Note	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	
		S\$	S\$
Advertising and public relations		180,679	59,657
Audit fee		56,500	26,200
Computer services		240,306	841,088
Depreciation of plant and equipment	13	45,530	8,048
Fees and charges		246,417	72,406
Office rental and upkeep expenditure		200,411	71,535
Office supplies and stationery		150,256	41,629
Others		33,806	5,237
Plant and equipment not capitalised		18,770	255
Property tax		165,381	49,087
Allowance for impairment	11	114,704	–
Reversal of allowance for impairment	11	–	(7,443)
Bad debts recovered		(19,824)	–
Penalty fee written off		15,607	3,161
Town Councillors' allowance	27	114,440	58,937
Unclaimable goods and services tax	20	157,322	30,451
Allocation of G&A to Sinking Fund		(109,734)	(59,540)
		1,610,571	1,200,708

19. Income tax expense

(a) Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial year ended 31 March 2017 and financial period from 1 October 2015 (date of formation) to 31 March 2016 are:

	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	
		S\$	S\$
Income tax expense attributable to income is made up of:			
Current income tax		317,338	166,869
Accumulated surplus		253,807	147,557
Sinking Funds		63,507	19,312
Town Improvement and Project Fund		24	–
Current income tax expense		317,338	166,869

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

19. Income tax expense (continued)

(a) Income tax expense (continued)

Relationship between tax expense and accounting deficit

A reconciliation between tax expense and the product of accounting deficit multiplied by the applicable corporate tax rate for the financial year 31 March 2017 and financial period from 1 October 2015 (date of formation) to 31 March 2016 are as follows:

	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016
	S\$	S\$
Investment and interest income received	536,856	177,134
Other income	8,609,133	8,094,696
Allowance expenses	(147,995)	(105,725)
	<hr/>	<hr/>
	8,997,994	8,166,105
Tax calculated at a tax rate of 17% (2016: 17%)	1,529,659	1,388,238
Adjustments:		
Tax effect of certain income taxed at concessionary tax rate	(1,186,396)	(1,195,444)
Effect of partial tax exemption	(25,925)	(25,925)
	<hr/>	<hr/>
	317,338	166,869

(b) Current income tax liabilities movement in provision for current tax

	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016
	S\$	S\$
Balance as at 1 April / 1 October	166,869	-
Income tax expense for the financial year/period	317,338	166,869
	<hr/>	<hr/>
Balance as at 31 March	484,207	166,869

20. Goods and services tax

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore.

The unclaimed portion is charged to the Income and Expenditure Statement and Sinking Fund Statement during the financial year/period.

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

21. Government grants

Government grants recognised in the Income & Expenditure Statement during the financial year/period are as follows:

	Note	Total		Conservancy and Service Charges Grant		Payment from Citizen's Consultative Committee		GST Subvention Grant	
		1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016
Government grants received/receivable during the financial year/period	5	6,925,136	3,049,274	3,752,642	1,243,522	1,964,177	1,403,623	1,208,317	402,129
Less: Transfer to Sinking Funds Town Improvement and Project Funds	6	(1,626,684)	(539,617)	(1,211,123)	(401,332)	-	-	(415,561)	(138,285)
	7	(1,964,177)	(1,403,623)	-	-	(1,964,177)	(1,403,623)	-	-
		3,334,275	1,106,034	2,541,519	842,190	-	-	792,756	263,844

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

	1 April 2016 to 31 March 2017	1 October 2015 (date of formation) to 31 March 2016
	\$	\$
Total grants received as at 1 April / 1 October		118,106
Add: Grants received during the financial year/period		7,731,035
Total grants received as at 31 March	7,849,141	118,106

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

22. Accumulated surpluses transferred to Marsiling-Yew Tee Town Council

In the prior period, following the General Elections on 11 September 2015 and the gazetting of the Town Councils (Declaration of Towns) Order 2015 on 1 October 2015, Marsiling-Yew Tee Town Council was formed. Following this formation, the following are funds transferred from Sembawang Town Council and Chua Chu Kang Town Council to Marsiling-Yew Tee Town Council on 1 December 2015:

