

# Together, A Better Home For All

A BEAUTIFUL, INCLUSIVE  
AND GRACIOUS COMMUNITY





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# About Us

Chua Chu Kang GRC comprises the four constituencies of Brickland, Bukit Gombak, Chua Chu Kang and Keat Hong. Together with Hong Kah North SMC, the five constituencies are collectively referred to as Chua Chu Kang Town.

Chua Chu Kang Town Council manages and maintains the HDB common property in Chua Chu Kang Town.

## OUR AIM

To create an identity for Chua Chu Kang Town, promoting community awareness and pride in our Town

## OUR OBJECTIVE

To improve the living environment and hence, the lifestyle for our residents



Photo Credit: Shin Tan



# Our Members of Parliament

## CHUA CHU KANG GRC



**Mr Gan Kim Yong**

Minister for Trade and Industry  
MP for Chua Chu Kang GRC  
(Chua Chu Kang)



**Ms Low Yen Ling**

Minister of State  
Ministry of Trade and Industry &  
Ministry of Culture, Community and Youth  
Mayor of South West District  
MP for Chua Chu Kang GRC (Bukit Gombak)  
Chairman of Chua Chu Kang Town Council



**Mr Zhulkarnain Abdul Rahim**

MP for Chua Chu Kang GRC  
(Keat Hong)  
Vice-Chairman of Chua Chu Kang Town Council



**Mr Don Wee**

MP for Chua Chu Kang GRC  
(Brickland)

## HONG KAH NORTH SMC



**Dr Amy Khor Lean Suan**

Senior Minister of State  
Ministry of Sustainability and the Environment &  
Ministry of Transport  
MP for Hong Kah North SMC  
Vice-Chairman of Chua Chu Kang Town Council



Photo Credit: Goh Koon Boh



# Our Town Councillors

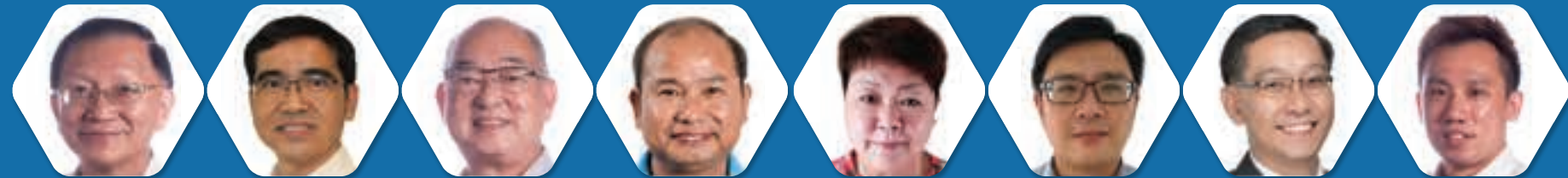
Term: 1 August 2020 to 31 July 2022

## ECO TOWN COMMITTEE



Dr Tay Choon Nghee, PBM Chairman  
Mr Sutarsan s/o Jaganathan, PBM Vice-Chairman  
Mr Sim Eng Pang  
Ms Wee Liang Mui, Eileen  
Mr Damien Koh Chwee Huat

## TENDERS & CONTRACTS COMMITTEE



Mr Koh Chwee, BBM Chairman  
Dr Kwoh Chee Keong, PBM Vice-Chairman  
Mr Tan Kia Huat, BBM(L)  
Mr Mak Hon Wah, PBM  
Mdm Sim Mui Eng  
Mr Tan Wai Siang, Peter  
Mr See Chin Foo, PBM  
Mr Goh Wee Tiong, Eric

## ESTATE MANAGEMENT COMMITTEE



Dr Lim Lan Yuan, BBM(L) Chairman  
Mr Phua Tiak Tong, Basil, PBM Vice-Chairman  
Mr Leow Geng Hui  
Mr Cheong Soon Keng, PBM  
Mr Toh Eng Hock  
Mr Lee Soon Tuck

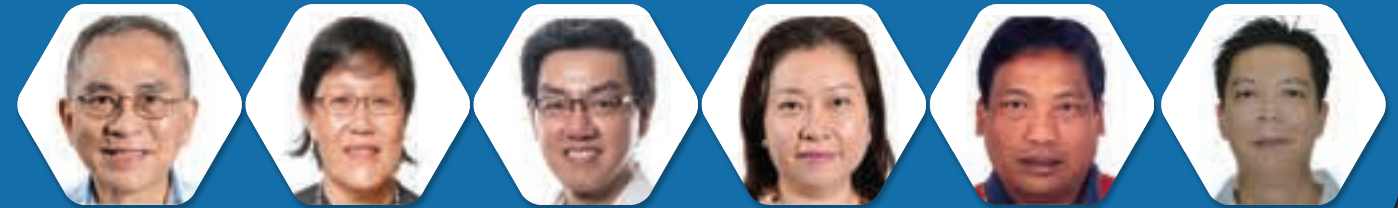


Ms Tan Gek Neh, Shermein  
Mr Aw Hai Jian, PBM  
Mr Tan Kin Teo, BBM  
Mr Chua Kok Wei, JP, PBM  
Mr Tham Chin Kuo, PBM

## COMMUNICATIONS & SERVICE QUALITY COMMITTEE



Mr Chan Siang Heng, Joe, JP, BBM Chairman  
Mr Lim Wei Wah, Vice-Chairman  
Ms Tan Hui Sim, Dorothy  
Mr Hsiuh Fu Lin, Edmund  
Mr Chua Aik Boon  
Mr Mohamed Shammir s/o Thirunauc Karasu



Mr Lim Yut Ooi, Rennie  
Mdm Ng Ai Lee, Janica  
Mr Gan Ong Peng, PBM  
Ms Mak Wai Ling, Serene, PBM  
Mr Anwar Bin Ali  
Mr Yim Kim Hoo, Nelson

## AUDIT & RISK MANAGEMENT COMMITTEE



Mr Wong Mun Chiang, BBM Chairman  
Mr Sia Nam Chie, Vice-Chairman  
Ms Ong Pek Hoon, Evelyn  
Mr Sethuraman Alagappan, PBM  
Mrs Francis Arokia Mary, PBM  
Ms Lim Chow Lamb, Bernardette

## FINANCE COMMITTEE



Mr Chew Ghim Bok, JP, BBM Chairman  
Ms Lai Chin Yee, Vice-Chairman  
Ms Ang Hui Pheng, Angela  
Mr Ng Heok Kwee, Freddie, PBM  
Ms Khoo Hong Hua, Tina, BBM  
Mr Low Hee Joo, John  
Ms New Lay Tin, Nancy, PBM



# Chairman's Message

TOWARDS A

BETTER & GREENER CCK TOWN

TOGETHER

FY2021/2022 was a year of solidarity and steady progress as we stayed the course and stood together with residents, staff, councillors and partners to overcome the challenges brought on by the Covid-19 pandemic. Chua Chu Kang Town Council (CCKTC) ensured the smooth running of the town and daily upkeep, while carrying out improvement works and projects to enhance the quality of life for CCK Town (Chua Chu Kang GRC and Hong Kah North SMC) residents.

With the gracious support of our residents, we marked the past financial year with several firsts. We held the inaugural Appreciate Our Cleaners Week, our first green HaCCKathon, which set the stage for the making of CCK Town as an eco-town, and our first-ever circular economy collaboration involving residents, CCKTC and private and public sector partners.

