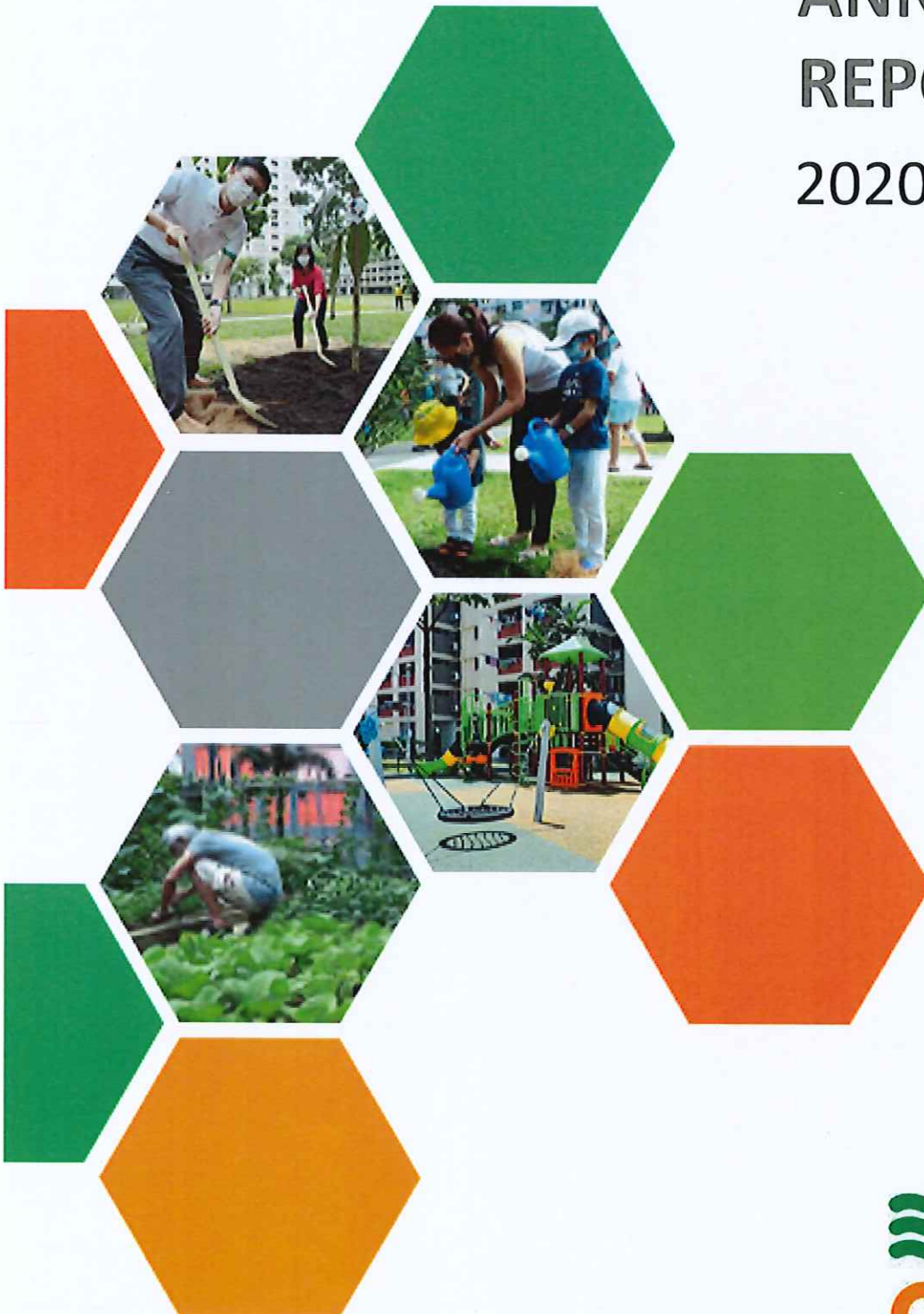


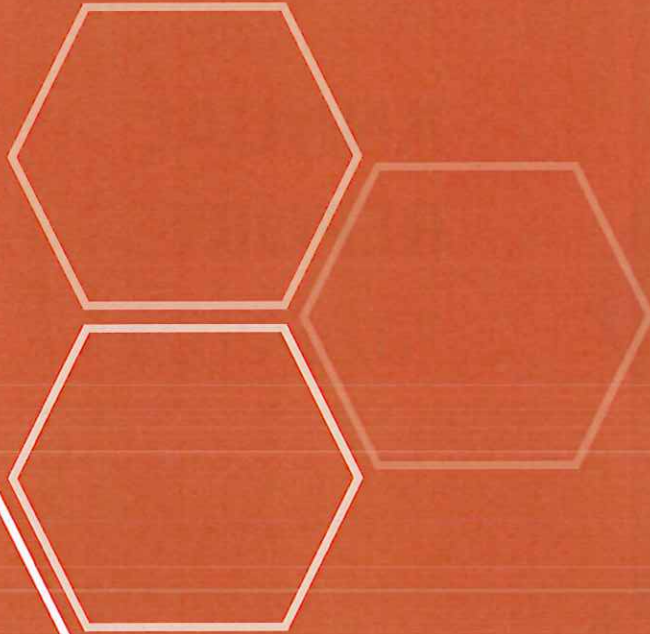


**EAST COAST**  
TOWN COUNCIL

# ANNUAL REPORT 2020/2021



**EAST  
COAST**  
HOME TO THE SUNNY SIDE



Financial statements

**EAST COAST TOWN COUNCIL**

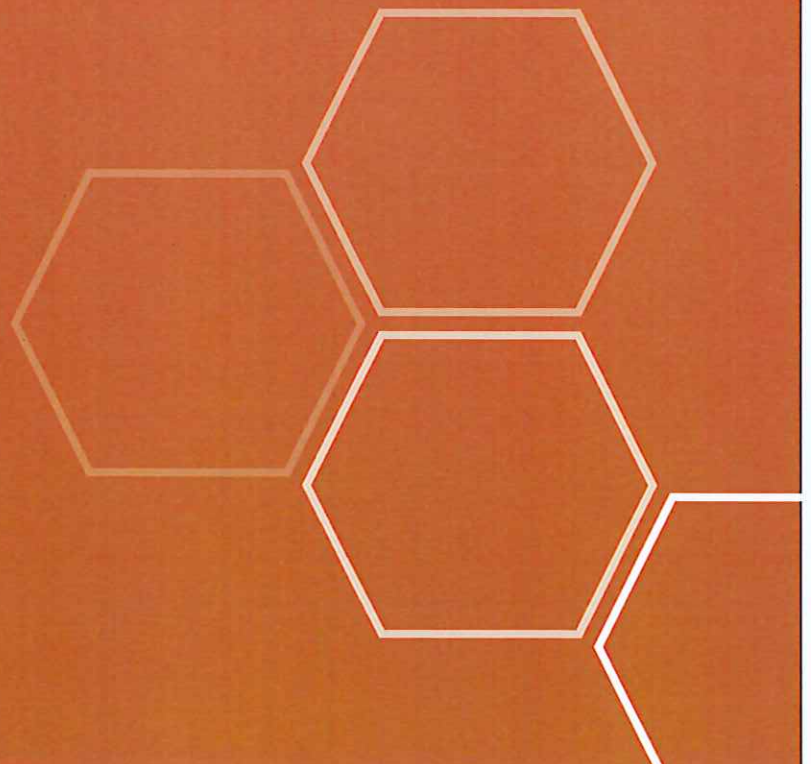
(Established under Town Councils Act, Cap. 329A)

For the year ended 31 March 2021



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## Chairman's Message



Financial Year 2020/2021 has been a memorable year for everyone here in East Coast with many challenges arising along the way. The COVID-19 pandemic continues to significantly affect our way of life, not just here in Singapore but around the world. In the midst of this pandemic, we will ensure that all Town Council managed areas are hygienic and safe for our residents. We will remain unwavering in our commitment to achieve the goal of improving the quality of life of all East Coast residents.

I would also like to take this opportunity to thank all the heroic individuals who have been on the frontlines of the pandemic, from the residents of East Coast who work in the health industry, to the many cleaners and maintenance workers. Your sacrifice is appreciated by all of us.

The East Coast Plan, put together in consultation with our very own residents, acts to create a caring, green and vibrant estate for all our residents. With an aging population, we want to ensure that our residents have easy and ready access to daily necessities and important facilities. We have started to put together working plans to make our town more elderly-friendly and enhancing the quality of life for our valued seniors. For East Coast residents at large, we are working towards increasing park connectivity. We hope this promotes a healthier lifestyle through easy access to the great outdoors.

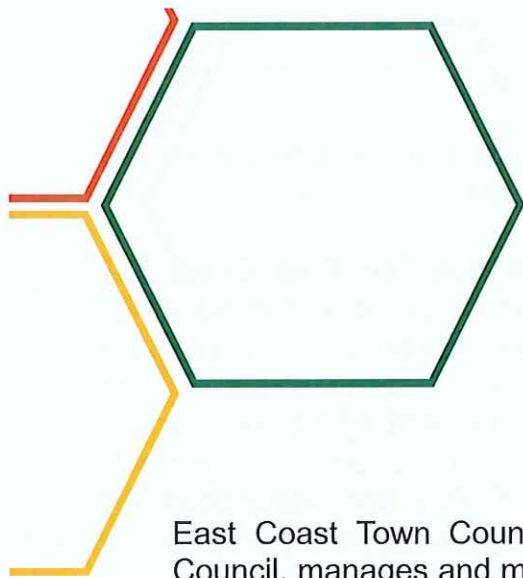
We will continue to make great strides in “greening up” our town and take the next steps in our sustainability plan to reduce the heat in our living environment. As part of our efforts to combat climate change, we are launching an initiative to install solar panels to harness clean reusable

