

CHUA CHU KANG TOWN COUNCIL
(Established under the Town Councils Act, Cap. 329A)

FINANCIAL STATEMENTS
FOR FINANCIAL YEAR ENDED 31 MARCH 2021

CHUA CHU KANG TOWN COUNCIL

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

FINANCIAL STATEMENTS**FOR FINANCIAL YEAR ENDED 31 MARCH 2021**

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CHAIRMAN'S MESSAGE

FY2020/2021 has been a challenging but fulfilling year marked by several significant milestones. My fellow Town Councillors and I assumed our new term in office with a fresh resolve and renewed vigour to improve the homes and environment of residents in CCK Town (Chua Chu Kang GRC and Hong Kah North SMC).

Chua Chu Kang Town Council (CCKTC) got off to a good start with a triple achievement of a 'Green' rating for Estate Cleanliness, Estate Maintenance and Lift Performance in the Town Council Management Report. These results would not be possible without the hard work and dedication of staff as well as the invaluable support and cooperation of our residents.



Keeping Our Residents Safe

During the COVID-19 pandemic in 2020, the Town Council took steps to enhance the cleanliness of the estate to protect our residents' health and wellbeing. When the circuit breaker started in April 2020, the Town Council increased the frequency and intensity of cleaning and disinfection of all common areas, especially high-touch points like lift buttons, letterboxes, void deck tables and chairs, playgrounds and fitness areas.

Estate Maintenance & Improvement Works

In FY2020/2021, the Town Council completed various improvement projects with funding from the Community Improvement Projects Committee (CIPC). These projects, which include covered linkways, ramps and drop-off points, offer residents the ease and convenience of seamless, barrier-free travel, especially during inclement weather.



Meanwhile, we have also spent a total of \$6.89 million on improvement works under the Neighbourhood Renewal Programmes (NRPs) to enhance and rejuvenate eligible estates and amenities. The newly constructed themed children's playgrounds, multi-generational leisure facilities and fitness corners add vibrancy to the town and encourage residents of all ages to lead an active and healthy lifestyle.



In FY2020/2021, the Town Council spent \$16.31 million on cyclical works which include repair and redecoration, repainting, re-roofing, re-wiring and replacement of various equipment such as booster pumps/water pipes, hoisting ropes/sheaves of lifts, as well as replacement of lifts.

A total of 104 lifts have been replaced under the Selective Lift Replacement Programme (SLRP) and another 130 lifts were enhanced through the Lift Enhancement Programme (LEP) to provide residents with a safer, faster and smoother ride.

Greening Our Eco-town



As part of CCK Town's eco-initiatives, we have installed solar panels in 150 blocks, out of the almost 500 blocks targeted for completion in the next few years. In addition, the lights in common corridors and passage ways have been replaced with energy-efficient LED lights which offer savings and better lighting quality.

In support of the nation's OneMillionTrees movement and as part of our ongoing efforts to create a greener and more sustainable living environment for our residents, we planted over 370 trees in CCK Town in FY2020/2021.



Hidden Gems in CCK Town

Residents responded enthusiastically to the Town Council's first photo contest held in the 4th quarter of 2020 with close to 280 submissions of picturesque spots in our beautiful town. We discovered many hidden gems within CCK Town seen through the eyes of our residents.

Financial Report

For this financial year, the Town Council had an operating surplus of \$4.25 million with consistent prudence in managing our expenditure. Despite higher operating and maintenance costs, the Town Council has been able to maintain the current S&CC. We will continue to maintain a high standard of estate management by working closely with residents, community partners, grassroot organisations and relevant agencies.

Code of Governance Practice

The Town Council adopts best practices in corporate governance in the performance of its fiduciary responsibilities to promote greater accountability and transparency.

Town Councillors are appointed and/or re-appointed after a thorough evaluation of their relevant experience, skills, core competencies and track record. Potential candidates are identified through a referral process and nominated by the elected MPs.

In assessing the suitability of candidates, other factors are also considered, such as their time, commitment and ability to participate and contribute effectively to the Council. In addition, we ensure that at least two-thirds of the appointed Town Councillors are residents of HDB estates managed by the Town Council.

Further, the Town Council has implemented a comprehensive Risk Management Framework to ensure that key risks are identified and reported to the Council. An annual risk assessment was performed to evaluate whether internal controls are adequate and effective. The Council is of the opinion that the Risk Management Framework and supporting internal policies and procedures are adequate to address the risks of the Town Council.

Together, a better CCK home

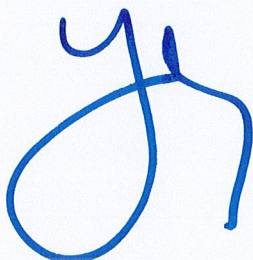
I would like to thank my former Town Council colleagues, Mr Yee Chia Hsing and Mr Zaqy Mohamad, for their past contributions and welcome our two new MPs, Mr Don Wee and Mr Zhulkarnain Abdul Rahim to the team.

My heartfelt thanks to all our residents for their support, trust and feedback.

I would also like to extend my appreciation to the staff, town councillors, various government agencies, grassroots organisations and community partners, for your dedication and cooperation in the efficient running of CCK Town.

We look forward to the active involvement of our residents as we continue to strive to improve CCK Town and our residents' quality of life.

Let's work together to build a beautiful, inclusive and gracious home for all CCK residents.



Low Yen Ling
Chairman
Chua Chu Kang Town Council

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF CHUA CHU KANG TOWN COUNCIL**
(Established under the Town Councils Act, Cap. 329A)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Chua Chu Kang Town Council (the "Town Council"), which comprise the statement of financial position of the Town Council as at 31 March 2021, the income and expenditure statement, statement of comprehensive income, statement of changes in Town Council funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 46.

In our opinion, the accompanying financial statements of the Town Council are properly drawn up in accordance with the provisions of the Town Councils Act, Cap. 329A (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Town Council as at 31 March 2021 and of the financial performance, changes in Town Council funds and cash flows of the Town Council for the financial year ended on that date.

Basis for opinion

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

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

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF CHUA CHU KANG TOWN COUNCIL**
(Established under the Town Councils Act, Cap. 329A)

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 FRSSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF CHUA CHU KANG TOWN COUNCIL**
(Established under the Town Councils Act, Cap. 329A)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

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

Basis for opinion

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

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF CHUA CHU KANG TOWN COUNCIL**
(Established under the Town Councils Act, Cap. 329A)

Responsibilities of Management for compliance with legal and regulatory requirements

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

Auditor's responsibilities for the Compliance Audit

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

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

Ecovis Assurance LLP

Ecovis Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

30 September 2021

CHUA CHU KANG TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021	2020
		SS	Reclassified SS
TOWN COUNCIL FUNDS			
RESIDENTIAL PROPERTY			
Accumulated Surplus	4	3,401,228	1,129,318
Sinking Funds			
Ordinary Sinking Funds	5	73,881,403	86,302,792
Lift Replacement Funds	6, 32	34,519,313	37,857,687
		108,400,716	124,160,479
Town Improvement and Project Funds	7	2,203,538	2,390,817
		114,005,482	127,680,614
COMMERCIAL PROPERTY			
Accumulated Surplus	4	1,252,781	1,154,092
Sinking Funds			
Ordinary Sinking Funds	5	17,217,575	22,225,094
Lift Replacement Funds	6, 32	9,147,815	11,499,795
		26,365,390	33,724,889
Town Improvement and Project Funds	7	41,588	45,951
		27,659,759	34,924,932
CARPARK			
Accumulated Surplus	4	2,104,674	4,606,664
		143,769,915	167,212,210
Represented by:			
NON-CURRENT ASSETS			
Plant and Equipment	9	2,174,295	2,969,691
Debt investments at amortised cost	10	8,000,000	13,000,000
		10,174,295	15,969,691
CURRENT ASSETS			
Debt investments at amortised cost	10	5,000,000	13,000,000
Financial Assets at fair value through profit or loss	11	36,166,630	33,871,254
Conservancy and service fees receivables	12	1,071,779	1,374,109
Other receivables	13	12,417,169	10,811,445
Interest receivable		569,140	811,837
Receivables for Selective Lift Replacement Programme and Lift Enhancement Programme	27	4,818,739	2,090,475
Cash and cash equivalents	14	95,802,071	110,277,880
		155,845,528	172,237,000
Total Assets		166,019,823	188,206,691
Less:			
NON-CURRENT LIABILITY			
Lease liabilities	16	1,294,524	2,185,969
CURRENT LIABILITIES			
Conservancy and service fees received in advance		951,615	854,839
Payables and accrued expenses	15	18,016,179	15,766,193
Advances received for Neighbourhood Renewal Programme/ Electrical Load Upgrading Programme, Net	8	407,019	455,462
Lease liabilities	16	464,034	611,219
Income tax payable	23	1,116,537	1,120,799
		20,955,384	18,808,512
NET ASSETS		143,769,915	167,212,210