(a) Funds transferred from Sembawang Town Council

	Note	Total 1 December 2015 S\$	Residential 1 December 2015 S\$	Commercial 1 December 2015 S\$	Car park 1 December 2015 S\$
Accumulated surplus	5	1,854,829	853,231	886,704	114,894
Sinking funds	6	58,305,756	36,748,458	21,557,298	-
Town Improvement Project Fund	7	339,245	317,505	21,740	-
Net funds transferred		60,499,830	37,919,194	22,465,742	114,894
Represented by:					
Current assets					
Cash and cash equivalents			8,729,616		
Financial assets at fair value through profit or loss			19,472,991		
Conservancy and service fee receivables			601,414		
Other receivables			36,572,072		
			65,376,093		
Non-current assets					
Plant and equipment			28,852		
			65,404,945		
Current liabilities					
Conservancy and service fees received-in- advance			230,467		
Other payables			203,008		
Government grant received-in-advance			900,858		
Advances received for Neighbourhood Renewal Programme	14	3,570,782			
		4,905,115			
Net assets		60,499,830			

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

22. Accumulated surpluses transferred to Marsiling-Yew Tee Town Council (continued)

(b) Funds transferred from Chua Chu Kang Town Council (continued)

	Note	Total 1 December 2015	Residential 1 December 2015	Commercial 1 December 2015	Car park 1 December 2015
		S\$	S\$	S\$	S\$
Accumulated surplus	5	736,046	(358,380)	75,790	1,018,636
Sinking funds	6	32,511,816	29,869,870	2,641,946	-
Town Improvement Project Fund	7	(131,460)	(261,588)	130,128	-
Net funds transferred		33,116,402	29,249,902	2,847,864	1,018,636
<hr/>					
Represented by:					
Current assets					
Cash and cash equivalents			33,044,170		
Conservancy and service fee receivables			351,390		
Other receivables			247,410		
Advances paid for Neighbourhood Renewal Programme	14		253		
		33,643,223			
<hr/>					
Current liabilities					
Conservancy and service fees received-in- advance			151,982		
Other payables			60,043		
Government grant received-in-advance			314,796		
		526,821			
<hr/>					
Net assets		33,116,402			
<hr/>					

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

23. Commitments

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting year/period but not recognised in the financial statements are as follows:

	2017 S\$	2016 S\$
Amounts approved and contracted for	12,140,688	10,762,320
Amounts approved but not contracted for	33,349,308	19,381,561
	<hr/> 45,489,996	<hr/> 30,143,881

(b) Operating lease commitments – as lessee

The Town Council has entered into leases on office space, computer and software. These leases have an average tenure of between three and seven years. The Town Council is restricted from subleasing the leased office and space, computer and software to third parties.

Minimum lease payments recognised as an expense in the Income and Expenditure Statement for the financial year ended 31 March 2017 and financial period from 1 October 2015 (date of formation) to 31 March 2016 amounted to S\$165,133 and S\$41,706 respectively.

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

	2017 S\$	2016 S\$
Not later than one year	138,000	126,500
Later than one year but not later than five years	264,500	402,500
	<hr/> 402,500	<hr/> 529,000

Marsiling-Yew Tee Town Council

Notes to the financial statements For the financial year 31 March 2017

24. Related party transactions

The managing agents appointed by the Town Council are classified as a related party as the managing agents 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 agents took place during the financial year/period.

	2017 S\$	2016 S\$
Managing agent's fees	3,402,376	1,116,148
Energy Saving Project	1,674,217	331,232
Essential Maintenance Services Expenses	593,789	196,342
Upgrading and Construction of Playgrounds	152,848	353,777
Project Management Fees	403,409	131,867
Lift Repairs and Servicing	189,509	44,398
Others	158,345	7,127

25. Fair value of assets and liabilities

(a) Fair value hierarchy

The Town Council categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Town Council can access at the measurement date,
- Level 2 – Inputs other than that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

25. Fair value of assets and liabilities (continued)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year/period:

	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total S\$
2017				
Assets measured at fair value				
Financial assets:				
Financial assets at fair value through profit or loss	21,486,942	—	—	21,486,942
2016				
Assets measured at fair value				
Financial assets:				
Financial assets at fair value through profit or loss	20,771,309	—	—	20,771,309

The fair value of the financial instruments traded in active markets is based on quoted market prices at the balance sheet date. These instruments are included in Level 1.

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

Cash and cash equivalents, Neighbourhood Renewal Programme (NRP) receivable, conservancy and service fee receivables, other receivables, Advances received for NRP, conservancy and service fees received-in-advance, and other payables

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

26. Financial risk management objectives and policies

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 risk, liquidity risk and market risk in the normal course of the Town Council's business.

(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 year/period, there were no significant concentrations of credit risk. The financial assets of the Town Council comprise mainly cash and cash equivalents, conservancy and service fees receivables, other receivables, and funds with fund managers.

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.