**Low Yen Ling**

Chairman

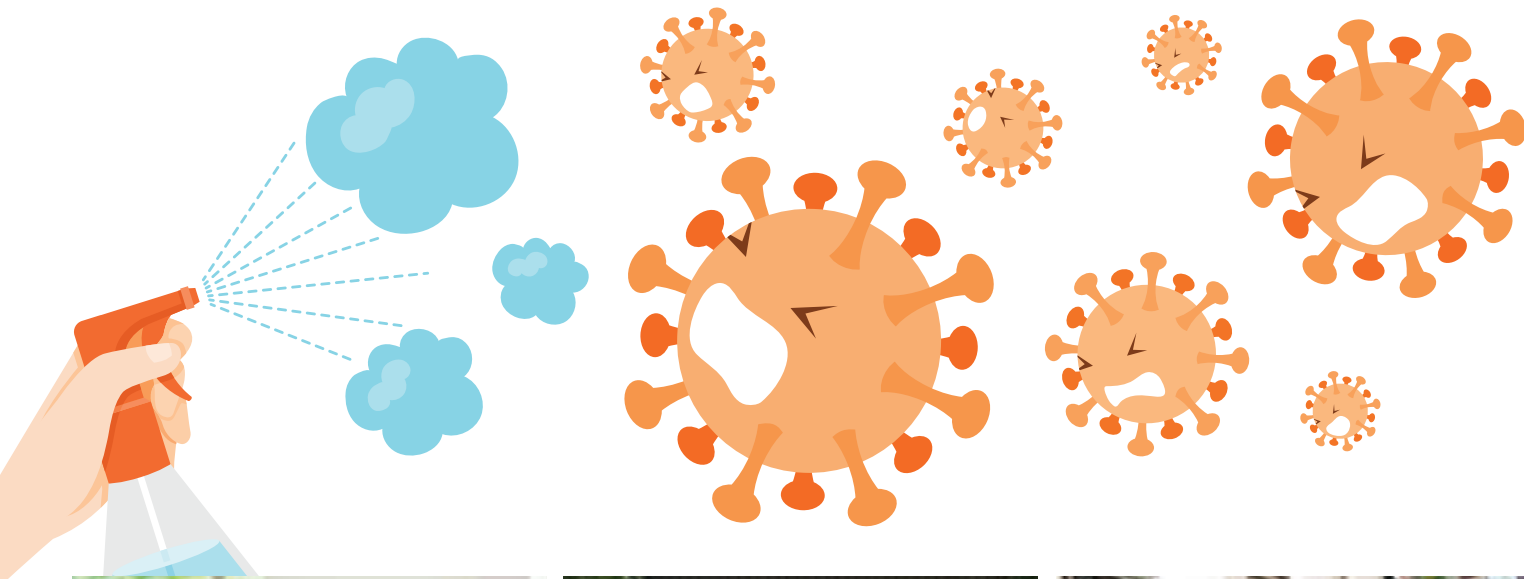
Chua Chu Kang Town Council





# PERSEVERING THROUGH COVID-19 TO EMERGE STRONGER AND BETTER

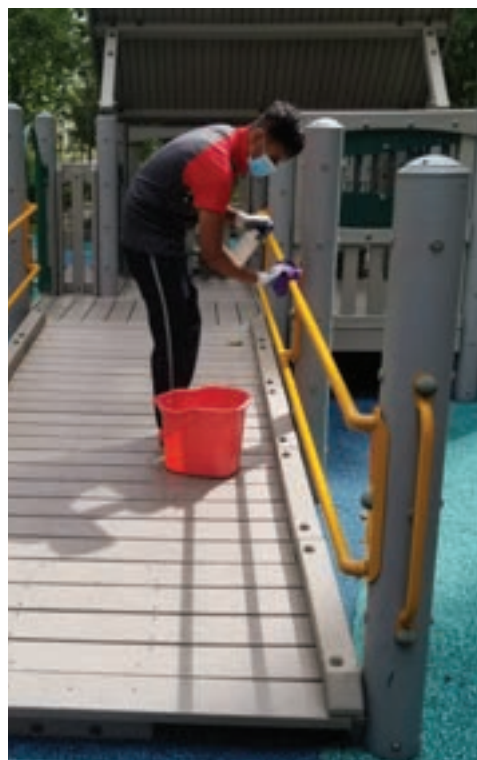
Throughout the various periods of heightened alerts, CCKTC responded rapidly to protect residents by stepping up the cleaning of common areas in our town. This meant increasing the frequency of daily cleaning as well as deep cleaning and disinfection of common areas, such as lift buttons, letter boxes, playgrounds and fitness corners. The collective action of our cleaners, residents and councillors saw us keeping everyone safe and healthy, to emerge stronger and better.



## MAINTAINING & IMPROVING THE ESTATE WELL

There has been no let-up in our continual efforts at improvements. In FY2021/2022, CCKTC oversaw 2 Neighbourhood Renewal Programmes (NRPs) with a project value of \$14.2 million and 40 improvement projects worth \$2.7 million, in various stages of implementation. Improvements ranging from the construction of covered linkways for seamless travel, to upgraded letterboxes, fitness corners and playgrounds were brought to residents.

CCKTC also spent \$2.41 million on lifts renewal and replacement. A total of 23 lifts were replaced under the Selective Lift Replacement Programme (SLRP) and another 2 lifts were enhanced through the Lift Enhancement Programme (LEP). In addition, CCKTC spent \$7.17 million in FY2021/2022 on cyclical works, which included re-roofing, rewiring, pumps replacement, as well as fresh coats of paint that gave several blocks a new look.





# MAKING

## CCK TOWN GREENER

In FY2021/2022, CCK Town held our very first and own HaCCKathon, which saw some 80 residents, grassroots leaders and partners coming together to brainstorm ideas to transform the town into a sustainable eco-town. As one of Singapore's three eco-towns announced by the Government, we look forward to seeing many of these ideas bear fruit.



for recycling. In addition, solar panels have been installed on close to 215 blocks under CCK Town's ongoing initiative to introduce these energy-saving devices.

In other eco-efforts, we strengthened the network of recycling points across our town, which now offers dedicated e-waste and paper recycling bins, as well as reverse vending machines for drink bottles and cans. These bins not only make it easier and more convenient for residents to recycle their trash, but also offer rewards



In another move to encourage sustainability, CCKTC collaborated with Ngee Ann Polytechnic's School of Design and Environment, Scanteak, Mediacorp's CNA Green Plan and residents from the Brickland Sustainability Workgroup in an upcycling project to turn unwanted furniture into stunning pieces for sale and exhibition. About 1000kg of old furniture was collected from Brickland in this effort that gave residents a chance to participate in a circular economy.





# FINANCIAL REPORT

For this financial year, CCKTC had an operating surplus of \$3.03 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 (Service and Conservancy Charges). 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 PRACTICES



CCKTC 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 reappointed 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 (Members of Parliament).

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 CCKTC.

Further, CCKTC 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 CCKTC.



## STRENGTHENING CCKTC'S TIES WITH RESIDENTS

Residents participated enthusiastically in activities organised by CCKTC in FY2021/2022. The first-ever Appreciate Our Cleaners Week initiative was held to encourage residents to nominate and appreciate their estate cleaners for their unwavering work. The campaign received over 80 nominations, a warm show of support from our residents, who took the time and effort to pen their words of thanks. Even the youngest preschoolers from PCF Sparkletots Centres participated, in a partnership between PCF and CCKTC. The PCF children also played eco-games introduced by CCKTC in the nearby void deck as part of their learning experience.