LOW YEN LING
CHAIRMAN

Date: 30 September 2021

CLARENCE TAN KOK CHEOW
GENERAL MANAGER / SECRETARY

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

CHUA CHU KANG TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

**INCOME AND EXPENDITURE STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	2021 S\$	2020 S\$
OPERATING INCOME			
Conservancy and service fees	4	49,036,168	55,198,574
Less:			
Operating income transfer to Ordinary Sinking Funds	4, 5	(12,749,411)	(14,351,635)
Operating income transfer to Lift Replacement Funds (minimum required by law)	4, 6	(6,865,065)	(7,727,803)
		29,421,692	33,119,136
Agency fees	17	3,864,908	4,348,282
Other income	18	2,011,271	2,974,925
		35,297,871	40,442,343
Less:			
OPERATING EXPENDITURE			
Cleaning works		(7,664,135)	(8,740,456)
Managing agent's fees	19	(4,612,003)	(4,955,377)
Lift maintenance		(6,677,649)	(7,833,978)
Other works and maintenance		(5,482,964)	(6,335,423)
Water and electricity		(9,093,838)	(11,165,463)
General and administrative expenditure	20	(2,153,330)	(2,144,264)
		(35,683,919)	(41,174,961)
		(386,048)	(732,618)
OPERATING DEFICIT			
LESS: NON OPERATING EXPENSE			
Finance costs	16	(20,120)	(14,070)
ADD: NON OPERATING INCOME			
Investment income	21	88,656	275,153
Less :			
Town Improvement Project Works	7	(173,275)	(2,263,007)
		(490,787)	(2,734,542)
DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS			
Less:			
Goods and Services Tax	22	(278,464)	(360,516)
Income Tax Expense	23	(196,278)	(116,678)
		(965,529)	(3,211,736)
DEFICIT BEFORE GOVERNMENT GRANTS			
Add: Government grants	24	14,406,942	17,869,513
Less: Transfer to Ordinary Sinking Funds	5	(2,261,546)	(2,395,167)
Transfer to Lift Replacement Funds	6	(5,271,554)	(5,789,320)
Transfer to Town Improvement and Project Funds	7	(1,654,892)	(4,157,719)
		5,218,950	5,527,307
SURPLUS FOR THE FINANCIAL YEAR			
		4,253,421	2,315,571
ACCUMULATED SURPLUS AT 1 APRIL			
		6,890,074	4,574,503
Less:			
Section 34 Transferable Surplus as at 22 June 2020	4, 33	(2,657,868)	-
Accumulated surplus transferred to West Coast Town Council ("WCTC")	4, 34	(1,726,944)	-
ACCUMULATED SURPLUS AT 31 MARCH		6,758,683	6,890,074

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

CHUA CHU KANG TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$
SURPLUS FOR THE FINANCIAL YEAR			
Accumulated Surplus	4	4,253,421	2,315,571
Ordinary Sinking Funds	5	10,573,971	7,087,017
Lift Replacement Funds	6	7,209,411	8,010,648
		<u>22,036,803</u>	<u>17,413,236</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO TOWN COUNCIL FUNDS		<u><u>22,036,803</u></u>	<u><u>17,413,236</u></u>

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

CHUA CHU KANG TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

**STATEMENT OF CHANGES IN TOWN COUNCIL FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Total S\$	Residential Property S\$	Commercial Property S\$	Carpark S\$
Balance as at 1 April 2019	149,798,974	113,166,928	33,153,702	3,478,344
COMPREHENSIVE INCOME FOR THE YEAR				
Surplus for the year (Reclassified)	17,413,236	14,513,686	1,771,230	1,128,320
Other comprehensive income	-	-	-	-
Total comprehensive income for the year (Reclassified)	17,413,236	14,513,686	1,771,230	1,128,320
Balance as at 31 March 2020 (Reclassified)	167,212,210	127,680,614	34,924,932	4,606,664
Balance as at 1 April 2020	167,212,210	127,680,614	34,924,932	4,606,664
COMPREHENSIVE INCOME FOR THE YEAR				
Surplus for the year	22,036,803	19,499,507	1,068,208	1,469,088
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	22,036,803	19,499,507	1,068,208	1,469,088
S34 Transferable Surplus as at 22 June 2020	-	2,513,094	-	(2,513,094)
Amount transferred to WCTC for the year	(45,479,098)	(35,687,733)	(8,333,381)	(1,457,984)
Balance as at 31 March 2021	143,769,915	114,005,482	27,659,759	2,104,674

The surplus for the financial year comprises the following :

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$
Accumulated Surplus	4	4,253,421	2,315,571
Ordinary Sinking Funds	5	10,573,971	7,087,017
Lift Replacement Funds	6	7,209,411	8,010,648
		22,036,803	17,413,236

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

CHUA CHU KANG TOWN COUNCIL
(Established under the Town Councils Act, Cap 329A)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$
OPERATING ACTIVITIES			
Deficit before income tax and Government Grant (after Goods and Services Tax)		(769,251)	(3,095,058)
Adjustments for :			
Depreciation	9	382,741	292,831
Provision for doubtful debts	12	266,239	331,650
Operating transfer to Ordinary Sinking Fund	4	12,749,411	14,351,635
Operating transfer to Lift Replacement Fund	4	6,865,065	7,727,803
Investment income of operating fund (included in investing activities)	21	(88,656)	(275,153)
Operating cash inflows before movements in working capital		<u>19,405,549</u>	<u>19,333,708</u>
Receivables		(2,545,969)	431,773
Payables		3,221,152	3,746,228
Increase / (decrease) in advances received for Neighbourhood Renewal Programme/ Electrical Load Upgrading Programme, Net	8	<u>1,394,661</u>	<u>(1,025,278)</u>
Cash generated from operations		<u>21,475,393</u>	<u>22,486,431</u>
Income tax paid	23	(530,196)	(524,838)
Fund transfer to West Coast Town Council	34	(44,485,076)	-
Ordinary Sinking Fund expenditure inclusive of goods and services tax	5	(7,331,476)	(11,039,596)
Ordinary Sinking Fund other income received	5	1,429	42,831
Lift Replacement Fund expenditure inclusive of goods and services tax	6	(9,391,979)	(10,384,774)
Lift Replacement Fund other income received	6	47,954	19,639
Town Improvement and Project expenditure	7	(1,654,892)	(4,157,719)
Net cash used in operating activities		<u>(41,868,843)</u>	<u>(3,558,026)</u>
INVESTING ACTIVITIES			
Purchase of plant and equipment	9	(139,196)	(24,130)
Proceeds from redemption of bonds		8,000,000	-
Interest received		1,648,875	2,006,303
Net cash generated from investing activities		<u>9,509,679</u>	<u>1,982,173</u>
FINANCING ACTIVITIES			
Selective Lift Replacement Programme Fundings received		-	2,524,364
Government grants received		18,474,797	20,443,936
Repayment for lease liabilities	16	(492,548)	(317,894)
Interest paid for lease liabilities	16	(20,120)	(14,070)
Net cash generated from financing activities		<u>17,962,129</u>	<u>22,636,336</u>
Net (decrease) / increase in cash and cash equivalents		(14,397,035)	21,060,483
Cash and cash equivalents at the beginning of the year		<u>109,314,917</u>	<u>88,254,434</u>
Cash and cash equivalents at the end of the year	14	<u><u>94,917,882</u></u>	<u><u>109,314,917</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

1. General information

Chua Chu Kang Town Council (formerly known as Hong Kah Town Council) was formed on 5 July 1989 under the Town Councils Act (Cap. 329A). The functions of the Town Council are to control, manage, maintain and improve the common property of residential and commercial property in the housing estates of the Housing and Development Board (HDB) within the Town. The principal place of operation is at 309 Choa Chu Kang Ave 4, #02-02 Choa Chu Kang Centre, Singapore 680309.

According to the Town Councils Act (Cap. 329A), Town Councils (Declaration of Towns) order 2011 and Town Councils (Establishment) order 2011 published on 27 May 2011, the Town Council of Hong Kah shall be known as the Town Council for the Town of Chua Chu Kang from 27 May 2011. Chua Chu Kang Town Council ("Town Council") consists of the Chua Chu Kang Group Representation Constituency and Hong Kah North Single Member Constituency.

By virtue of the writ of election issued on 23 June 2020, the electoral boundaries of Chua Chu Kang Town Council were redrawn. With effect from 28 October 2020, 18,212 and 197 units of residential and commercial properties, 15,157 units of car parks lots, motorcycle lots and lorry lots under the jurisdiction of Chua Chu Kang Town Council were transferred to West Coast Town Council.