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

Financial assets that are neither past due nor impaired

Conservancy and service fee receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Town Council. Credit risk on cash and cash equivalents are limited because the counterparties are with Singapore financial institutions. An ongoing credit evaluation is performed on the conservancy and service fees receivables' financial condition and loss from impairment is recognised in the Income and Expenditure and Sinking Fund Statements. There is no significant concentration risk as the exposure is spread over a large number of residents.

Financial assets that are either past due nor impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11 *Conservancy and service fee receivables*.

(b) Liquidity risk

Liquidity risk is the risk that the Town Council will encounter difficulty in meeting financial obligations due to shortage of funds. The Town Council's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Town Council's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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

Marsiling-Yew Tee Town Council

Notes to the financial statements
For the financial year 31 March 2017

26. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The Town Council's maturity profile of the financial assets and financial liabilities at the balance sheet date based on contractual undiscounted payments are less than one year and are summarised as follows:

	2017 S\$	2016 S\$
Financial assets:		
Conservancy and service fee receivables	1,412,004	1,249,406
Other receivables, excluding net GST receivables	3,545,872	69,336,658
Cash and cash equivalents	76,851,044	17,107,740
Total undiscounted financial assets	81,808,920	87,693,804
Financial liabilities:		
Conservancy and service fees received-in advance	459,311	442,037
Other payables	9,562,551	12,361,346
Total undiscounted financial liabilities	10,021,862	12,803,383
Total net undiscounted financial assets	71,787,058	74,890,421

(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.

(ii) Price risk

The Town Council is exposed to securities price risk arising from investments which are classified on the balance sheet at fair value through profit or loss. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investments and the general market conditions. The Town Council's investment portfolio with fund managers is monitored by the fund managers who are capital market licensed holders and/or financial institutions, on a regular basis so as to assess changes in fundamentals and valuation. Guidelines have been set by the Finance Committee to manage the exposure of the Town Council's investment portfolio so as to reduce the Town Council's exposures to market volatility by diversifying the investment portfolio into equities, bonds and other financial assets.

Marsiling-Yew Tee Town Council

**Notes to the financial statements
For the financial year 31 March 2017**

26. Financial risk management objectives and policies (continued)

(c) Market risk (continued)

(ii) Price risk (continued)

The table below summarises the impact to the Town Council's investments at fair value through profit or loss as a result of 10% increase/decrease in the fair value of funds with fund managers with all other variables held constant:

	Sinking Funds	1 October 2015	(date of		
			1 April 2016 to formation) to 31	31 March 2017	March 2016
				S\$	S\$
Price increase by 10%			2,148,694	2,077,131	
Price decrease by 10%			(2,148,694)	(2,077,131)	

27. Key management remuneration

Key management refers to the Town Councilors. The remuneration paid to the Town Councilors are disclosed in Note 18 to the financial statements.

28. Subsequent event

On 23 January 2017, the Ministry of National Development announced that starting from 1 April 2017, in accordance with Section 33(4A) of Town Councils Act, Town Councils must establish and maintain a sinking fund called Lift Replacement Funds, to meet the cost of lift replacements and lift-related replacement works.

(a) Establishment of Lift Replacement Fund

For the initial set up of the lift replacement fund, Town Councils are required to make a one-time carved out of 14% from the existing Sinking Funds balance as at 31 March 2017. The balance of Sinking Funds after the 14% carve-out will be as below:

	S\$
Sinking Funds as at 31 March 2017	89,348,938
Less: Transfer to lift replacement fund on 1 April 2017	(12,508,851)
Sinking Funds as at 1 April 2017	76,840,087

28. Subsequent event (continued)

(b) Revision of Sinking Funds contribution rates

From 1 April 2017, Town Councils will set aside at least 14% of the service and conservancy charges as well as the grants-in-aid, to the Lift Replacement Fund (LRF). As such, with effect from 1 April 2017, the amounts to be paid into the Sinking Funds will be revised as follows:

- (i) Amounts to be paid to the ordinary Sinking Funds:
 - 26% of conservancy and services charges and grants-in-aid for residential property
 - 26% of conservancy and services charges for commercial property
- (ii) Amounts to be paid to the Lift Replacement Funds:
 - 14% of conservancy and services charges and grants-in-aid for residential property
 - 14% of conservancy and services charges for commercial property

(c) Government Grants

To help Town Councils to cope with the operating need and long-term capital expenditure requirement for lift replacements and lift-related works, the Ministry of National Development will provide two additional grants-in-aids, namely Lift Maintenance Grant and LRF Matching Grant, from 1 April 2017.

29. Authorisation of financial statements for issue

The financial statements of the Town Council for the financial year ended 31 March 2017 were authorised for issue by the members of the Town Council on 25 September 2017.

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