Residents also responded eagerly to the second photo contest for CCKTC's 2022 calendar. A total of 1,400 high-quality entries were received, with this beautiful photo of Sungei Buloh's Eagle Point emerging top among 12 winning entries selected for the picturesque calendar.



## TOGETHER & STRONGER, CREATING BETTER HOMES



Photo Credit: Yong Kuo Hoong

All these milestones and improvements would not have been possible without the support of our residents, staff, town councillors, various government agencies, grassroots organisations and community partners. A big thank-you to everyone who gave CCKTC your trust, support and feedback.

In the post-Covid-19 new normal, we look forward to our residents' and councillors' continued trust and support in our efforts to improve and co-create a greener and more beautiful CCK Town for all - one that we can be proud of.



**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF CHUA CHU KANG TOWN COUNCIL**  
(Established under the Town Councils Act 1988)

**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 2022, 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 10 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 1988 (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 2022 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 1988)

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

A town council is 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 1988)

- 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 1988)

*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 August 2022



CHUA CHU KANG TOWN COUNCIL  
(Established under the Town Councils Act 1988)

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2022

	Note	2022	2021
<b>TOWN COUNCIL FUNDS</b>		<b>S\$</b>	<b>S\$</b>
<b>RESIDENTIAL PROPERTY</b>			
Accumulated Surplus	4	4,712,868	3,401,228
Sinking Funds			
Ordinary Sinking Funds	5	79,794,178	73,881,403
Lift Replacement Funds	6	40,289,582	34,519,313
		120,083,760	108,400,716
Town Improvement and Project Funds	7	2,203,538	2,203,538
		127,000,166	114,005,482
<b>COMMERCIAL PROPERTY</b>			
Accumulated Surplus	4	1,799,159	1,252,781
Sinking Funds			
Ordinary Sinking Funds	5	17,278,850	17,217,575
Lift Replacement Funds	6	9,520,743	9,147,815
		26,799,593	26,365,390
Town Improvement and Project Funds	7	41,588	41,588
		28,640,340	27,659,759
<b>CARPARK</b>			
Accumulated Surplus	4	3,273,283	2,104,674
		158,913,789	143,769,915
Represented by:			
<b>NON-CURRENT ASSETS</b>			
Plant and Equipment	9	1,718,771	2,174,295
Debt investments at amortised cost	10	4,250,000	8,000,000
		5,968,771	10,174,295
<b>CURRENT ASSETS</b>			
Debt investments at amortised cost	10	5,000,000	5,000,000
Financial Assets at fair value through profit or loss	11	36,902,850	36,166,630
Conservancy and service fees receivables	12	813,300	1,071,779
Other receivables	13	8,790,663	12,417,169
Interest receivable		253,893	569,140
Receivables for Selective Lift Replacement Programme and Lift Enhancement Programme	27	5,974,225	4,818,739
Cash and cash equivalents	14	105,562,238	95,802,071
		163,297,169	155,845,528
<b>Total Assets</b>		<b>169,265,940</b>	<b>166,019,823</b>
Less:			
<b>NON-CURRENT LIABILITY</b>			
Lease liabilities	16	1,070,826	1,294,524
<b>CURRENT LIABILITIES</b>			
Conservancy and service fees received in advance		1,028,083	951,615
Payables and accrued expenses	15	6,958,837	18,016,179
Advances received for Neighbourhood Renewal Programme/ Electrical Load Upgrading Programme, Net	8	114,618	497,019
Lease liabilities	16	328,200	464,034
Income tax payable	23	831,587	1,116,537
		9,281,325	20,955,384
<b>NET ASSETS</b>		<b>158,913,789</b>	<b>143,769,915</b>

  
LOW YEN LING  
CHAIRMAN

Date: 30 August 2022

  
CHUA AHN BOON  
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 1988)

INCOME AND EXPENDITURE STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		S\$	S\$
<b>OPERATING INCOME</b>			
Conservancy and service fees	4	40,995,038	49,036,168
Less:			
Operating income transfer to Ordinary Sinking Funds	4, 5	(10,658,714)	(12,749,411)
Operating income transfer to Lift Replacement Funds (minimum required by law)	4, 6	(5,739,305)	(6,865,065)
		24,597,019	29,421,692
Agency fees	17	3,454,163	3,864,908
Other income	18	1,886,022	2,011,271
		29,937,204	35,297,871
Less:			
<b>OPERATING EXPENDITURE</b>			
Cleaning works		(7,188,477)	(7,664,135)
Managing agent's fees	19	(4,015,892)	(4,612,003)
Lift maintenance		(5,616,110)	(6,677,649)
Other works and maintenance		(5,026,055)	(5,482,964)
Water and electricity		(7,180,857)	(9,093,838)
General and administrative expenditure	20	(1,742,873)	(2,153,330)
		(30,770,264)	(35,683,919)
		(833,060)	(386,048)
<b>LESS: NON-OPERATING EXPENSE</b>			
Finance costs	16	(43,110)	(20,120)
<b>ADD: NON-OPERATING INCOME</b>			
Investment income	21	72,394	88,656
Less:			
Town Improvement Project Works	7	(500,010)	(173,275)
<b>DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS</b>		<b>(1,303,786)</b>	<b>(490,787)</b>
Less:			
Goods and Services Tax	22	(248,491)	(278,464)
Income Tax Expense	23	(149,078)	(196,278)
<b>DEFICIT BEFORE GOVERNMENT GRANTS</b>		<b>(1,701,355)</b>	<b>(965,529)</b>
Add:			
Government grants	24	14,172,375	14,406,942
Less:			
Transfer to Ordinary Sinking Funds	5	(2,048,793)	(2,261,546)
Transfer to Lift Replacement Funds	6	(4,535,169)	(5,271,554)
Transfer to Town Improvement and Project Funds	7	(2,860,431)	(1,654,892)
		4,727,982	5,218,950
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<b>3,026,627</b>	<b>4,253,421</b>
<b>ACCUMULATED SURPLUS AT 1 APRIL</b>		<b>6,758,683</b>	<b>6,890,074</b>
Less:			
Section 48 Transferable Surplus as at 22 June 2020	4, 32	-	(2,657,868)
Accumulated surplus transferred to West Coast Town Council	4, 33	-	(1,726,944)
<b>ACCUMULATED SURPLUS AT 31 MARCH</b>		<b>9,785,310</b>	<b>6,758,683</b>

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 1988)

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
<b>SURPLUS FOR THE FINANCIAL YEAR</b>			
Accumulated Surplus	4	3,026,627	4,253,421
Ordinary Sinking Funds	5	5,974,050	10,573,971
Lift Replacement Funds	6	6,143,197	7,209,411
		<u>15,143,874</u>	<u>22,036,803</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO TOWN COUNCIL FUNDS</b>		<u>15,143,874</u>	<u>22,036,803</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 1988)