energy for our town and to reduce our carbon footprint.

We want to build an East Coast that residents can be proud to call home. To do that, we continue to make our neighbourhoods more liveable and comfortable by embarking on various Community Improvement Projects Committee (CIPC) and Neighbourhood Renewal Programme (NRP) projects, as well as other improvement works.

Working from home this past year has reinforced the importance of having a world-class digital infrastructure for many Singaporeans. Under the East Coast Digital Blueprint, we have several ongoing efforts and are launching various programmes to help East Coast residents harness digital technology. Schemes like Neu PC Plus support families with young children and seniors to access affordable devices and broadband connectivity. To ensure that low-income families do not get left behind, we are also working with community volunteer groups like SG Bono to refurbish used computers and laptops, and repair faulty ones.

COVID-19 may afflict Singapore for some time to come. That is why your continued resilience and community spirit are as important as ever to ensure that East Coast emerges more united and resolute. I have seen this first hand while walking the ground and meeting residents. My team and I are incredibly proud to be part of this community and look forward to your continued support to make East Coast a caring, green and vibrant home for all.



# Corporate Information

*1 April 2020 to 31 March 2021*

East Coast Town Council, formerly known as East Coast-Fengshan Town Council, manages and maintains the common properties of the HDB estates in Bedok, Changi Simei, Kampong Chai Chee, Siglap of East Coast Group Representation Constituency and Fengshan Single Member Constituency prior to the General Election 2020.

As of 30 July 2020, following the General Election 2020, the Town Council is now known as East Coast Town Council and the Town Council comprises of Bedok, Changi Simei, Kampong Chai Chee, Siglap and Fengshan Divisions.