The financial statements of the Town Council for the financial year ended 31 March 2021 were authorised for issue by the management of the Town Council on 30 September 2021.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") including all related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the provisions of the Town Councils Act, Cap. 329A.

The financial statements have been prepared on a historical cost basis, except as disclosed elsewhere in the financial statements.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Town Council takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

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

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Town Council has adopted all the new and amended standards which are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any significant effect on the financial statements of the Town Council for the current or prior years.

2.3 Standards issued but not yet effective

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

2.4 Significant accounting estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis.

Apart from those involving estimations, the management has made judgements in the process of applying the Town Council's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.5 Town Council Funds

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

- Residential Property
- Commercial Property
- Car parks managed by the Town Council for the Housing and Development Board on an agency basis

These routine funds related to properties under management, together with Ordinary Sinking Funds, Lift Replacement Funds and Town Improvement and Project Funds form the Town Council funds.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.5 Town Council Funds (Continued)

Ordinary Sinking Funds

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

With the establishment of the Lift Replacement Fund, the minimum contribution rates for conservancy and service charges and grants-in-aid for Ordinary Sinking Funds is 26% (2020: 26%).

Under the Town Councils Act, the Minister of National Development may, from time to time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid to be paid into the Ordinary Sinking Funds. These minimum contributions are treated as operating income transfers and are deducted from conservancy and service fees and government grants in the income and expenditure statement.

The minimum amounts to be paid, by property type, into the Ordinary Sinking Funds are as follows:

(i)	1-room to 3-rooms	26% (2020: 26%) of conservancy and service fees and grants-in-aid
(ii)	4-rooms	26% (2020: 26%) of conservancy and service fees and grants-in-aid
(iii)	5-rooms	26% (2020: 26%) of conservancy and service fees and grants-in-aid
(iv)	Executive	26% (2020: 26%) of conservancy and service fees and grants-in-aid
(v)	Shop with living accommodation	26% (2020: 26%) of conservancy and service fees and grants-in-aid
(vi)	Commercial property	26% (2020: 26%) of conservancy and service fees and grants-in-aid

The LRF matching grant which is grants-in-aid is not subject to the minimum contribution rates to Ordinary Sinking Funds.

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

Lift Replacement Funds

Under the Town Councils (Amendment) Act 2017, Town Councils are required to establish a new Lift Replacement Fund ("LRF") with effect from 1 April 2017 in accordance with Section 33(4A) of the Town Councils Act. The establishment of the LRF is a standalone fund to be carved out from the existing Sinking Funds ("SF") and ring-fenced specifically for lift replacements and other lift-related replacement works.

With the establishment of the Lift Replacement Fund, the minimum contribution rates for conservancy and service charges and grants-in-aid for Lift Replacement Funds is 14% (2020: 14%).

Under the Town Councils Act, the Minister of National Development may, from time to time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid to be paid into the Lift Replacement Funds. These minimum contributions are treated as operating income transfers and are deducted from conservancy and service fees and government grants in the income and expenditure statement.

The LRF matching grant which is grants-in-aid is not subject to the minimum contribution rates to Lift Replacement Fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.5 Town Council Funds (Continued)

Town Improvement and Project Funds

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

The Town Improvement and Project Funds comprise the amounts set aside for projects to be carried out in the next financial year. All expenditures on town improvement and projects are appropriated from this fund.

The fund is set up by transfer of funds from the accumulated surplus to fund specific projects to be carried out. In addition, the Town Council receives funding for approved projects under the Community Improvement Projects Committee ("CIPC") scheme. These funds are paid through the Citizens' Consultative Committees ("CCC").

2.6 Inter-fund transfers

The Town Council may make inter-fund transfers with the criteria as set out in Sections 33(9) and 43(1)(i) of the Town Councils Act (Chapter 329A) and Rule 11A of Town Councils Financial Rules.

2.7 Allocation of general overheads

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

<u>Property Type</u>	<u>Equivalent Dwelling Unit(s)</u>
1 Residential Property Unit	1
1 Commercial Property Unit	2
6 Car Lots	1
36 Motor Cycle Lots	1
4 Lorry Lots	1

A total of five percent of related overheads are allocated to Ordinary Sinking Funds and Lift Replacement Funds.

2.8 Government grants

The Town Council receives five types of grants from the Government, namely, Conservancy and Service Charges ("S&CC") Grant, Payment from CCC, GST Subvention Grant, Lift Replacement Fund Matching Grant ("LRF Matching Grant") and Lift Maintenance Grant ("LMG").

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to income and expenditure statement over the expected useful life of the relevant asset by equal annual instalment.

- (i) Conservancy and Service Charge operating grants to meet the current year's operating expenditure are taken to the Income and Expenditure Statement, except to the extent which is required to be transferred to Ordinary Sinking Funds and Lift Replacement Funds based on the amount prescribed.
- (ii) Payments from CCC are given as reimbursement claims under the Community Improvement Projects Committee Scheme.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.8 Government grants (Continued)

- (iii) GST Subvention Grants are given as grants-in-aid to the Town Council to assist the Town Council in absorbing the GST increases in conservancy and service charges for HDB residential flats.
- (iv) Lift Replacement Fund Matching Grant ("LRF Matching Grant") is given as grant-in-aid to the Town Council by MND to match 50% of Town Council's quarterly contributions and voluntary contribution to the Lift Replacement Funds to supplement Town Council's savings.
- (v) Lift Maintenance Grant ("LMG") is given as grant-in-aid to the Town Council to cope with the higher lift-related servicing and maintenance costs. LMG will be disbursed to Town Council annually. The amount to be disbursed is S\$600 for every eligible lift maintained by the Town Council. The grant are taken to the Income and Expenditure Statement, except to the extent which is required to be transferred to Ordinary Sinking Funds and Lift Replacement Funds based on the amount prescribed.

2.9 Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

- | | |
|------------------------------------|---|
| • Furniture, fixtures and fittings | 5 years |
| • Office equipment | 3- 5 years |
| • Right of use assets | over the lease term ranging from 3 to 6 years |

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

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of plant and equipment is recognised in income and expenditure statement.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.10 Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification and measurement of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Town Council may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income (FVTOCI). Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which FRS 103 applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Town Council manages together and has evidence of a recent actual pattern of short-term profit-taking

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.10 Financial assets (Continued)

(ii) Impairment of financial assets

The Town Council recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through Income and Expenditure Statement or the respective funds. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Town Council expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Town Council always recognises lifetime ECL for conservancy and service receivables.

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

	<u>Rate of Provision</u>
Live accounts with arrears in excess of 12 months	100%
Terminated accounts with arrears in excess of 12 months	100%

Any subsequent changes in lifetime ECL, both positive and negative, will be recognised immediately in Income and Expenditure Statement or respective funds.

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

(iii) Derecognition of financial assets

The Town Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Town Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Town Council recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Town Council retains substantially all the risks and rewards of ownership of a transferred financial asset, the Town Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.11 Impairment of non-financial assets

At each reporting date, the Town Council reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Town Council estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

2.12 Funds with fund managers

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

Funds with fund managers comprise mainly of equities, bonds, cash and fixed deposits. Equities and bonds are stated on an aggregated portfolio basis.

2.13 Other receivables

Other receivables recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment losses.

2.14 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents exclude those managed by the fund manager.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.15 Financial liabilities

Initial recognition, measurement and derecognition of financial liabilities

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

The Town Council derecognises financial liability when, and only when, its obligations are discharged, cancelled or expired.

Subsequent measurement

Subsequent measurement based on the classification of financial liabilities of the respective categories is as follows:

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

2.16 Fair value of financial instruments

The carrying values of current financial assets and financial liabilities approximate their fair values due to the short-term maturity of these instruments. The fair value of a financial instrument is derived from an active market. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price.

2.17 Payables and accrued expenses

Liabilities for trade and other amounts payable, which are generally settled on 30-90 days terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to Town Council.

2.18 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.19 Revenue recognition

Conservancy and service fees and agency fees

Conservancy and service fees is charged on a monthly basis to the lessees and tenants of the Housing and Development Board (HDB) flats and shops/offices towards the maintenance and upkeep of the common property under the Town Council. Conservancy and service fees are allocated between Operating Funds, Ordinary Sinking Funds and Lift Replacement Funds in accordance with the Town Councils Act, Cap. 329A. Conservancy and service fees are recognised as a performance obligation over time. Agency fees received for routine maintenance of HDB's car parks and common property within the town is recognised as a performance obligation over time.

Interest income

Interest income from fixed deposits is recognised on a time proportion basis using the effective interest rates. Income from funds placed with fund managers is recognised based on fair value through profit or loss.

Investment income

Investment income from investments at amortised cost is recognised, in the respective funds, on a time proportion basis using the effective interest method.