**STATEMENT OF CHANGES IN TOWN COUNCIL FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	<u>Total</u> S\$	<u>Residential</u> <u>Property</u> S\$	<u>Commercial</u> <u>Property</u> S\$	<u>Carpark</u> S\$
Balance as at 1 April 2020	167,212,210	127,680,614	34,924,932	4,606,664
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Surplus for the year	22,036,803	19,499,507	1,068,208	1,469,088
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	22,036,803	19,499,507	1,068,208	1,469,088
Section 48 Transferable Surplus as at 22 June 2020	-	2,513,094	-	(2,513,094)
Amount transferred to West Coast Town Council for the year	(45,479,098)	(35,687,733)	(8,333,381)	(1,457,984)
<b>Balance as at 31 March 2021</b>	<u>143,769,915</u>	<u>114,005,482</u>	<u>27,659,759</u>	<u>2,104,674</u>
Balance as at 1 April 2021	143,769,915	114,005,482	27,659,759	2,104,674
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Surplus for the year	15,143,874	12,994,684	980,581	1,168,609
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	15,143,874	12,994,684	980,581	1,168,609
<b>Balance as at 31 March 2022</b>	<u>158,913,789</u>	<u>127,000,166</u>	<u>28,640,340</u>	<u>3,273,283</u>

The surplus for the financial year comprises the following :

	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
Accumulated Surplus	4	3,026,627	4,253,421
Ordinary Sinking Funds	5	5,974,050	10,573,971
Lift Replacement Funds	6	6,143,197	7,209,411
		<u>15,143,874</u>	<u>22,036,803</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 1988)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
<b>OPERATING ACTIVITIES</b>			
Deficit before taxation and Government grants (after Goods and Services Tax)		(1,552,277)	(769,251)
Adjustments for :			
Depreciation	9	623,997	382,741
Provision for doubtful debts	12	156,392	266,239
Operating transfer to Ordinary Sinking Fund	4	10,658,714	12,749,411
Operating transfer to Lift Replacement Fund	4	5,739,305	6,865,065
Investment income of operating fund (included in investing activities)	21	(72,394)	(88,656)
Operating cash inflows before movements in working capital		<u>15,553,737</u>	<u>19,405,549</u>
Receivables		5,677,117	(2,545,969)
Payables		(10,981,034)	3,221,152
(Decrease)/ Increase in advances received for Neighbourhood Renewal Programme/ Electrical Load Upgrading Programme, Net	8	(292,401)	1,394,661
<b>Cash generated from operations</b>		<u>9,957,419</u>	<u>21,475,393</u>
Income tax paid	23	(617,467)	(530,196)
Fund transfer to West Coast Town Council	33	-	(44,485,076)
Ordinary Sinking Fund expenditure inclusive of goods and services tax	5	(7,275,475)	(7,331,476)
Ordinary Sinking Fund other income received	5	1,384	1,429
Lift Replacement Fund expenditure inclusive of goods and services tax	6	(5,606,708)	(9,391,979)
Lift Replacement Fund other income received	6	17,427	47,954
Town Improvement and Project expenditure funded by grants	7	(2,860,431)	(1,654,892)
<b>Net cash used in operating activities</b>		<u>(6,383,851)</u>	<u>(41,868,843)</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of plant and equipment	9	(27,039)	(139,196)
Proceeds from redemption of bonds		3,750,000	8,000,000
Interest received		1,010,528	1,648,875
<b>Net cash generated from investing activities</b>		<u>4,733,489</u>	<u>9,509,679</u>
<b>FINANCING ACTIVITIES</b>			
Government grants received		12,322,029	18,474,797
Repayment of lease liabilities	16	(457,856)	(492,548)
Interest paid for lease liabilities	16	(43,110)	(20,120)
<b>Net cash generated from financing activities</b>		<u>11,821,063</u>	<u>17,962,129</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		10,170,701	(14,397,035)
<b>Cash and cash equivalents at the beginning of the year</b>		94,917,882	109,314,917
<b>Cash and cash equivalents at the end of the year</b>	14	<u><u>105,088,583</u></u>	<u><u>94,917,882</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 1988)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**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 1988. 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 1988, 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.

The financial statements of the Town Council for the financial year ended 31 March 2022 were authorised for issue by the management of the Town Council on 30 August 2022.

**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 1988.

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.

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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

**2. Summary of significant accounting policies (Continued)**

**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 2021. 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 47(1) of the Town Councils Act 1988, 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

**2. Summary of significant accounting policies (Continued)**

**2.5 Town Council Funds (Continued)**

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.

*Ordinary Sinking Funds*

In accordance with Section 47(4) of the Town Councils Act 1988, 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 Funds, the minimum contribution rates for conservancy and service charges and grants-in-aid for Ordinary Sinking Funds is 26% (2021: 26%).

Under the Town Councils Act 1988, 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% (2021: 26%) of conservancy and service fees and grants-in-aid
(ii)	4-rooms	26% (2021: 26%) of conservancy and service fees and grants-in-aid
(iii)	5-rooms	26% (2021: 26%) of conservancy and service fees and grants-in-aid
(iv)	Executive	26% (2021: 26%) of conservancy and service fees and grants-in-aid
(v)	Shop with living accommodation	26% (2021: 26%) of conservancy and service fees and grants-in-aid
(vi)	Commercial property	26% (2021: 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 1959.

*Lift Replacement Funds*

In accordance with Section 47(5) of the Town Councils Act 1988, separate Lift Replacement Funds ("LRF") are established with effect from 1 April 2017. These Lift Replacement Funds are maintained as part of the Town Council's Fund. The establishment of the LRF is a standalone fund to be carved out from the existing Sinking Funds and ring-fenced specifically for lift replacements and other lift-related replacement works.

With the establishment of the LRF, the minimum contribution rates for conservancy and service charges and grants-in-aid for Lift Replacement Funds is 14% (2021: 14%).

Under the Town Councils Act 1988, 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

**2. Summary of significant accounting policies (Continued)**

**2.5 Town Council Funds (Continued)**

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

*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 TIPF 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 47(12) and 57(1)(i) of the Town Councils Act 1988 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 Citizens’ Consultative Committees (“CCC”), Goods and Services Tax (“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) S&CC 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

**2. Summary of significant accounting policies (Continued)**

**2.8 Government grants (Continued)**

- (ii) Payments from CCC are given as reimbursement claims under the Community Improvement Projects Committee (“CIPC”) Scheme.
- (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) 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 LRF to supplement Town Council's savings.
- (v) 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 is 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 2 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 2022

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 2022

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:

	Rate of Provision
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.

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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

**2. Summary of significant accounting policies (Continued)**

**2.11 Impairment of non-financial assets (Continued)**

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.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

**2. Summary of significant accounting policies (Continued)**

**2.15 Financial liabilities (Continued)**

*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.

**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 1988. 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. Summary of significant accounting policies (Continued)

2.19 Revenue recognition (Continued)

*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.

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

2. Summary of significant accounting policies (Continued)

2.20 Leases (Continued)

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, as disclosed below:

• Office space	2 - 3 years
• Equipment	3 - 5 years
• Computer system	6 years

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 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.



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**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 1947. 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 2022**

**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  
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**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 2022, the tax payable by the Town Council was S\$851,587 (2021: S\$1,116,537).

(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\$1,399,026 (2021: S\$1,758,558).