## Residential

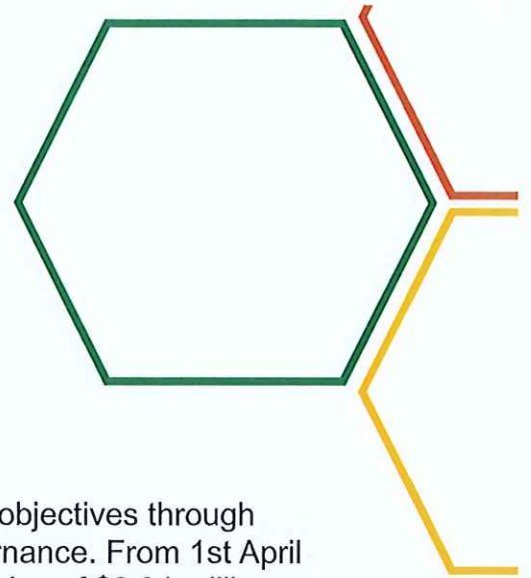
461	1-Room Flat	1,566	2-Room Flat
11,452	3-Room Flat	15,125	4-Room Flat
8,193	5-Room Flat	907	Executive Apt/ Maisonette Flat

## Commercial

998	Markets / Hawker Stalls
625	Shops
129	Miscellaneous
63	Banks / Offices

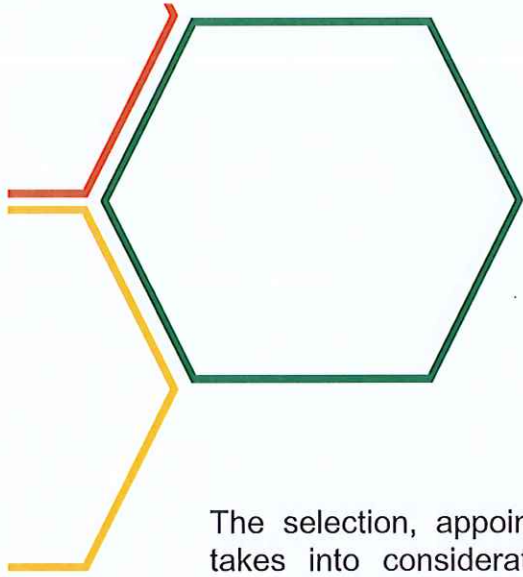


# Financial Overview



In the last financial year, we continued to meet our objectives through prudent financial management and corporate governance. From 1st April 2020 to 31st March 2021, we had an operating surplus of \$2.84 million and an accumulated surplus of \$3.77 million after government grants.

The Town Council's sinking fund and lift replacement fund closed at \$65.60 million and \$25.02 million respectively. The Sinking Fund is utilized for extensive cyclical works which is essential in maintaining our matured estate. We will continue to exercise prudence in spending, drive cost-saving and make adjustments where necessary to utilise our funds effectively.



# Corporate Governance

## *Composition and Structure*

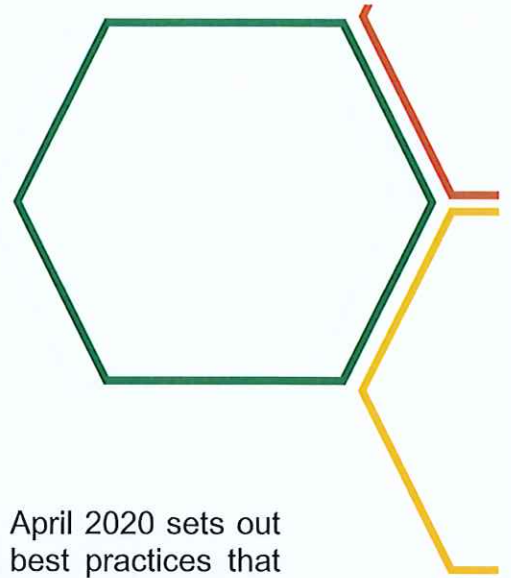
The selection, appointment and reappointment of Town Councillors takes into consideration the composition of the Council and the relevant experience, skills and/or consideration of the members. In appointing the Town Councillors:

- (a) The Council considers a variety of factors, including audit and financial skills, time commitment, and prior experience; and
- (b) At least two-thirds of the appointed Town Councillors must be residents of the HDB housing estates within the Town.



# Corporate Governance

## *Code of Governance Practices*



The Code of Governance which took effect from 1 April 2020 sets out the principles of good governance and highlights best practices that guide the Town Councils in executing their fiduciary responsibilities, improving accountability and disclosure.

East Coast Town Council exercises the code of governance practices, with the aim to provide greater transparency and raise governance standards. Policies and processes were developed and implemented in line with guiding principles of the Code across four main domains – Council Effectiveness, Internal Controls & Processes, Financial Management and Vendor Management.

The Town Council further manages risks effectively by providing a systematic framework – Enterprise Risk Management (ERM). By identifying key risks through structured risk assessment methodology, the Town Council was able to conduct a deep dive into the risk consequences and put in place effective actionable controls and supporting policies to address these risks adequately. This systematic framework is an ongoing effort which supports the Town Council and management in making informed strategic and operational decisions that resonates with the objectives of the Town Council.

The Council is of the opinion that the Risk Management Framework and supporting internal control policies and procedures are adequate to address the risks of the Town Council.



# Corporate Governance

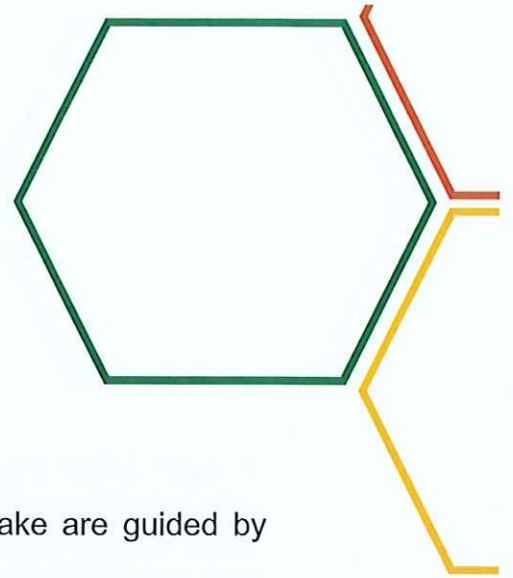
## *Business Continuity Plan*

The Town Council has established a Business Continuity Plan to help ensure that its operations can continue during a time of emergency or disaster. Such emergencies or disasters might include a fire or any other cases where business is not able to occur under normal conditions.

In coming up with the plan, the Town Council has ensured that its scope is comprehensive and covers its operations adequately. Components of the plan fall under three categories namely Finance, Estate Management and Others. Noteworthy components of the plan include service and conservancy charges collection (Finance), call centre and pest control services (Estate Maintenance), and town improvement works (Others).