Other income

Other income comprises mainly licence fees ("TOL") income, liquidated damages claims and other miscellaneous income and are recognised when earned.

2.20 Leases

The Town Council assesses whether a contract is or contains a lease, at inception of the contract. The Town Council recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Town Council recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Town Council uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.20 Leases (Continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Town Council remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Town Council incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on straight-line basis over the lease term of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Town Council expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Town Council applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.11.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in general and administrative expenditure within the income and expenditure statement.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Town Council has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Town Council allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

2. Summary of significant accounting policies (Continued)

2.21 Income tax

Tax is provided on the following income:

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

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

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

2.22 Foreign currency transactions and translation

The financial statements of the Town Council are measured and presented in Singapore dollar, which is the currency of the primary economic environment in which the Town Council operates (its functional currency).

In preparing the financial statements of the Town Council, transactions in currencies other than the Town Council's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

2.23 Neighbourhood Renewal Programme and Electrical Load Upgrading Programme

The Neighbourhood Renewal Programme ("NRP") was introduced in August 2007 in response to feedback received from residents during the Forum on HDB Heartware for more active consultation on the improvements to be provided in their precincts.

The NRP, which replaces the Interim Upgrading Programme ("IUP") Plus, focuses on block and improvements. It is implemented on a larger area basis of 2 or more contiguous precincts.

Blocks built up to 1989 and have not undergone the Main Upgrading Programme ("MUP"), Interim Upgrading Programme ("IUP") or IUP Plus are eligible for NRP.

The funding for the NRP is provided by the government for the specified use of projects under the programme. The grant is subject to a budget allocation of S\$3,400 per dwelling unit for NRP works, as well as S\$150 per dwelling unit or S\$125,000, whichever is higher for miscellaneous expenditure. However, if the cost of project works incurred exceeds the grants provided, the Town Council will have to bear the cost of the excess expenditure.

The Electrical Load Upgrading Programme ("ELU") was introduced to upgrade the incoming electrical supply for HDB apartment blocks from 30amps to 40amps. This programme is fully funded by HDB and administered by the Town Council.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.24 Selective Lift Replacement Programme

The Selective Lift Replacement Programme (“SLRP”) was introduced in September 2014 to help replace eligible older lifts with new ones that come with updated features such as more energy-efficient motors, vision panels for added security, and doors with infra-red motion safety sensors.

Under the SLRP, the Government will co-fund 50% of the lift replacement cost capped at \$125,000 (inclusive of GST) per lift.

The co-funding amount will be disbursed to Town Councils in two stages as shown below:

<u>Stage</u>	<u>Disbursement Quantum</u>
Award of Contract	25% of Lift Replacement Cost
Completion of Lift Replacement	25% of Lift Replacement Cost

2.25 Lift Enhancement Programme

The Lift Enhancement Programme (“LEP”) was introduced in September 2016 to help Town Councils modernized their existing Housing Development Board (HDB) lifts that have been in operation for 18 years or less with installation of the recommended enhancement features. HDB will fund about 92.5% of the costs which is derived from the total of individual caps of each lift component required.

3. Critical accounting judgments and key sources of estimation uncertainty

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

(a) Critical accounting estimates and assumptions

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

(i) Impairment of conservancy and service receivables and grants receivables

The Town Council measures impairment loss based on an expected credit loss (ECL) on conservancy and service debts and related interest charged for late payment. When measuring ECL, the Town Council uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The gross amount of conservancy and service fee and related ECL are disclosed in Note 12.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

3. Critical accounting judgments and key sources of estimation uncertainty (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(ii) Income tax

The Town Council is subject to income taxes in Singapore. Judgement is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of operations. The Town Council recognises liabilities for expected tax issues based on estimate of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made. As at 31 March 2021, the tax payable by the Town Council was S\$1,116,537 (2020: S\$1,120,799).

(iii) Financial instruments measured at amortised cost

Debt investments held by the Town Council is measured at amortised cost as both the 'business model test' and the 'contractual cash flow characteristics test' are satisfied. The business model test is whether the objective of the Town Council's is to hold the financial asset to collect the contractual cash flows rather than have the objective to sell the instrument before its contractual maturity to realise its fair value changes. The contractual cash flow characteristics test is whether the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Lease – estimating the incremental borrowing rate

The Town Council cannot readily determine the interest rate implicit in the lease, therefore it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Town Council would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in similar economic environment. The incremental borrowing rate therefore reflect what the Town Council “would have to pay”, which requires estimation when no observable rates are available or when they need to adjusted to reflect the terms and conditions of the lease. The Town Council estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The carrying amount of the Town Council's lease liabilities as at the end of the reporting period is S\$1,758,558 (2020: S\$2,797,188).

(b) Key sources of estimation uncertainty

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

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4. ACCUMULATED SURPLUS

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

Note		Total		Residential Property		Commercial Property		Carpark	
		2021	2020	2021	2020	2021	2020	2021	2020
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
OPERATING INCOME									
	Conservancy and service fees	49,036,168	55,198,574	46,852,860	52,657,136	2,183,308	2,541,438	-	-
5	Less: Operating transfer to Ordinary Sinking Funds (minimum required by law)	(12,749,411)	(14,351,635)	(12,181,750)	(13,690,861)	(567,661)	(660,774)	-	-
6	Operating transfer to Lift Replacement Funds (minimum required by law)	(6,865,065)	(7,727,803)	(6,559,402)	(7,372,002)	(305,663)	(355,801)	-	-
		29,421,692	33,119,136	28,111,708	31,594,273	1,309,984	1,524,863	-	-
17	Agency fees	3,864,908	4,348,282	-	-	-	-	3,864,908	4,348,282
18	Other income	2,011,271	2,974,925	1,452,742	2,188,379	492,223	684,175	66,306	102,371
		35,297,871	40,442,343	29,564,450	33,782,652	1,802,207	2,209,038	3,931,214	4,450,653
	Less: Operating Expenditure	(35,683,919)	(41,174,961)	(31,972,103)	(36,573,239)	(1,256,481)	(1,272,785)	(2,455,335)	(3,328,937)
	OPERATING (DEFICIT) / SURPLUS	(386,048)	(732,618)	(2,407,653)	(2,790,587)	545,726	936,253	1,475,879	1,121,716
16	Less: Finance costs	(20,120)	(14,070)	(17,740)	(12,394)	(431)	(295)	(1,949)	(1,381)
21	Add: Investment Income	88,656	275,153	78,109	242,189	1,883	5,782	8,664	27,182
	Less:								
7	Town Improvement Project Works	(173,275)	(2,263,007)	(169,959)	(2,216,264)	(3,316)	(46,743)	-	-
	(DEFICIT) / SURPLUS BEFORE INCOME TAX AND GOVERNMENT GRANTS	(490,787)	(2,734,542)	(2,517,243)	(4,777,056)	543,862	894,997	1,482,594	1,147,517
	Less:								
22	Goods & Services Tax	(278,464)	(360,516)	(245,411)	(317,550)	(5,943)	(7,571)	(27,110)	(35,395)
23	Income Tax (Expense) / Credit	(196,278)	(116,678)	(205,290)	(131,641)	(4,592)	(1,235)	13,604	16,198
	(DEFICIT) / SURPLUS BEFORE GOVERNMENT GRANTS	(965,529)	(3,211,736)	(2,967,944)	(5,226,247)	533,327	886,191	1,469,088	1,128,320
24	Add: Government grants	14,406,942	17,869,513	14,204,788	17,597,533	202,154	271,980	-	-
	Less: Transfer to								
5, 24	Ordinary Sinking Funds	(2,261,546)	(2,395,167)	(2,261,145)	(2,394,699)	(401)	(468)	-	-
6, 24	Lift Replacement Funds	(1,217,754)	(1,289,703)	(1,217,538)	(1,289,451)	(216)	(252)	-	-
6, 24	Lift Replacement Funds - LRF matching grants	(4,053,800)	(4,499,617)	(3,903,762)	(4,323,245)	(150,038)	(176,372)	-	-
7, 24	Town Improvement and Project Funds	(1,654,892)	(4,157,719)	(1,604,320)	(4,063,911)	(50,572)	(93,808)	-	-
		5,218,950	5,527,307	5,218,023	5,526,227	927	1,080	-	-
	SURPLUS FOR THE YEAR	4,253,421	2,315,571	2,250,079	299,980	534,254	887,271	1,469,088	1,128,320
	ACCUMULATED SURPLUS AT 1 APRIL	6,890,074	4,574,503	1,129,318	829,338	1,154,092	266,821	4,606,664	3,478,344
33	S34 Transferable Surplus as at 22 June 2020	(2,657,868)	-	-	-	(144,774)	-	(2,513,094)	-
34	Amount transferred to WCTC	(1,726,944)	-	21,831	-	(290,791)	-	(1,457,984)	-
	ACCUMULATED SURPLUS AT 31 MARCH	6,758,683	6,890,074	3,401,228	1,129,318	1,252,781	1,154,092	2,104,674	4,606,664