(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	
		2022	2021	2022	2021	2022	2021	2022	2021
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>OPERATING INCOME</b>									
Conservancy and service fees		40,995,038	49,036,168	38,907,633	46,852,860	2,087,405	2,183,308	-	-
Less: Operating transfer to Ordinary Sinking Funds (minimum required by law)	5	(10,658,714)	(12,749,411)	(10,115,988)	(12,181,750)	(542,726)	(567,661)	-	-
Operating transfer to Lift Replacement Funds (minimum required by law)	6	(5,739,305)	(6,865,065)	(5,447,068)	(6,559,402)	(292,237)	(305,663)	-	-
		24,597,019	29,421,692	23,344,577	28,111,708	1,252,442	1,309,984	-	-
Agency fees	17	3,454,163	3,864,908	-	-	-	-	3,454,163	3,864,908
Other income	18	1,886,022	2,011,271	1,353,312	1,452,742	463,991	492,223	68,719	66,306
		29,937,204	35,297,871	24,697,889	29,564,450	1,716,433	1,802,207	3,522,882	3,931,214
Less: Operating Expenditure		(30,770,264)	(35,683,919)	(27,290,449)	(31,972,103)	(1,150,621)	(1,256,481)	(2,329,194)	(2,455,335)
<b>OPERATING (DEFICIT) / SURPLUS</b>		(833,060)	(386,048)	(2,592,560)	(2,407,653)	565,812	545,726	1,193,688	1,475,879
Less: Finance costs	16	(43,110)	(20,120)	(38,022)	(17,740)	(954)	(431)	(4,134)	(1,949)
Add: Investment Income	21	72,394	88,656	63,850	78,109	1,604	1,883	6,940	8,664
Less:									
Town Improvement Project Works	7	(500,010)	(173,275)	(478,730)	(169,959)	(21,280)	(3,316)	-	-
<b>(DEFICIT) / SURPLUS BEFORE INCOME TAX AND GOVERNMENT GRANTS</b>		(1,303,786)	(490,787)	(3,045,462)	(2,517,243)	545,182	543,862	1,196,494	1,482,594
Less:									
Goods & Services Tax	22	(248,491)	(278,464)	(219,181)	(245,411)	(5,545)	(5,943)	(23,765)	(27,110)
Income Tax (Expenses) / Credit	23	(149,078)	(196,278)	(141,301)	(205,290)	(3,657)	(4,592)	(4,120)	13,664
<b>(DEFICIT) / SURPLUS BEFORE GOVERNMENT GRANTS</b>		(1,701,355)	(965,529)	(3,405,944)	(2,967,944)	535,980	533,327	1,168,609	1,469,088
Add: Government grants	24	14,172,375	14,406,942	13,924,292	14,204,788	248,083	202,154	-	-
Less:									
Transfer to									
Ordinary Sinking Funds	5, 24	(2,048,793)	(2,261,546)	(2,044,287)	(2,261,145)	(4,506)	(401)	-	-
Lift Replacement Funds	6, 24	(1,103,197)	(1,217,754)	(1,100,772)	(1,217,538)	(2,425)	(216)	-	-
Lift Replacement Funds matching grants	6, 24	(3,431,972)	(4,053,800)	(3,284,825)	(3,903,762)	(147,147)	(150,038)	-	-
Town Improvement and Project Funds	7, 24	(2,860,431)	(1,654,892)	(2,776,824)	(1,604,320)	(83,607)	(150,572)	-	-
		4,727,982	5,218,950	4,717,584	5,218,073	10,398	927	-	-
<b>SURPLUS FOR THE YEAR</b>		3,026,627	4,253,421	1,311,640	2,250,079	546,378	534,254	1,168,609	1,469,088
<b>ACCUMULATED SURPLUS AT 1 APRIL</b>		6,758,683	6,890,074	3,401,228	1,129,318	1,252,781	1,154,092	2,104,674	4,606,664
Section 48 Transferable Surplus as at 22 June 2020	32	-	(2,657,868)	-	-	-	(144,774)	-	(2,513,094)
Amount transferred to West Coast Town Council	33	-	(1,726,944)	-	21,831	-	(290,791)	-	(1,457,984)
<b>ACCUMULATED SURPLUS AT 31 MARCH</b>		9,785,310	6,758,683	4,712,868	3,401,228	1,799,159	1,252,781	3,273,283	2,104,674



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**5. ORDINARY SINKING FUNDS**

Note	Total		Residential Property		Commercial Property	
	2022	2021	2022	2021	2022	2021
	S\$	S\$	S\$	S\$	S\$	S\$
<b>Balance at 1 April</b>	91,098,978	108,527,886	73,881,403	86,302,792	17,217,575	22,225,094
Add:						
Investment Income	689,826	3,125,865	672,853	3,051,791	16,973	74,074
Other Income	1,384	1,429	1,384	1,429	-	-
Operating transfer from conservancy and services fees	10,658,714	12,749,411	10,115,988	12,181,750	542,726	507,661
Government grants	2,048,793	2,261,546	2,044,287	2,261,145	4,506	401
	13,398,717	18,138,251	12,834,512	17,496,115	564,205	642,136
Less:						
Expenditure	(7,167,853)	(7,210,999)	(6,671,160)	(6,772,430)	(496,693)	(438,569)
Goods and Services tax	(107,622)	(120,477)	(104,970)	(117,629)	(2,652)	(2,848)
Income tax	(149,192)	(232,804)	(145,607)	(227,409)	(3,585)	(5,395)
	(7,424,667)	(7,564,280)	(6,921,737)	(7,117,468)	(502,930)	(446,812)
<b>Surplus for the year</b>	5,974,050	10,573,971	5,912,775	10,378,647	61,275	195,324
Section 48 Transferable Surplus as at 22 June 2020	-	1,727,614	-	1,633,511	-	94,103
Amount transferred to West Coast Town Council	-	(29,730,493)	-	(24,433,547)	-	(5,296,946)
<b>Balance at 31 March</b>	97,073,028	91,098,978	79,794,178	73,881,403	17,278,850	17,217,575
Represented by:						
<b>Non-Current Asset</b>						
Debt investments at amortised cost	4,250,000	3,000,000				
<b>Current Assets</b>						
Debt investments at amortised cost	211,458	5,000,000				
Conservancy and service fees receivables	147,909	278,663				
Other receivables	207,930	5,759,297				
Interest receivable	36,902,850	451,401				
Financial assets at fair value through profit or loss	53,555,446	36,166,630				
Cash and cash equivalents	3,683,688	41,075,610				
Due from accumulated surplus	94,709,281	3,254,739				
<b>Total Assets</b>	98,959,281	91,986,340				
<b>Current Liabilities</b>						
Conservancy and services fees received in advance	267,302	247,420				
Payables and accrued expenses	1,238,131	3,130,210				
Income tax payable	380,820	509,732				
	1,886,253	3,887,362				
<b>NET ASSETS</b>	97,073,028	91,098,978				

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**5 (a). ORDINARY SINKING FUNDS (CONTINUED)**

	2022	2021
	S\$	S\$
Reroofing works	1,637,982	846,505
Redecoration and repainting	2,750,209	3,920,788
Electrical rewiring	458,948	262,377
Replacement of water pipes	113,014	299,545
Replacement of water pumps & booster pumps	150,619	161,208
Centralised Pneumatic Waste Conveyance System	1,114,963	1,080,503
Others	942,118	640,073
	<u>7,167,853</u>	<u>7,210,999</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