# Three Pillars of East Coast Town Council



The projects that East Coast Town Council undertake are guided by three pillars:



**Building a Caring Community**

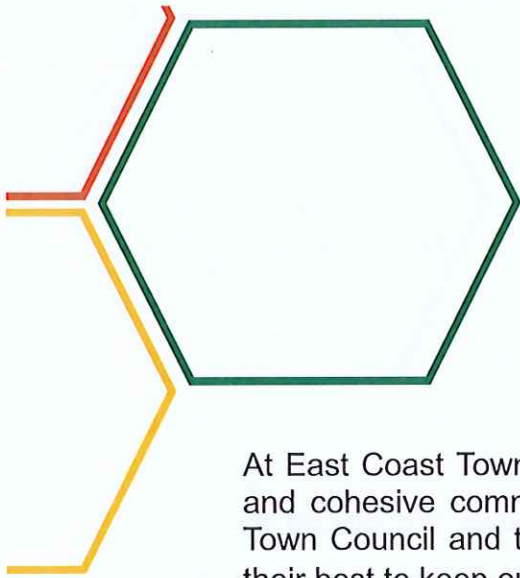


**Creating a Vibrant Neighbourhood**



**Shaping a Green Future**





## ♥ Building a Caring Community

At East Coast Town Council, we constantly strive to cultivate a caring and cohesive community. We appreciate the work of our staff at the Town Council and the efforts of the conservancy team who are doing their best to keep our estates clean.

As we are not able to hold similar appreciation celebrations like what we had done in the pre-pandemic years. We showed our appreciation to our conservancy team in a different way. As part of the SG Clean Day, our cleaners were given a day off. Care packs, NTUC vouchers and food vouchers were also distributed to show support and care to the cleaners.

This COVID-19 outbreak has gradually become endemic. Maintaining the cleanliness of our estates remain our top priority. We strive to continue our efforts in maintaining cleanliness in the estates and with the support from residents, keep our community safe for all.





# Creating a Vibrant Neighbourhood

## Cyclical Projects

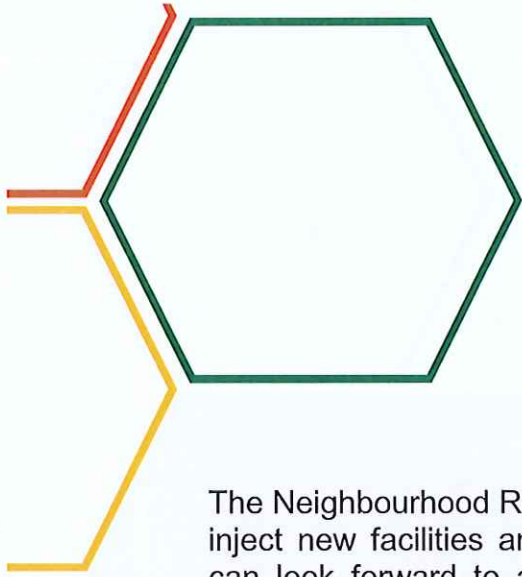


At the start of each financial year, we set aside our budget to plan for comprehensive cyclical work programmes. This is one of our major expenditure and is essential in keeping our homes and common facilities in good condition.

Cyclical works include electrical re-wiring, re-roofing, re-decoration & repainting, replacement of water pipes, water pumps, refuse chute flushing system, etc. These works are carried out regularly to ensure optimum condition of our facilities and amenities.

In this financial year, a total of \$1.46 million was spent on these essential works. With the implementation of the Lift Enhancement Programme to further improve and ensure the safety of lifts in the estate, we have spent a total of \$2.60 million on lift replacement and maintenance works.





# Creating a Vibrant Neighbourhood

## *Neighbourhood Renewal Programme*

The Neighbourhood Renewal Programme (NRP) is a national project to inject new facilities and amenities into the existing estate. Residents can look forward to an upgraded neighbourhood with new common area facilities such as children playgrounds, drop-off points, jogging tracks etc. These improvements to the common spaces will be able to enhance the living environment for residents.

This programme is fully funded by the Government and implemented by the Town Council. It is managed by the Working Committee consisting of Town Council, Grassroots organisations, HDB and appointed consultants.

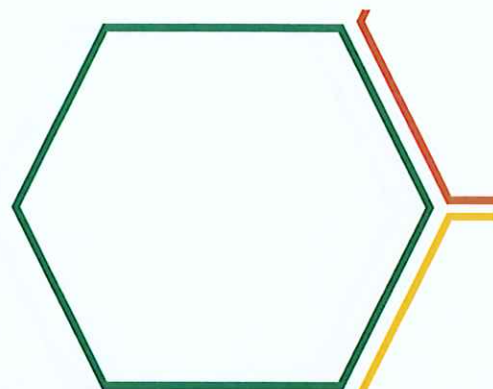
We actively engage residents by seeking feedback and suggestions on the proposed improvements for the neighbourhood through dialogue sessions, NRP public consultations, exhibitions and surveys. Feasibility study has been conducted on the feedback received and incorporated into the design proposal for the Consensus Gathering Exercise.





# ☀️ Creating a Vibrant Neighbourhood

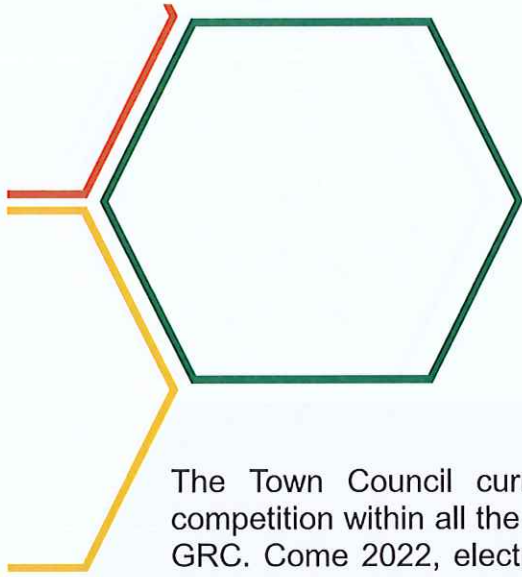
## *Town Improvement Projects*



Town Improvement Projects implemented were chosen with careful consideration and consultation with our grassroots organisations and residents to better understand the needs in the neighbourhood.