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5. ORDINARY SINKING FUNDS

Note	Total		Residential Property		Commercial Property	
	2021	2020	2021	2020	2021	2020
	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 April	108,527,886	101,440,869	86,302,792	79,617,159	22,225,094	21,823,710
Add:						
Investment Income	3,125,865	1,708,491	3,051,791	1,668,670	74,074	39,821
Other Income	1,429	42,831	1,429	41,483	-	1,348
Operating transfer from conservancy and services fees	12,749,411	14,351,635	12,181,750	13,690,861	567,661	660,774
Government grants	2,261,546	2,395,167	2,261,145	2,394,699	401	468
	18,138,251	18,498,124	17,496,115	17,795,713	642,136	702,411
Less:						
Expenditure	(7,210,999)	(10,883,354)	(6,772,430)	(10,594,459)	(438,569)	(288,895)
Goods and Services tax	(120,477)	(156,242)	(117,629)	(152,616)	(2,848)	(3,626)
Income tax	(232,804)	(371,511)	(227,409)	(363,005)	(5,395)	(8,506)
	(7,564,280)	(11,411,107)	(7,117,468)	(11,110,080)	(446,812)	(301,027)
Surplus for the year	10,573,971	7,087,017	10,378,647	6,685,633	195,324	401,384
S34 Transferable Surplus as at 22 June 2020		-		-		-
Amount transferred to WCTC	1,727,614	-	1,633,511	-	94,103	-
	(29,730,493)	-	(24,433,547)	-	(5,296,946)	-
Balance at 31 March	91,098,978	108,527,886	73,881,403	86,302,792	17,217,575	22,225,094
Represented by:						
	2021	2020				
	S\$	S\$				
Non-Current Asset						
Debt investments at amortised cost	3,000,000	8,000,000				
Current Assets						
Debt investments at amortised cost	5,000,000	13,000,000				
Conservancy and service fees receivables	278,663	753,552				
Other receivables	5,759,297	838,252				
Interest receivable	451,401	575,318				
Financial assets at fair value through profit or loss	36,166,630	33,871,254				
Cash and cash equivalents	41,075,610	52,628,166				
Due from accumulated surplus	3,254,739	3,707,413				
	91,986,340	105,373,955				
Total Assets	91,986,340	113,373,955				
Current Liabilities						
Conservancy and services fees received in advance	247,420	222,258				
Payables and accrued expenses	3,130,210	4,104,092				
Income tax payable	509,732	519,719				
	3,887,362	4,846,069				
NET ASSETS	91,098,978	108,527,886				

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5 (a). ORDINARY SINKING FUNDS (CONTINUED)

	2021	2020
	S\$	S\$
Reroofing works	846,505	2,830,617
Redecoration and repainting	3,920,788	2,192,698
Electrical rewiring	262,377	1,379,452
Replacement of water pipes	299,545	1,327,085
Replacement of water pumps & booster pumps	161,208	596,951
Others	1,720,576	2,556,551
	<u>7,210,999</u>	<u>10,883,354</u>

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6. LIFT REPLACEMENT FUNDS

Note	Total		Residential Property		Commercial Property	
	2021	2020	2021	2020	2021	2020
	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 April	49,357,482	41,346,834	37,857,687	30,329,614	11,499,795	11,017,220
Add:						
21 Investment Income	408,149	548,827	398,584	536,024	9,565	12,803
Other Income	47,954	19,639	46,819	19,181	1,135	458
4 Operating transfer from conservancy and services fees	6,865,065	7,727,803	6,559,402	7,372,002	305,663	355,801
4, 24 Government grants	1,217,754	1,289,703	1,217,538	1,289,451	216	252
4, 24, 32 LRF matching grant	4,053,800	4,499,617	3,903,762	4,323,245	150,038	176,372
Fundings for Selective Lift Replacement Programme & Lift Enhancement Programme	4,105,520	4,395,244	4,001,650	4,363,058	103,870	32,186
27	16,698,242	18,480,833	16,127,755	17,902,961	570,487	577,872
Less:						
6(a) Expenditure	(9,101,710)	(9,861,825)	(8,879,024)	(9,780,657)	(222,686)	(81,168)
22 Goods and Services tax	(290,269)	(522,949)	(283,371)	(510,781)	(6,898)	(12,168)
23 Income tax	(96,852)	(85,411)	(94,579)	(83,450)	(2,273)	(1,961)
	(9,488,831)	(10,470,185)	(9,256,974)	(10,374,888)	(231,857)	(95,297)
Surplus for the year	7,209,411	8,010,648	6,870,781	7,528,073	338,630	482,575
33 S34 Transferable Surplus as at 22 June 2020	930,254	-	879,583	-	50,671	-
34 Amount transferred to WCTC	(13,830,019)	-	(11,088,738)	-	(2,741,281)	-
Balance at 31 March	43,667,128	49,357,482	34,519,313	37,857,687	9,147,815	11,499,795
Represented by:						
	2021	2020				
	S\$	S\$				
Non-Current Asset						
10 Debt investments at amortised cost	5,000,000	5,000,000				
Current Assets						
Conservancy and service fees receivables	150,049	405,759				
Other receivables	980,980	1,001,407				
Interest receivable	117,587	215,490				
Receivables for Selective Lift Replacement Programme and Lift Enhancement Programme	4,818,739	2,090,475				
Cash and cash equivalents	34,601,200	40,446,924				
Due from accumulated surplus	1,758,049	1,898,282				
	42,426,604	46,038,337				
Total Assets	47,426,604	51,058,337				
Current Liabilities						
Conservancy and services fees received in advance	133,226	119,677				
Payables and accrued expenses *	3,466,640	1,442,024				
Income tax payable	159,610	139,154				
	3,759,476	1,700,855				
NET ASSETS	43,667,128	49,357,482				

* Included amount for Selective Lift Replacement Programme of S\$1,505,364 (2020: S\$1,242,429).

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6 (a). LIFT REPLACEMENT FUNDS (CONTINUED)

	2021	2020
	S\$	S\$
Replacement of lift batteries	352,420	628,710
Lift overhauls & replacement works	1,910,288	805,112
Selective lift replacement works	5,014,565	7,747,644
Lift Enhancement works	1,728,217	524,702
Others	96,220	155,657
	<u>9,101,710</u>	<u>9,861,825</u>

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7. TOWN IMPROVEMENT AND PROJECT FUNDS

Note	Total		Residential Property		Commercial Property	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Balance at 1 April	2,436,768	2,436,768	2,390,817	2,390,817	45,951	45,951
Add/(Less):						
Government grants	1,654,892	4,157,719	1,604,320	4,063,911	50,572	93,808
Expenditure	(1,828,167)	(6,420,726)	(1,774,279)	(6,280,175)	(53,888)	(140,551)
Town Improvement Works transfer from accumulated surplus	173,275	2,263,007	169,959	2,216,264	3,316	46,743
Surplus for the year	-	-	-	-	-	-
Add/(less):						
Amount transferred to WCTC	(191,642)	-	(187,279)	-	(4,363)	-
Balance at 31 March	2,245,126	2,436,768	2,203,538	2,390,817	41,588	45,951
Represented by:						
	2021 S\$	2020 S\$				
Current assets						
Grants receivable	4,033,959	7,752,317				
Other receivable	-	193,742				
Total assets	4,033,959	7,946,059				
Current liabilities						
Payables and accrued expenses	879,770	1,662,315				
Amount due to accumulated surplus	909,063	3,846,976				
Total liabilities	1,788,833	5,509,291				
NET ASSETS	2,245,126	2,436,768				

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8. ADVANCES RECEIVED FOR NEIGHBOURHOOD RENEWAL PROGRAMME/ ELECTRICAL LOAD UPGRADING PROGRAMME, NET

The movement in the balance is as follows:

	2021	2020
	S\$	S\$
Balance at 1 April	455,462	1,480,740
Funding from government for Neighbourhood Renewal Programme	5,171,851	5,542,581
Reimbursement from HDB for Electrical Loading Upgrading Programme	1,024,251	4,228,878
Payment and/or due to contractors	(4,801,441)	(10,796,737)
Transfer to WCTC	(1,443,104)	-
Net movement during the year	(48,443)	(1,025,278)
Balance at 31 March	407,019	455,462

	2021	2020
	S\$	S\$
Advances received for Neighbourhood Renewal Programme	1,077,732	166,512
Advances/ (Receivables) for Electrical Loading Upgrading Programme	(670,713)	288,950
	407,019	455,462