6. LIFT REPLACEMENT FUNDS

Note	Total		Residential Property		Commercial Property	
	2022	2021	2022	2021	2022	2021
	S\$	S\$	S\$	S\$	S\$	S\$
<b>Balance at 1 April</b>	43,667,128	49,357,482	34,519,313	37,857,687	9,147,815	11,499,795
Add:						
Investment Income	258,587	408,149	252,255	398,584	6,332	9,565
Other Income	17,427	47,954	17,001	46,819	426	1,135
Operating transfer from conservancy and services fees	5,739,305	6,865,065	5,447,068	6,559,402	292,237	305,663
Government grants	1,103,197	1,217,254	1,100,772	1,217,538	3,425	216
Lift Replacement Fund matching grants	3,431,972	4,053,500	3,284,825	3,903,762	147,147	150,038
Fundings for Selective Lift Replacement Programme & Lift Enhancement Programme	1,253,664	4,105,520	1,236,672	4,001,650	16,992	103,870
<b>Less:</b>						
Expenditure	11,804,152	16,698,242	11,338,593	16,137,755	465,559	570,487
Goods and Services tax	(5,331,897)	(9,101,710)	(5,247,408)	(8,879,024)	(84,489)	(222,686)
Income tax	(274,811)	(290,269)	(268,022)	(283,371)	(6,789)	(6,898)
	(54,247)	(96,852)	(53,894)	(94,579)	(1,355)	(2,273)
	(5,606,955)	(9,488,831)	(5,568,334)	(9,256,974)	(92,631)	(231,857)
<b>Surplus for the year</b>	6,143,197	7,209,411	5,770,269	6,870,781	372,928	338,630
Section 48 Transferable Surplus as at 22 June 2020	-	930,254	-	879,583	-	50,671
Amount transferred to West Coast Town Council	-	(13,830,019)	-	(11,088,738)	-	(2,741,281)
<b>Balance at 31 March</b>	49,810,325	43,667,128	40,289,582	34,519,313	9,520,743	9,147,815
Represented by:						
<b>Non-Current Asset</b>						
Debt investments at amortised cost	-	5,000,000	-	-	-	-
<b>Current Assets</b>						
Debt investments at amortised cost	5,000,000	-	-	-	-	-
Conservancy and service fees receivables	113,862	150,049	-	-	-	-
Other receivables	823,673	980,980	-	-	-	-
Interest receivable	39,011	117,587	-	-	-	-
Receivables for Selective Lift Replacement Programme and Lift Enhancement Programme	5,974,225	4,818,739	-	-	-	-
Cash and cash equivalents	37,993,209	34,601,200	-	-	-	-
Due from accumulated surplus	1,799,451	1,758,049	-	-	-	-
<b>Total Assets</b>	51,743,431	47,426,604	-	-	-	-
<b>Current Liabilities</b>						
Conservancy and services fees received in advance	143,932	133,226	-	-	-	-
Payables and accrued expenses *	1,640,168	3,466,640	-	-	-	-
Income tax payable	149,006	159,610	-	-	-	-
<b>NET ASSETS</b>	49,810,325	43,667,128	-	-	-	-

\* Included amount for Selective Lift Replacement Programme of S\$Nil (2021: S\$1,505,364).

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6 (a). LIFT REPLACEMENT FUNDS (CONTINUED)

	2022	2021
	S\$	S\$
Replacement of lift batteries	98,748	352,420
Lift overhauls & replacement works	2,709,984	1,910,288
Selective lift replacement works	2,405,728	5,014,565
Lift Enhancement works	61,202	1,728,217
Others	56,235	96,220
	<b>5,331,897</b>	<b>9,101,710</b>



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7. TOWN IMPROVEMENT AND PROJECT FUNDS

Note	Total		Residential Property		Commercial Property	
	2022	2021	2022	2021	2022	2021
	S\$	S\$	S\$	S\$	S\$	S\$
<b>Balance at 1 April</b>	2,245,126	2,436,768	2,203,538	2,390,817	41,588	45,951
Add/(Less):						
Government grants	4, 24	2,860,431	1,654,892	2,776,824	1,604,320	83,607
Expenditure		(3,360,441)	(1,828,167)	(3,255,554)	(1,774,279)	(104,887)
Town Improvement Project Works transfer from accumulated surplus	4	500,010	173,275	478,730	169,959	21,280
<b>Surplus for the year</b>		-	-	-	-	-
Add/(Less):						
Amount transferred to West Coast Town Council	33	-	(191,642)	-	(187,279)	-
<b>Balance at 31 March</b>		2,245,126	2,245,126	2,203,538	2,203,538	41,588
Represented by:						
		2022	2021			
		S\$	S\$			
<b>Current assets</b>						
Grants receivable		6,031,343	4,033,959			
Other receivable		63,049	-			
<b>Total assets</b>		6,094,392	4,033,959			
<b>Current liabilities</b>						
Payables and accrued expenses		428,442	879,770			
Amount due to accumulated surplus		3,420,824	909,063			
<b>Total liabilities</b>		3,849,266	1,788,833			
<b>NET ASSETS</b>		2,245,126	2,245,126			

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

The movement in the balance is as follows:

	2022	2021
	S\$	S\$
Balance at 1 April	407,019	455,462
Funding from government for Neighbourhood Renewal Programme	1,435,627	5,171,851
Reimbursement from HDB for Electrical Loading Upgrading Programme	863,473	1,024,251
Payment and/or due to contractors	(2,591,501)	(4,801,441)
Transfer to West Coast Town Council	-	(1,443,104)
Net movement during the year	(292,401)	(48,443)
<b>Balance at 31 March</b>	<b>114,618</b>	<b>407,019</b>
	2022	2021
	S\$	S\$
Advances received for Neighbourhood Renewal Programme	447,042	1,077,732
Receivables for Electrical Loading Upgrading Programme	(332,424)	(670,713)
<b>Net</b>	<b>114,618</b>	<b>407,019</b>

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\$
<b>Cost</b>						
At 1 April 2020	671,213	299,400	680,585	29,809	2,418,758	4,099,765
Additions	-	139,196	46,143	-	-	185,339
Transfer to West Coast Town Council	(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 and 1 April 2021	503,125	371,503	664,971	25,299	1,870,960	3,435,858
Additions	27,039	-	141,434	-	-	168,473
At 31 March 2022	530,164	371,503	806,405	25,299	1,870,960	3,604,331
<b>Accumulated Depreciation</b>						
At 1 April 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 West Coast Town Council	(153,236)	(25,888)	(40,461)	(1,993)	-	(221,578)
Written off	(12,307)	(17,367)	-	-	-	(29,674)
At 31 March 2021 and 1 April 2021	483,376	250,638	449,076	12,290	66,183	1,261,563
Depreciation	11,432	50,574	232,900	5,491	323,600	623,997
At 31 March 2022	494,808	301,212	681,976	17,781	389,783	1,885,560
<b>Net book value</b>						
At 31 March 2021	19,749	120,865	215,895	13,009	1,804,777	2,174,295
At 31 March 2022	35,356	70,291	124,429	7,518	1,481,177	1,718,771

The initial measurement of right of use - computer system is based on the physical property unit ("PPU") managed by the Town Council. In the year ended 31 March 2021, 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**

	2022	2021
	S\$	S\$
Quoted debt securities, at amortised cost	9,250,000	13,000,000
Quoted debt securities, at amortised cost	9,250,000	13,000,000
Less: current portion - quoted debt securities	(5,000,000)	(5,000,000)
Non-current portion	4,250,000	8,000,000
With maturity within 1 year : 1.825% p.a. (2021 : 1.95% p.a.)	5,000,000	5,000,000
With maturity 1 to 5 years : 1.645% to 2.505% p.a. (2021 : 1.825% to 2.505% p.a.)	4,250,000	8,000,000
At amortised cost	9,250,000	13,000,000
Market value at 31 March	9,231,233	13,266,465

Financial assets held at amortised costs are denominated in Singapore dollar. The fair value of government bonds are based on quoted market rates at the reporting date.