For FY20/21, a total of \$2.77 million was invested in town improvement projects.





## Shaping a Green Future

The Town Council currently holds a recycling competition within all the estates in the East Coast GRC. Come 2022, electronic waste (e-waste) will be a new category where residents can earn points for their estates.

In collaboration with NEA's e-waste vendor, ALBA, East Coast Town Council will be holding e-waste collection drives when the pandemic situation improves. To kick start the e-waste collection, we have discussed with ALBA to designate some bin compounds to collect e-waste, they will then be collected by ALBA at the designated time

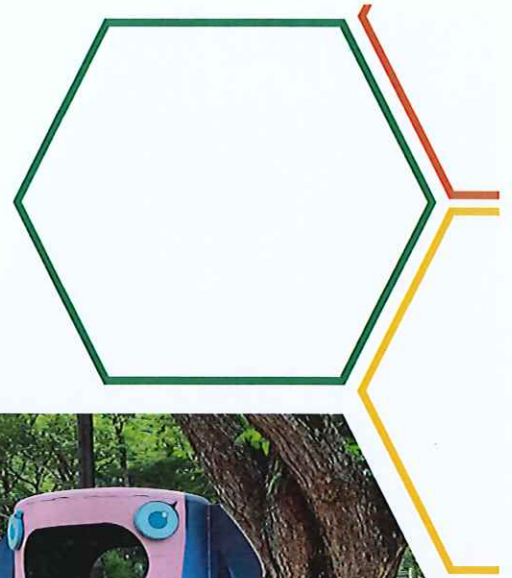


AGT Photo Contest  
Photo by: Lim Seng Choon

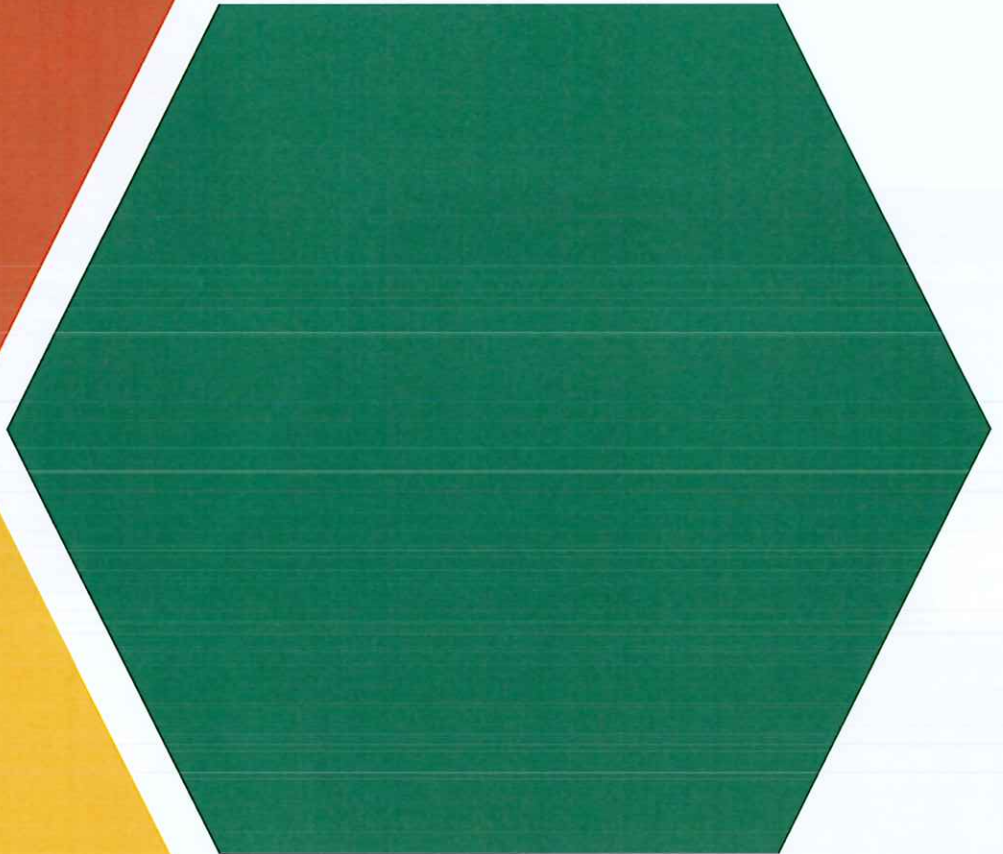
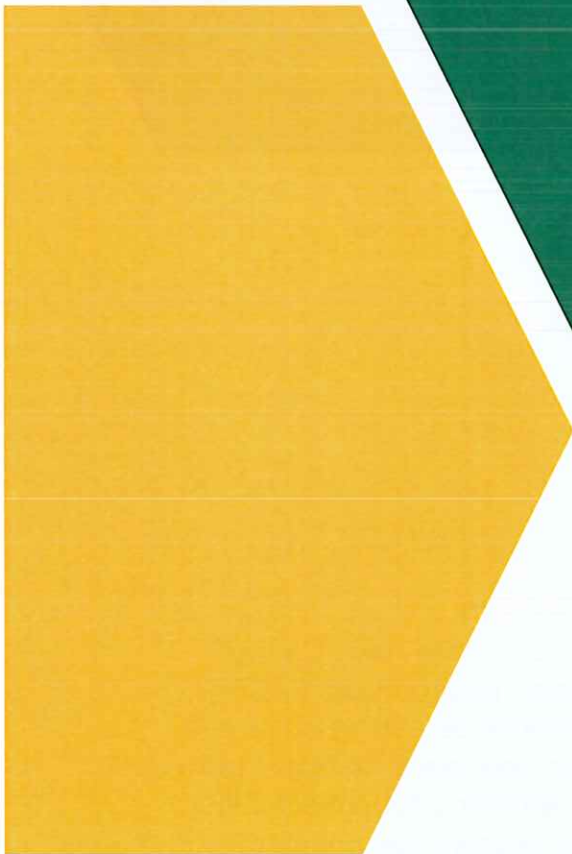
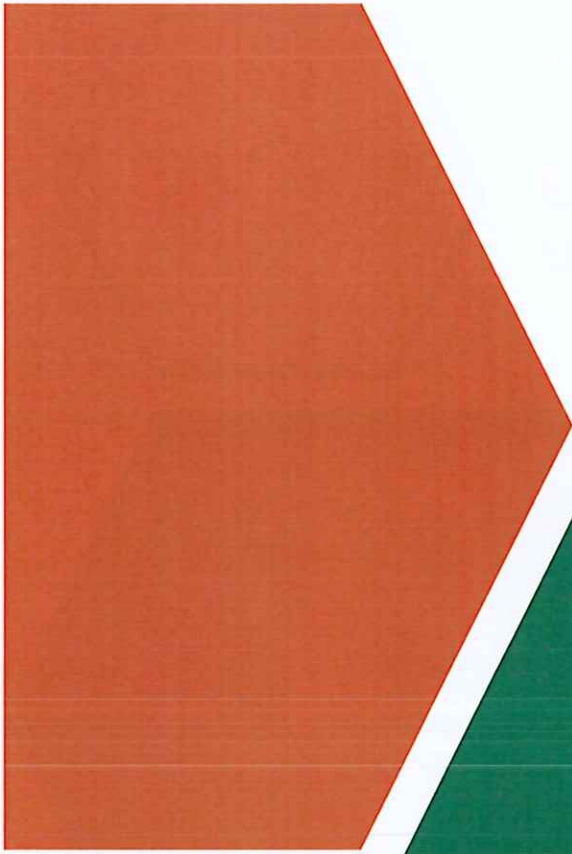