9. PLANT AND EQUIPMENT

	Furniture, fixtures and fittings	Office equipment	Right of use - Office Space	Right of use - Equipments	Right of use - Computer system	Total
	S\$	S\$	S\$	S\$	S\$	S\$
<u>Cost</u>						
At 1 April 2019	671,213	276,489	597,580	23,517	-	1,568,799
Additions	-	24,130	83,005	6,292	2,418,758	2,532,185
Written off	-	(1,219)	-	-	-	(1,219)
At 31 March 2020	671,213	299,400	680,585	29,809	2,418,758	4,099,765
Additions	-	139,196	46,143	-	-	185,339
Transfer to WCTC	(155,781)	(49,726)	(61,757)	(4,510)	-	(271,774)
Written off	(12,307)	(17,367)	-	-	-	(29,674)
Remeasurement of lease	-	-	-	-	(547,798)	(547,798)
At 31 March 2021	503,125	371,503	664,971	25,299	1,870,960	3,435,858
<u>Accumulated Depreciation</u>						
At 1 April 2019	627,119	211,343	-	-	-	838,462
Depreciation	11,381	33,702	240,659	7,089	-	292,831
Written off	-	(1,219)	-	-	-	(1,219)
At 31 March 2020	638,500	243,826	240,659	7,089	-	1,130,074
Depreciation	10,419	50,067	248,878	7,194	66,183	382,741
Transfer to WCTC	(153,236)	(25,888)	(40,461)	(1,993)	-	(221,578)
Written off	(12,307)	(17,367)	-	-	-	(29,674)
At 31 March 2021	483,376	250,638	449,076	12,290	66,183	1,261,563
<u>Net book value</u>						
At 31 March 2020	32,713	55,574	439,926	22,720	2,418,758	2,969,691
At 31 March 2021	19,749	120,865	215,895	13,009	1,804,777	2,174,295

The initial measurement of Right of use - computer system is based on the physical property unit ("PPU") managed by the Town Council. Due to redrawing of electoral boundaries and resultant change in sharing ratio for capital and maintenance costs between various town councils, the right of use asset has been remeasured, with a corresponding adjustment to the related lease liabilities (Note 16).

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10. DEBT INVESTMENTS AT AMORTISED COST

	2021 S\$	2020 S\$
Quoted debt securities, at amortised cost	13,000,000	26,000,000
Quoted debt securities, at amortised cost	13,000,000	26,000,000
Less: current portion - quoted debt securities	(5,000,000)	(13,000,000)
Non-current portion	8,000,000	13,000,000
With maturity within 1 year : 1.95% p.a. (FY19/20 : 2.71% to 3.14% p.a.)	5,000,000	13,000,000
With maturity 1 to 5 years : 1.825% to 2.505% p.a. (FY19/20 : 1.825% to 2.505% p.a.)	8,000,000	13,000,000
At amortised cost	13,000,000	26,000,000
Market value at 31 March	13,266,465	26,362,190

Financial assets held at amortised costs are denominated in Singapore dollars.

The fair value of government bonds is based on quoted market rates at the reporting date.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at fair value through profit or loss represent funds and related investment income placed with professional fund managers. The investments are managed by fund managers appointed by the Town Council based on terms and conditions stipulated on the respective investment agreement. As at the reporting date, the funds invested through a fund manager comprised the following:

	2021 S\$	2020 S\$
Quoted equities	6,109,330	3,599,075
Quoted debt securities	30,057,300	30,272,179
	36,166,630	33,871,254

12. CONSERVANCY AND SERVICE FEES RECEIVABLES

The Town Council has receivables arising from the performance of its function that do not have a significant financing component. In order to determine the amount of expected credit losses (ECL) to be recognised in the financial statements, a provision matrix is applied on accounts which are considered to be credit-impaired which is adjusted for forward-looking estimates and establishes that ECL should be calculated as:

	2021 S\$	2020 S\$
Conservancy and service fees receivables	2,702,843	3,408,017
Live accounts with arrears in excess of 12 months	1,420,247	1,966,637
Terminated accounts with arrears in excess of 12 months	210,817	67,271
Expected credit loss as at 31 March 2021	1,631,064	2,033,908
	1,071,779	1,374,109

The movements in above provision in respect of conservancy and service fees receivables during the year are as follows:

	2021 S\$	2020 S\$
Balance at 1 April	2,033,908	1,851,734
Additional charge during the year	266,239	331,650
Bad debt written off	(5,963)	(149,476)
Amount transferred to WCTC	(663,120)	-
Balance at 31 March	1,631,064	2,033,908

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13. OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Claims from Citizens' Consultative Committee funding receivable	4,033,959	7,752,317
Receivables from Housing Development Board	550,348	604,961
GST receivable from Inland Revenue Authority of Singapore	577,253	229,873
GST subvention receivable from Ministry of National Development	376,914	512,963
Deposits and Prepayments	734,621	509,544
Receivables from contractors	240,728	105,998
S&CC operating grant receivables	84,431	51,589
Lift Replacement Fund Matching Grant receivables	755,116	1,001,407
Due from CDP for redemption of bond	5,000,000	-
Others	63,799	42,793
	<u>12,417,169</u>	<u>10,811,445</u>

All receivables are denominated in Singapore dollars.

14. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Cash on hand	4,372	5,828
Cash at banks	23,857,582	14,804,493
Cash with fund managers	884,189	962,963
	<u>24,746,143</u>	<u>15,773,284</u>
Fixed deposits	71,055,928	94,504,596
	<u>95,802,071</u>	<u>110,277,880</u>

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

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Cash and cash equivalents as above	95,802,071	110,277,880
Less: Cash placed with fund managers	(884,189)	(962,963)
	<u>94,917,882</u>	<u>109,314,917</u>

Fixed deposits are placed for varying periods from one month to one year. The interest rates range from 0.25% to 1.10% (2020: 0.25% to 2.00%) per annum.

15. PAYABLES AND ACCRUED EXPENSES

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Accrued operating expenses	110,667	108,345
Deposits	644,568	899,920
Payables	17,260,944	14,619,700
Other payables	-	138,228
	<u>18,016,179</u>	<u>15,766,193</u>

All payables and accrued expenses are denominated in Singapore dollars.

Included in payables are amount due to a related party amounting to S\$1,557,525 (2020: S\$998,552).

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16. LEASE LIABILITIES

	2021	2020
	S\$	S\$
<u>Maturity analysis:</u>		
Year 1	504,443	645,974
Year 2	312,111	603,846
Year 3	283,594	406,629
Year 4	283,373	378,265
Year 5	283,830	378,343
Year 6	213,806	379,408
Year 7	-	190,256
	1,881,157	2,982,721
Less: Unearned interest	(122,599)	(185,533)
	1,758,558	2,797,188
<u>Analysed as:</u>		
Current	464,034	611,219
Non-current	1,294,524	2,185,969
	1,758,558	2,797,188

The lease liabilities that are denominated in Singapore dollars.

Reconciliation of liabilities arising from financing activities

	2021	2020
	S\$	S\$
At 1 April	2,797,188	621,097
New leases during the year (Note 9)	46,143	2,508,055
Remeasurement of lease (Note 9)	(547,798)	-
Transfer to WCTC	(24,307)	-
Financing cash flows	(492,548)	(317,894)
Interest expenses	(20,120)	(14,070)
At 31 March	1,758,558	2,797,188

17. AGENCY FEES

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

18. OTHER INCOME

	2021	2020
	S\$	S\$
Interest on late payment of conservancy and service fees	110,453	230,574
Liquidated damages	106,174	113,356
Temporary occupation licenses	1,492,061	1,889,006
Usage of void deck, water, electricity and common property	62,570	254,553
Income from sale of tender documents/forfeiture of tender deposits	158,583	234,346
Others	81,430	253,090
	2,011,271	2,974,925

19. MANAGING AGENT'S FEES

The Town Council's management of its operations has been outsourced to a managing agent. The managing agent's fees incurred is disclosed in Note 26.