The Town Council purchased government bonds with the objective to hold them till maturity so as to collect the contractual interest. There is no intention to sell these bonds before their contractual maturity dates. Henceforth, these bonds are not adjusted to market value as at each financial year end, as the Town Council has assessed such fluctuations in market value to be temporary.

**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:

	2022	2021
	S\$	S\$
Quoted equities	5,818,053	6,109,330
Quoted debt securities	31,084,797	30,057,300
	36,902,850	36,166,630

**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:

	2022	2021
	S\$	S\$
Conservancy and service fees receivables	2,586,344	2,702,843
Rate of provision		
Live accounts with arrears in excess of 12 months	100% 1,716,484	1,420,247
Terminated accounts with arrears in excess of 12 months	100% 56,560	210,817
Expected credit loss as at 31 March	1,773,044	1,631,064
Net	813,300	1,071,779

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

	2022	2021
	S\$	S\$
Balance at 1 April	1,631,064	2,033,908
Additional charge during the year	156,392	266,239
Bad debt written off	(14,412)	(5,963)
Amount transferred to West Coast Town Council	-	(663,120)
Balance at 31 March	1,773,044	1,631,064

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**13. OTHER RECEIVABLES**

	2022	2021
	S\$	S\$
Claims from Citizens' Consultative Committee funding receivable	6,031,343	4,033,959
Receivables from Housing Development Board	459,983	550,348
GST receivable from Inland Revenue Authority of Singapore	199,526	577,253
Receivables from Ministry of National Development	427,861	446,821
Deposits and Prepayments	658,464	734,621
Receivables from contractors	109,871	170,821
S&CC operating grant receivables	50,118	84,431
Lift Replacement Fund Matching Grant receivables	740,158	755,116
Due from CDP for redemption of bond	-	5,000,000
Others	113,339	63,799
	8,790,663	12,417,169

All receivables are denominated in Singapore dollar.

**14. CASH AND CASH EQUIVALENTS**

	2022	2021
	S\$	S\$
Cash on hand	5,210	4,372
Cash at banks	10,883,441	23,857,582
Cash with fund managers	473,655	884,189
	11,362,306	24,746,143
Fixed deposits	94,199,932	71,055,928
	105,562,238	95,802,071

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

	2022	2021
	S\$	S\$
Cash and cash equivalents as above	105,562,238	95,802,071
Less: Cash placed with fund managers	(473,655)	(884,189)
	105,088,583	94,917,882

Fixed deposits are placed for varying periods from one month to one year (2021: one month to one year). The interest rates range from 0.10% to 1.05% (2021: 0.25% to 1.10%) per annum.

**15. PAYABLES AND ACCRUED EXPENSES**

	2022	2021
	S\$	S\$
Accrued operating expenses	106,121	110,667
Deposits received	746,936	644,568
Payables	6,105,780	17,260,944
	6,958,837	18,016,179

All payables and accrued expenses are denominated in Singapore dollar.

Included in payables are amount due to the managing agent amounting to S\$281,895 (2021: S\$1,557,525).



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**16. LEASE LIABILITIES**

	2022	2021
	S\$	S\$
<u>Maturity analysis:</u>		
Year 1	361,028	504,443
Year 2	332,794	312,111
Year 3	293,224	283,594
Year 4	283,830	283,373
Year 5	213,806	283,830
Year 6	-	213,806
	1,484,682	1,881,157
Less: Future interest expense	(85,656)	(122,599)
	1,399,026	1,758,558
<u>Analysed as:</u>		
Current	328,200	464,034
Non-current	1,070,826	1,294,524
	1,399,026	1,758,558

The lease liabilities are denominated in Singapore dollar.

Reconciliation of liabilities arising from financing activities

	2022	2021
	S\$	S\$
At 1 April	1,758,558	2,797,188
New leases during the year (Note 9)	141,434	46,143
Remeasurement of lease (Note 9)	-	(547,798)
Transfer to West Coast Town Council	-	(24,307)
Financing cash flows	(457,856)	(492,548)
Interest expenses	(43,110)	(20,120)
At 31 March	1,399,026	1,758,558

**17. AGENCY FEES**

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

**18. OTHER INCOME**

	2022	2021
	S\$	S\$
Interest on late payment of conservancy and service fees	151,066	110,453
Liquidated damages	64,229	106,174
Temporary occupation licenses	1,281,721	1,492,061
Usage of void deck, water, electricity and common property	97,609	62,570
Income from sale of tender documents/forfeiture of tender deposits	146,850	158,583
Others	144,547	81,430
	1,886,022	2,011,271

**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**

	Note	2022	2021
		S\$	S\$
Advertising, publicity and public relations		245,497	411,898
Electronic collection charges		104,285	108,632
Audit fee		39,500	88,680
Computer services		57,740	391,214
Depreciation	9	623,997	382,741
Fixed assets not capitalised		1,596	830
Lease expenses for small value assets		56,536	12,967
Water and electricity		12,245	10,139
Cleaning costs		42,203	35,037
Upkeeps and repairs		13,489	5,637
Office supplies and stationery		104,173	106,302
Property tax		97,388	156,427
Town Councillors' allowance		178,200	173,837
Allowance for doubtful debts	12	156,392	266,239
Others		98,113	108,739
		1,831,354	2,259,319

	2022	2021
	S\$	S\$
This is allocated to the following expenditure:		
Operating expenditure	1,742,873	2,153,330
Ordinary Sinking fund expenditure	57,513	68,893
Lift Replacement fund expenditure	30,968	37,096
	1,831,354	2,259,319

**21. INVESTMENT INCOME**

	Note	2022	2021
		S\$	S\$
<u>Accumulated Surplus</u>			
Interest income from fixed deposits and bank current accounts	4	72,394	88,656
<u>Ordinary Sinking Funds</u>			
Interest income from fixed deposits and bank current accounts		228,955	573,606
Interest from quoted debt securities, at amortised cost		128,897	359,860
Gain realised arising from changes in financial assets at fair value through profit or loss		1,132,379	534,418
(Loss) / Gain unrealised arising from changes in financial assets at fair value through profit or loss		(800,405)	1,657,981
	5	689,826	3,125,865
<u>Lift Replacement Funds</u>			
Interest income from fixed deposits and bank current accounts		167,337	316,899
Interest from quoted debt securities, at amortised cost		91,250	91,250
	6	258,587	408,149

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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:-

	Note	2022 S\$	2021 S\$
Accumulated Surplus	4	248,491	278,464
Ordinary Sinking Funds	5	107,622	120,477
Lift Replacement Funds	6	274,811	290,269
		<u>630,924</u>	<u>689,210</u>