# Shaping a Green Future

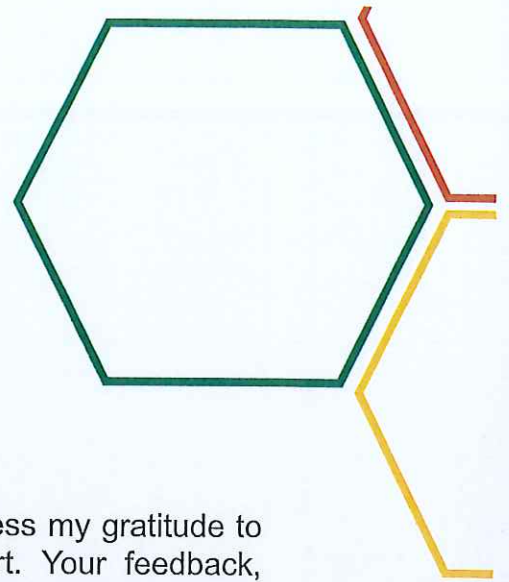


As part of our move towards a green future, East Coast Town Council is working with the Ministry of Sustainability and Environment (MSE) pilot recycling projects. One of the pilot projects include setting up of a semi-transparent recycling bin with an aim to find out if it helps to reduce the contamination of the recyclables. Another pilot project will be to find out the effectiveness of a comingled recycling bin compared to a recycling bin that has separated housing for each type of recyclable. These pilot projects will be held in Bedok division.



## Conclusion





On behalf of the Town Council, I would like to express my gratitude to all our residents for your partnership and support. Your feedback, suggestions provide valuable insights for us to continue to improve our services.

I would also like to extend my sincere appreciation to my parliamentary colleagues, our Town Councillors, grassroots organizations, the various government agencies, community partners and our staff for their commitment and contributions. They have been instrumental in our endeavor to serve our residents and to make East Coast Town a better home for all.

---

**Jessica Tan Soon Neo**  
Chairman  
East Coast Town Council

Financial statements

**EAST COAST TOWN COUNCIL**

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

For the year ended 31 March 2021



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## **Report on the Audit of the Financial Statements**

### *Opinion*

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

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

### *Basis for Opinion*

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

### *Other Information*

Management is responsible for the other information. The other information comprises the Chairman's Review 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.





*Responsibilities of Management's and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of 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 Town Councils Act and may be dissolved by the Singapore Minister's order published in the Gazette of Singapore. 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.



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

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

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

**Report on Other Legal and Regulatory Requirements**

*Opinion*

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Town Council during the financial year ended 31 March 2021 are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Town Council whether purchased, donated or otherwise.

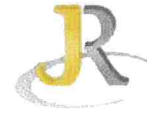
*Basis for Opinion*

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

*Responsibilities of Management for Compliance with Legal and Regulatory Requirements*

Management is responsible for ensuring that the receipts, expenditure, 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 management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