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20. GENERAL AND ADMINISTRATIVE EXPENDITURE

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		<u>S\$</u>	<u>S\$</u>
Advertising, publicity and public relations		411,898	365,684
Electronic collection charges		108,632	120,023
Audit fee		88,680	59,000
Computer services		391,214	205,553
Depreciation	9	382,741	292,831
Fixed assets not capitalised		830	3,443
Short term lease expenses		-	20,700
Lease expenses for small value assets		12,967	61,454
Water and electricity		10,139	12,322
Cleaning costs		35,037	39,140
Upkeeps and repairs		5,637	4,477
Other office charges		-	700
Office supplies and stationery		106,302	139,683
Property tax		156,427	192,455
Town Councillors' allowance		173,837	162,000
Allowance for doubtful debts	12	266,239	331,650
Allowance for doubtful recoverables		-	178,592
Others		108,739	48,686
		<u>2,259,319</u>	<u>2,238,393</u>
		<u>2021</u>	<u>2020</u>
		<u>S\$</u>	<u>S\$</u>
This is allocated to the following expenditure:			
Operating expenditure		2,153,330	2,144,264
Ordinary Sinking fund expenditure		68,893	61,184
Lift Replacement fund expenditure		37,096	32,945
		<u>2,259,319</u>	<u>2,238,393</u>

21. INVESTMENT INCOME

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		<u>S\$</u>	<u>S\$</u>
<u>Accumulated Surplus</u>			
Interest income from fixed deposits and bank current accounts	4	<u>88,656</u>	<u>275,153</u>
<u>Ordinary Sinking Funds</u>			
Interest income from fixed deposits and bank current accounts		573,606	914,337
Interest from quoted debt securities, at amortised cost		359,860	546,450
Gain realised arising from changes in financial assets at fair value through profit or loss		534,418	877,283
Gain / (Loss) unrealised arising from changes in financial assets at fair value through profit or loss		1,657,981	(629,579)
	5	<u>3,125,865</u>	<u>1,708,491</u>
<u>Lift Replacement Funds</u>			
Interest income from fixed deposits and bank current accounts		316,899	457,577
Interest from quoted debt securities, at amortised cost		91,250	91,250
	6	<u>408,149</u>	<u>548,827</u>

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22. 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 unclaimable portion charged to the respective funds are as follows:-

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$
Accumulated Surplus	4	278,464	360,516
Ordinary Sinking Funds	5	120,477	156,242
Lift Replacement Funds	6	290,269	522,949
		<u>689,210</u>	<u>1,039,707</u>

23. INCOME TAX EXPENSE

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$
Current year income tax provision		499,071	589,900
Under (Over) provision in respect of prior years		26,863	(16,300)
		<u>525,934</u>	<u>573,600</u>
Taken up in:			
Accumulated Surplus	4	196,278	116,678
Ordinary Sinking Funds	5	232,804	371,511
Lift Replacement Funds	6	96,852	85,411
Tax Expense		<u>525,934</u>	<u>573,600</u>

The tax expense on taxable income differs from the amount determined by applying the Singapore standard rate of income tax due to the following:

	<u>2021</u> S\$	<u>2020</u> S\$
Interest income	2,441,184	2,821,493
Other income	911,442	1,222,703
	<u>3,352,626</u>	<u>4,044,196</u>
Tax calculated at Singapore tax rate of 17%	569,946	687,513
Income tax exemption	(17,425)	(17,425)
Tax effect of certain income taxed at concessionary tax rate	(68,899)	(95,744)
Under (Over) provision in respect of prior years	26,863	(16,300)
Others	15,449	15,556
	<u>525,934</u>	<u>573,600</u>

The movements in income tax payable are as follows:

	<u>2021</u> S\$	<u>2020</u> S\$
Balance at 1 April	1,120,799	1,072,037
Income tax paid	(530,196)	(524,838)
Provision during the year	525,934	573,600
Balance at 31 March	<u>1,116,537</u>	<u>1,120,799</u>

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24. GOVERNMENT GRANTS

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

Government Grants received/receivable during the financial year													
	4	14,406,942	17,869,513	6,022,735	6,204,259	1,654,892	4,157,719	1,819,513	2,044,918	856,002	963,000	4,053,800	4,499,617
Less: Transfer to Ordinary Sinking Funds	4, 5	(2,261,546)	(2,395,167)	(1,565,912)	(1,613,107)	-	-	(473,073)	(531,680)	(222,561)	(250,380)	-	-
Transfer to Lift Replacement Funds	4, 6	(5,271,554)	(5,789,320)	(843,182)	(868,596)	-	-	(254,732)	(286,287)	(119,840)	(134,820)	(4,053,800)	(4,499,617)
Transfer to Town Improvement and Project Funds	4, 7	(1,654,892)	(4,157,719)	-	-	(1,654,892)	(4,157,719)	-	-	-	-	-	-
		<u>5,218,950</u>	<u>5,527,307</u>	<u>3,613,641</u>	<u>3,722,556</u>	<u>-</u>	<u>-</u>	<u>1,091,708</u>	<u>1,226,951</u>	<u>513,601</u>	<u>577,800</u>	<u>-</u>	<u>-</u>

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

	2021	2020
	S\$	S\$
Cumulative total grants received / receivable up to 1 April	277,685,898	259,816,385
Grants received / receivable during the financial year	14,406,942	17,869,513
Cumulative total grants received / receivable up to 31 March	<u>292,092,840</u>	<u>277,685,898</u>

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25. CAPITAL EXPENDITURE COMMITMENTS

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

	2021	2020
	S\$	S\$
Amount approved and contracted for	27,421,598	58,836,855
Amount approved and not contracted for	46,289,471	66,917,708
	<u>73,711,069</u>	<u>125,754,563</u>

The commitments amount included Neighbourhood Renewal Programme projects amounting to S\$7,746,735 (2020: S\$18,354,650), which is funded by HDB.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions with related party on terms mutually agreed during the financial year are as follows:

	2021	2020
	S\$	S\$
Managing agent's fees	4,612,003	4,955,377
Lift testing fees	432,000	432,000
Project management and Fire safety manager fees	<u>612,233</u>	<u>1,292,868</u>

Related party relates to the managing agent of the Town Council who manages the operations of the Town Council.

27. RECEIVABLES FOR SELECTIVE LIFT REPLACEMENT PROGRAMME AND LIFT ENHANCEMENT PROGRAMME

Under the Selective Lift Replacement Programme ("SLRP"), HDB on a cost-sharing basis with the Town Councils will replace selected old lifts with new ones that come with better safety and security features. The SLRP is a once-off programme and the advances would be spent when cyclical replacement is carried out.

Under the Lift Enhancement Programme, HDB on a cost-sharing basis with the Town Councils will modernise eligible lifts with new safety features.

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Town Council's financial instruments comprised mainly cash & cash equivalents, and various items including investments in financial assets, conservancy and service fees receivable and other receivables, accrued expenses and other payables that arise from its operations.

The main risks arising from the financial instruments are credit risk and market risk. The Town Council is not exposed to foreign exchange risk for the year ended 31 March 2021. There is no significant liquidity risk as sufficient cash is maintained to meet its operational requirements. The Town Council's reviews on the policies for managing these risks are disclosed below.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Financial assets that are potentially subject to credit risk consist principally of cash equivalents, receivables and investment in financial assets, including funds with fund manager. The maximum exposure to credit risk is the carrying value of the financial instruments at the end of the financial year. Credit risk on cash and cash equivalents are limited because they are placed with financial institutions with acceptable credit ratings.

For receivables, an ongoing credit evaluation is performed on the financial conditions of the receivables and losses on impairment are recognised in the income and expenditure statement. The allowance for impairment of conservancy and service fees receivable totalling S\$1,631,064 (2020: S\$2,033,908) is determined at the reporting date.

There is no concentration of credit risk with respect to conservancy and service fees receivable, as the Town Council has a large number of household owners.

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

There are no other material class of financial assets that are past due except for the conservancy and service fees receivables as disclosed below:

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$
Not past due		243,332	354,345
Past due 0-12 months		720,093	836,376
Past due 12-24 months		554,984	463,878
Over 24 months		<u>1,184,434</u>	<u>1,753,418</u>
		2,702,843	3,408,017
Allowance for impairment		<u>(1,631,064)</u>	<u>(2,033,908)</u>
	12	<u>1,071,779</u>	<u>1,374,109</u>

Conservancy and service fees receivables amounting to S\$1,071,779 (2020: S\$1,374,109) are not impaired, as the management believes that it will be collectible in the foreseeable future as a result of recovery efforts and based on historical experience.

Exposures to credit risk in funds with fund managers and other investments comprises mainly debt securities, equities and exchange traded products.

Investments in debt securities, equities and exchange traded products are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, which may impair the ability of the issuer to make payment of interest and principal. Exposure to credit risk is monitored by the Town Council's management and the professional investment advisors (in the case of funds with fund managers) with oversight from the Town Council. In addition, the Town Council is required to comply with the requirements as stated in the Town Councils Financial Rules on investments and investment criteria.

Investments classified as debt investments at amortised cost comprised bonds issued by Statutory Boards and/or Government related agencies.

(b) Market Risk

The Town Council is exposed to market risk arising from the Town Council's financial assets held in funds with a fund manager and held-to-maturity financial assets. Market risk is the risk of potential adverse changes to the value of the financial instruments because of changes in market conditions such as interest rates and volatility in security prices.