**23. INCOME TAX EXPENSE**

	Note	2022 S\$	2021 S\$
Current year income tax provision		314,215	499,071
Under provision in respect of prior years		38,302	26,863
		<u>352,517</u>	<u>525,934</u>
Taken up in:			
Accumulated Surplus	4	149,078	196,278
Ordinary Sinking Funds	5	149,192	232,804
Lift Replacement Funds	6	54,247	96,852
Tax Expense		<u>352,517</u>	<u>525,934</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:

	2022 S\$	2021 S\$
Interest income	1,335,899	2,441,184
Other income	875,117	911,442
	<u>2,211,016</u>	<u>3,352,626</u>
Tax calculated at Singapore tax rate of 17%	375,873	569,946
Income tax exemption	(17,425)	(17,425)
Tax effect of certain income taxed at concessionary tax rate	(60,256)	(68,899)
Under provision in respect of prior years	38,302	26,863
Others	16,023	15,449
	<u>352,517</u>	<u>525,934</u>

The movements in income tax payable are as follows:

	2022 S\$	2021 S\$
Balance at 1 April	1,116,537	1,120,799
Income tax paid	(617,467)	(530,196)
Provision during the year	352,517	525,934
Balance at 31 March	<u>851,587</u>	<u>1,116,537</u>

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**24. GOVERNMENT GRANTS**

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

	Note	2022 S\$	2021 S\$	Conservancy and Service	Citizens' Consultative Committee	GST Subvention Grant	Lift Maintenance Grant	LRF Matching Grant
Government grants received/receivable during the financial year	4	14,172,375	14,406,942	5,656,210	2,860,431	1,510,962	712,800	3,431,972
Less: Transfer to Ordinary Sinking Funds	4, 5	(2,048,793)	(2,261,546)	(1,470,615)	-	(392,850)	(185,328)	-
Transfer to Lift Replacement Funds	4, 6	(4,535,169)	(5,271,554)	(791,869)	-	(211,536)	(99,792)	(3,431,972)
Transfer to Town Improvement and Project Funds	4, 7	(2,860,431)	(1,654,892)	-	(2,860,431)	-	-	(4,053,800)
		<u>4,727,982</u>	<u>5,218,950</u>	<u>3,393,726</u>	<u>-</u>	<u>906,576</u>	<u>427,680</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:

	2022 S\$	2021 S\$
Cumulative total grants received / receivable up to 1 April	292,092,840	277,685,898
Grants received / receivable during the financial year	14,172,375	14,406,942
Cumulative total grants received / receivable up to 31 March	<u>306,265,215</u>	<u>292,092,840</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:

	2022	2021
	S\$	S\$
Amount approved and contracted for	25,895,486	27,421,598
Amount approved and not contracted for	56,621,012	46,289,471
	<u>82,516,498</u>	<u>73,711,069</u>

The commitments amount included Neighbourhood Renewal Programme projects amounting to S\$4,764,060 (2021: S\$7,746,735), 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:

	2022	2021
	S\$	S\$
Managing agent's fees	4,015,892	4,612,003
Lift testing fees	432,000	432,000
Project management and Fire safety manager fees	<u>547,574</u>	<u>612,233</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 2022. 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\$1,773,044 (2021: S\$1,631,064) is determined at the reporting date.

There is no concentration of credit risk with respect to conservancy and service fees receivables, 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:

	Note	2022	2021
		S\$	S\$
Not past due		203,272	243,332
Past due 0-12 months		514,950	720,093
Past due 12-24 months		536,470	554,984
Over 24 months		<u>1,331,652</u>	<u>1,184,434</u>
		2,586,344	2,702,843
		<u>(1,773,044)</u>	<u>(1,631,064)</u>
Allowance for impairment	12	<u>813,300</u>	<u>1,071,779</u>

Conservancy and service fees receivables amounting to S\$813,300 (2021: S\$1,071,779) 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 Councils Financial Rules on investments and investment criteria.

The Funds with fund manager 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.

	Increase/(Decrease)			
	Net Assets		Ordinary Sinking Fund Statement	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Funds with a fund manager				
- increase by 10%	3,690,285	3,616,663	3,690,285	3,616,663
- decrease by 10%	<u>(3,690,285)</u>	<u>(3,616,663)</u>	<u>(3,690,285)</u>	<u>(3,616,663)</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.

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**28. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)**

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.

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 and 14 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 \$41,632 (2021 : \$56,929) higher/lower.

(iii) Foreign Currency Risk

Town Council is not exposed to foreign currency risk as at 31 March 2022 and 2021.

(e) 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 liabilities.

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 undiscounted cash flows:

	Within 1 year S\$	1-5 years S\$	More than 5 years S\$	Adjustments S\$	Total S\$
<b>As at 31 March 2022</b>					
<u>Financial assets</u>					
Debt investments at amortised cost	5,037,500	4,514,282	-	(301,782)	9,250,000
Financial assets at fair value through profit or loss	36,902,850	-	-	-	36,902,850
Conservancy and service fees receivables	813,300	-	-	-	813,300
Other receivables (exclude prepayment)	8,699,187	-	-	-	8,699,187
Receivables for Selective Lift Replacement	5,974,225	-	-	-	5,974,225
Programme/ Lift Enhancement Programme					
Interest receivable	253,893	-	-	-	253,893
Cash and cash equivalents	105,562,238	-	-	-	105,562,238
<u>Financial liabilities</u>					
Payables and accrued expenses	6,958,837	-	-	-	6,958,837
Lease liabilities	361,028	1,123,654	-	(85,656)	1,399,026
<b>As at 31 March 2021</b>					
<u>Financial assets</u>					
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	4,818,739	-	-	-	4,818,739
Programme/ Lift Enhancement Programme					
Interest receivable	569,140	-	-	-	569,140
Cash and cash equivalents	95,802,071	-	-	-	95,802,071
<u>Financial liabilities</u>					
Payables and accrued expenses	18,016,179	-	-	-	18,016,179
Lease liabilities	504,443	1,162,908	213,806	(122,599)	1,758,558

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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 2022 and 31 March 2021.

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<b>Recurring fair value measurement</b>				
<b>31 March 2022</b>				
Financial assets at fair value through profit or loss (Note 11)	36,902,850	-	-	36,902,850
<b>31 March 2021</b>				
Financial assets at fair value through profit or loss (Note 11)	36,166,630	-	-	36,166,630

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 2022 and 31 March 2021 but for which fair value is disclosed :

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$	Carrying amount S\$
<b>31 March 2022</b>					
Debt investments at amortised cost (Note 10)	9,231,233	-	-	9,231,233	9,250,000
<b>31 March 2021</b>					
Debt investments at amortised cost (Note 10)	13,266,465	-	-	13,266,465	13,000,000

**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.

**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\$158,913,789 (2021: S\$143,769,915).



**CHUA CHU KANG TOWN COUNCIL**  
(Established under the Town Councils Act 1988)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**32. SECTION 48 TRANSFERABLE SURPLUS AS AT 22 JUNE 2020**

This represents a transfer of 80% of the accumulated surplus to Sinking Funds under Section 48 of Town Councils 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 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.

**33. 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 S\$	Residential Property Funds S\$	Commercial Property Funds S\$	Carpark Fund 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:					
<b>Non-current asset</b>					
Plant and equipment		50,196			
<b>Current assets</b>					
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			
		<u>48,011,852</u>			
		48,062,048			
<b>Non-current liability</b>					
Lease liabilities		1,301			
<b>Current liabilities</b>					
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			
		<u>2,581,649</u>			
Net assets		<u>45,479,098</u>			





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