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

**JR CHAN COMPANY**  
Public Accountants and  
Chartered Accountants

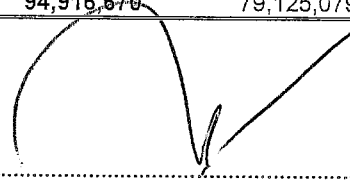
Singapore,  
25 October 2021

# Statement of financial position

as at 31 March 2021

	Notes	2020/2021 \$	2019/2020 \$
<b>TOWN COUNCIL FUND</b>			
<b>Residential Property</b>			
Accumulated surplus	3	1,537,310	207,900
Sinking Fund	4	34,775,024	26,297,184
Lift Replacement Fund	5	16,948,197	12,306,838
Town Improvement and Project Fund	6	483,425	760,743
		<b>53,743,956</b>	<b>39,572,665</b>
<b>Other Commercial Property</b>			
Accumulated surplus	3	1,645,718	2,992,002
Sinking Fund	4	30,828,277	28,626,329
Lift Replacement Fund	5	8,072,505	6,643,030
Town Improvement and Project Fund	6	39,224	80,301
		<b>40,585,724</b>	<b>38,341,662</b>
<b>Carpark</b>			
Accumulated surplus	3	586,990	1,210,752
		<b>94,916,670</b>	<b>79,125,079</b>
<b>Represented by:</b>			
<b>Non-Current Assets</b>			
Plant and equipment	7	790,590	724,950
<b>Current Assets</b>			
Financial assets at fair value through profit or loss	8	20,105,100	15,205,399
Receivable from Neighbourhood Renewal Programme	13(a)	299,294	2,448,097
Conservancy and service fee receivables	9	666,015	485,440
Other receivables	10	3,494,344	3,268,356
Interest/investment income receivable		129,595	512,634
Fixed deposits	11	43,224,200	49,743,597
Cash and bank balances	12	29,810,249	13,544,161
		<b>97,728,797</b>	<b>85,207,684</b>
<b>Total Assets</b>		<b>98,519,387</b>	<b>85,932,634</b>
Less:			
<b>Current Liabilities</b>			
Conservancy and service fees received in advance		505,090	480,521
Payables and accrued expenses	13(b)	2,318,189	5,317,731
Lease Liability	15(b)	162,182	218,536
Current tax payable	21(b)	589,430	600,758
<b>Total Liabilities</b>		<b>3,574,891</b>	<b>6,617,546</b>
Less:			
<b>Non-current Liabilities</b>	15(b)	27,826	190,009
<b>Net Assets</b>		<b>94,916,670</b>	<b>79,125,079</b>

  
 JESSICA TAN  
 Chairman

  
 HANS GOH T H  
 Secretary

Date: 25 October 2021



## Statement of income and expenditure for the financial year ended 31 March 2021

	Notes	2020/2021 \$	2019/2020 \$
<b>OPERATING INCOME</b>			
Conservancy and service fees		30,186,277	30,009,835
Less: Operating transfer to Sinking Fund	3,4	7,848,433	7,802,556
Less: Operating transfer to Lift Replacement Fund	3,5	4,226,077	4,201,375
		18,111,767	18,005,904
Agency fees	14	2,014,759	2,039,031
Other income	16	1,866,572	2,124,393
		21,993,098	22,169,328
Less:			
<b>OPERATING EXPENDITURE</b>			
Cleaning works		4,667,568	4,602,556
Managing agent's fees		4,122,081	3,857,672
Lift maintenance		4,103,691	4,448,454
Other works and maintenance		3,768,964	3,828,986
Water and electricity		4,024,879	6,554,180
General and administrative expenditure	18	1,761,248	1,578,745
		22,448,431	24,870,593
<b>OPERATING DEFICIT</b>		(455,333)	(2,701,265)
Add:			
<b>NON-OPERATING INCOME</b>			
Interest income		63,368	91,925
<b>DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS</b>		(391,965)	(2,609,340)
<b>GRANTS</b>			
Less:			
Income tax	21(a)	124,898	135,920
<b>DEFICIT BEFORE GOVERNMENT GRANTS</b>		(516,863)	(2,745,260)
Add:			
Government Grants	22	10,038,382	9,872,594
Less: Transfer to Sinking Fund	3,4,22	1,458,105	1,443,778
Less: Transfer to Lift Replacement Fund	3,5,22	3,275,616	3,266,682
Less: Transfer to Town Improvement and Project Fund	3,6,22	1,939,800	1,830,338
		3,364,861	3,331,796
<b>SURPLUS FOR THE YEAR</b>		2,847,998	586,536
Add:			
Accumulated surplus at 1 April		4,410,654	4,524,118
Transfer to Sinking Fund and		(1,932,212)	-
Transfer to Lift Replacement Fund at 22.06.20 in		(1,040,422)	-
Accordance with the Statement of Transferable Surplus			
Appropriation to Town Improvement and Project Fund	3,6	(516,000)	(700,000)
<b>ACCUMULATED SURPLUS AT 31 MARCH</b>		3,770,018	4,410,654

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

**Statement of comprehensive income**  
 for the financial year ended 31 March 2021

Notes	Total		Residential Property		Commercial Property		Carpark	
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
	\$	\$	\$	\$	\$	\$	\$	\$
Surplus/(deficit) for the year								
- Accumulated surplus	2,847,998	586,536	1,787,410	(395,423)	551,815	660,472	508,773	321,487
- Sinking Fund	8,747,576	3,544,395	7,741,692	3,491,633	1,005,884	52,762	-	-
- Lift Replacement Fund	5,030,412	3,231,416	4,244,972	2,434,443	785,440	796,973	-	-
- Town Improvement and Project Fund	(834,395)	(657,184)	(735,318)	(597,548)	(99,077)	(59,636)	-	-
	15,791,591	6,705,163	13,038,756	4,933,105	2,244,062	1,450,571	508,773	321,487
Total surplus for the year								
Other comprehensive income, net of taxation	-	-	-	-	-	-	-	-
Total comprehensive income for the year attributable to Town Council Fund	15,791,591	6,705,163	13,038,756	4,933,105	2,244,062	1,450,571	508,773	321,487

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



**Statement of changes in funds**  
**for the financial year ended 31 March 2021**

	Total \$	Residential Property \$	Commercial Property \$	Carpark \$
Balance at 1 April 2019	72,419,916	34,039,560	36,891,091	1,489,265
Total comprehensive income for the year	6,705,163	4,933,105	1,450,571	321,487
Transfer of Accumulated Surplus from Carpark Fund to Residential Property Fund	-	600,000	-	(600,000)
<b>Balance at 31 March 2020</b>	<b>79,125,079</b>	<b>39,572,665</b>	<b>38,341,662</b>	<b>1,210,752</b>
Balance at 1 April 2020	79,125,079	39,572,665	38,341,662	1,210,752
Total comprehensive income for the year	15,791,591	13,038,756	2,244,062	508,773
Transfer of Accumulated Surplus from Carpark Fund to Residential Property Fund	-	1,132,535	-	(1,132,535)
<b>Balance at 31 March 2021</b>	<b>94,916,670</b>	<b>53,743,956</b>	<b>40,585,724</b>	<b>586,990</b>