(i) Price risk

The Town Council is exposed to market risk arising from investments which are classified on the statement of financial position at fair value through profit or loss. Fluctuation 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 investment portfolio with fund manager is monitored by the fund manager on a regular basis so as to assess changes in fundamentals and valuation. Guidelines have been set by the Town Council to manage the exposure of the investment portfolio so as to reduce exposures to market volatility by diversifying the investment portfolio into equities, bonds and other financial assets and to ensure compliance with the Town Council Financial Rules on investments and investment criteria.

The Funds with Fund managers has investment in exchange traded derivatives which are used for hedging purposes.

The table below, summarises the impact to the Town Council's funds with a fund manager, stated at fair value through profit or loss as a result of a 10% increase/decrease in its fair value.

	<u>Increase/(Decrease)</u>			
	<u>Net Assets</u>		<u>Ordinary Sinking Fund Statement</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	S\$	S\$	S\$	S\$
Funds with a fund manager				
- increase by 10%	3,616,663	3,387,125	3,616,663	3,387,125
- decrease by 10%	<u>(3,616,663)</u>	<u>(3,387,125)</u>	<u>(3,616,663)</u>	<u>(3,387,125)</u>

(ii) Interest rate risk

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

The Town Council has interest-bearing fixed deposits placed with financial institutions, financial assets held at amortised and debt securities managed by the fund manager. As the Town Council's debt securities held by funds with a fund manager were mainly confined to trading portfolio managed by the fund manager, presentation of interest rates will not be meaningful to the users of financial statements.

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28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

The Town Council has interest-bearing fixed deposits with financial institutions and financial assets held at amortised cost. The interest rates are disclosed in Notes 10, 14 and 16 to the financial statements. The interest-bearing fixed deposits and financial assets held at amortised cost are mainly at fixed rates at the reporting date.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest had been 25 basis points higher/lower with all other variables held constant, the Town Council's surplus net of tax would have been \$56,929 (2020 : \$77,599) higher/lower.

(iii) *Foreign Currency Risk*

Town Council is not exposed to foreign currency risk as at 31 March 2021 and 2020.

(c) 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 manages the liquidity risk by maintaining sufficient cash, internally generated cash flows, as well as on basis of expected payment dates of the financial

It is expected that all the liabilities will be paid when due. The Town Council expects to meet its cash commitments with cash flows from operating activities and government grants.

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

	Less than 1 year S\$	1-5 years S\$	More than 5 years S\$	Adjustments S\$	Total S\$
As at 31 March 2021					
Debt investments at amortised cost	5,046,747	8,372,524	-	(419,271)	13,000,000
Financial assets at fair value through profit or loss	36,166,630	-	-	-	36,166,630
Conservancy and service fees receivables	1,071,779	-	-	-	1,071,779
Other receivables (exclude prepayment)	12,036,242	-	-	-	12,036,242
Receivables for Selective Lift Replacement Programme/ Lift Enhancement Programme	4,818,739	-	-	-	4,818,739
Interest receivable	569,140	-	-	-	569,140
Cash and cash equivalents	95,802,071	-	-	-	95,802,071
Conservancy and service fees received in advance	951,615	-	-	-	951,615
Payables and accrued expenses	18,016,179	-	-	-	18,016,179
Advances Received for Neighbourhood Renewal Programme/ Electrical Load Upgrading Programme, Net	407,019	-	-	-	407,019
Lease liabilities	504,443	1,162,908	213,806	(122,599)	1,758,558
As at 31 March 2020					
Debt investments at amortised cost	13,185,265	13,683,170	-	(868,435)	26,000,000
Financial assets at fair value through profit or loss	33,871,254	-	-	-	33,871,254
Conservancy and service fees receivables	1,374,109	-	-	-	1,374,109
Other receivables (exclude prepayment)	10,644,514	-	-	-	10,644,514
Receivables for Selective Lift Replacement Programme/ Lift Enhancement Programme	2,090,475	-	-	-	2,090,475
Interest receivable	811,837	-	-	-	811,837
Cash and cash equivalents	110,277,880	-	-	-	110,277,880
Conservancy and service fees received in advance	854,839	-	-	-	854,839
Payables and accrued expenses	15,766,193	-	-	-	15,766,193
Advances Received for Neighbourhood Renewal Programme/ Electrical Load Upgrading Programme, Net	455,462	-	-	-	455,462
Lease liabilities	645,974	1,767,083	569,664	(185,533)	2,797,188

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29. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values

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

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

Fair value hierarchy

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

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

(I) Assets measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value as at 31 March 2021 and 31 March 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	S\$	S\$	S\$	S\$
<u>Recurring fair value measurement</u>				
31 March 2021				
Financial assets at fair value through profit or loss (Note 11)	36,166,630	-	-	36,166,630
31 March 2020				
Financial assets at fair value through profit or loss (Note 11)	33,871,254	-	-	33,871,254

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

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

The following table shows an analysis of the Town Council's assets not measured at fair value at 31 March 2021 and 31 March 2020 but for which fair value is disclosed :

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Carrying amount</u>
	S\$	S\$	S\$	S\$	S\$
31 March 2021					
Debt investments at amortised cost (Note 10)	13,266,465	-	-	13,266,465	13,000,000
31 March 2020					
Debt investments at amortised cost (Note 10)	26,362,190	-	-	26,362,190	26,000,000

30. FAIR VALUE OF OTHER ASSETS AND LIABILITIES

The carrying amounts of short-term assets and liabilities approximate their respective fair values due to the relatively short term maturity of these financial instruments. The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

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31. FUNDS MANAGEMENT

The Town Council's objectives when managing funds are:

- (a) to safeguard the Town Council's ability to continue as going concern;
- (b) to provide resources to sustain future development; and
- (c) to provide funds for the purpose of strengthening the Town Council's risk management capability.

The Town Council actively and regularly reviews and manages its funding structure through professional fund managers to ensure optimal funding structure, taking into consideration the future funding requirements, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

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

The Town Council is not subject to externally imposed requirements.

The Town Council total funds amounted to S\$143,769,915 (2020: S\$167,212,210).

32. RECLASSIFICATIONS

Reclassifications have been made to the prior year's lift replacement funds for LRF matching grant between residential property and commercial property, due to an entry error. As a result, certain line items have been amended in the statement of financial position and related notes to financial statements.

The following shows the balances before and after the reclassification of the Company's financial statements for the financial year ended 31 March 2021.

	Previously reported 2020 S\$	After reclassification 2020 S\$
<u>Lift Replacement Funds</u>		
Residential Property	4,344,192	4,323,245
Commercial Property	155,425	176,372

33. SECTION 34 TRANSFERABLE SURPLUS AS AT 22 JUNE 2020

This represents a transfer of 80% of the accumulated surplus to Sinking Fund under Section 34 of Town Council Act when a writ of election is issued. The surplus transferred to Sinking Funds are based on the Town Council's audited balance sheet as at 31 March 2019 being the last audited balance sheet immediately before the issue of the writ of election, adjusted for fixed assets additions and capital commitments entered into by the Town Council on or before 22 June 2020, being the day immediately before the writ of election is issued.

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34. ACCUMULATED SURPLUS TRANSFERRED TO WEST COAST TOWN COUNCIL

By virtue of writ of election issued on 23 June 2020, the electoral boundaries of Chua Chu Kang Town Council were redrawn. With effect from 28 October 2020, 18,212 and 197 units of residential and commercial properties, 15,157 units of car parks lots, motorcycle lots and lorry lots under the jurisdiction of Chua Chu Kang Town Council were transferred to West Coast Town Council. Following this reconstitution, the following are funds transferred to West Coast Town Council:

	Note	Total	Residential Property Funds	Commercial Property Funds	Carpark Fund
		S\$	S\$	S\$	S\$
Accumulated surplus	4	1,726,944	(21,831)	290,791	1,457,984
Ordinary Sinking Funds	5	29,730,493	24,433,547	5,296,946	-
Lift Replacement Funds	6	13,830,019	11,088,738	2,741,281	-
Town Improvement and Project Funds	7	191,642	187,279	4,363	-
Net funds transferred		<u>45,479,098</u>	<u>35,687,733</u>	<u>8,333,381</u>	<u>1,457,984</u>

Represented by:

Non-current assets

Plant and equipment 50,196

Current assets

Conservancy and service receivables

681,037

Other receivables

1,468,482

Receivables for Selective Lift Replacement Programme and Lift

Enhancement Programme

1,377,257

Cash and cash equivalents

44,485,076

48,011,852

48,062,048

Non-current Liabilities

Lease liabilities 1,301

Current liabilities

Conservancy and service fees received in advance

241,039

Payables and accrued expenses

257,672

Advances received for Neighbourhood Renewal Programme /

Electrical Load Upgrading Programme, Net

1,443,104

Government grant received in advance

616,828

Lease liabilities

23,006

2,581,649

Net assets

45,479,098