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

## Statement of cash flows

for the financial year ended 31 March 2021

	Notes	2020/2021 \$	2019/2020 \$
<b>Cash Flows from Operating Activities</b>			
Deficit before taxation and government grants	3	(391,965)	(2,609,340)
Adjustments for:			
Impairment loss on conservancy and service receivables	9	60,000	-
Depreciation of plant and equipment	7	347,314	298,177
Lease interest expense	15 (C)	15,464	22,058
Conservancy and service fees transferred to Sinking Fund	4	7,848,433	7,802,556
Conservancy and service fees transferred to Lift Replacement Fund	5	4,226,077	4,201,375
Interest income	3	(63,368)	(91,925)
Operating surplus before working capital changes		12,041,955	9,622,901
Increase/(Decrease) in conservancy and service fee received in advance		24,569	(8,757)
Decrease in conservancy and service fee receivables and other receivables		(869,666)	(589,219)
Net movement in receivable/advances received for Neighbourhood Renewal Programme		2,148,803	(1,902,308)
(Decrease)/Increase in payables		(3,035,244)	3,422,652
Cash generated from operations		10,310,417	10,545,269
Income tax paid	21(b)	(269,109)	(258,480)
Sinking Fund expenditure	4	(1,458,754)	(5,616,983)
Lift Replacement Fund Expenditure	5	(2,605,773)	(4,455,558)
Town Improvement and Project Fund expenditure	6	(2,774,195)	(2,487,522)
Net cash generated from/ (used in) operating activities		3,202,586	(2,273,274)
<b>Cash Flows from Investing Activities</b>			
Purchase of plant and equipment	7	(412,954)	(60,438)
Interest and investment income received		534,865	865,318
Proceed from disposal of plant and equipment		-	560
Net cash generated from investing activities		121,911	805,440
<b>Cash Flows from Financing Activities</b>			
Fixed deposit pledged		(80)	(80)
Payment of lease liability		(190,750)	(183,942)
Payment of lease interest	15 (C)	(15,464)	(22,058)
Government grants received	22(b)	10,441,486	9,932,451
Net cash generated from financing activities		10,235,192	9,726,371
Net increase in cash and cash equivalents		13,559,689	8,258,537
Cash and cash equivalents at beginning of year		59,233,442	50,974,905
Cash and cash equivalents at end of year	12	72,793,131	59,233,442

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



# **Notes to the financial statements**

## **for the financial year ended 31 March 2021**

### **1 General information**

The financial statements of the Town Council are presented in Singapore dollars. They are drawn up in accordance with the Financial Reporting Standards in Singapore and the provisions of the Town Councils Act Cap. 329A. The financial statements were approved and authorised for issue by the Town Council on 25 October 2021.

East Coast Town Council ("the Town Council") was formed on 13 January 1997 by the Town Councils (Declaration of Towns) Order 1997 under the Town Councils Act, Cap. 329A and was renamed as East Coast-Fengshan Town Council after General Election 2015. East Coast-Fengshan Town Council was managing and maintaining East Coast Group Representation Constituency (GRC), which comprises Bedok, Changi Simei, Kampong Chai Chee, Siglap – four divisions and one Single Member Constituency (SMC) – Fengshan division prior General Election 2020.

Under the Town Council (Declaration) Order 2020, as from 30 July 2020, the Town Council for the former Town of East Coast-Fengshan is known as the Town Council for the Town of East Coast following General Election 2020. The Town Council now consists of East Coast GRC which comprises Bedok, Changi Simei, Fengshan, Kampong Chai Chee and Siglap Divisions only.

The principal place of operation is at Block 206, Bedok North Street 1, #01-353, Singapore 460206.

The functions of the Town Council are to control, manage, maintain and improve the common property of residential, other commercial property and market and food centres in the housing estates of the Housing and Development Board within the Town.

The daily operation of the Town Council has been outsourced to EM Services Pte Ltd and the Town Council employs one employee as of 31 March 2021 (2019/2020 – 1 employee).

### **2(a) Basis of preparation**

The financial statements are prepared in accordance with the provisions of the Town Councils Act and Financial Reporting Standards in Singapore ("FRS") including related Interpretations to FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

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

### **Critical judgements, assumptions and estimation uncertainties**

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

**2(a) Basis of preparation (cont'd)****Critical judgements, assumptions and estimation uncertainties (cont'd)**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

**(i) Depreciation of plant and equipment**

The Town Council depreciates the plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Town Council intends to derive future economic benefits from the use of the Town Council's plant and equipment. The residual value reflects management's estimated amount that the Town Council would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Town Council's plant and equipment as at 31 March 2021 was \$790,590 (2019/2020 - \$724,950) (Note 7).

**(ii) Provision for 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. The carrying amount of the Town Council's current tax payable as at 31 March 2021 was \$589,430 (2019/2020 - \$600,758) (Note 21)

**(iii) Allowance for trade and other receivables**

The Town Council uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Town Council's historical loss experience of the customers for the last 3 years prior to the reporting date for various customer groups that are assessed by internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. The Town Council adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Town Council's trade receivables as at 31 March 2021 is S\$426,460 (2019/2020: S\$367,998) (Note 27.4)

**(iv) Allowance for non-financial assets**

At the end of each financial year, an assessment is made on whether there are indicators that the Town Council's investments are impaired. Where necessary, the Town Council's assessments are based on the estimation of the value-in-use of the assets defined in FRS 36 Impairment of Assets by forecasting the expected future cash flows for a year of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows.



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

In the current financial year, the Town Council has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS does not result in changes to the Town Council's accounting policies and has no material effect on the amounts reported for the current year.

*FRS and INT FRS issued but not yet effective*

At the date of authorisation of these statements, the following FRS and INT FRS that are relevant to the Town Council were issued but not yet effective:

	<i>Description</i>	<i>Effective date (annual periods beginning on or after)</i>
FRS 103	Amendments to FRS 103: <i>Reference to the Conceptual Framework</i>	1 January 2022
FRS 16	Amendments to FRS 16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
FRS 37	Amendments to FRS 37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
FRS 1	Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
FRS 108	Amendments to FRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Various	Amendments to FRS 1 and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Various	Annual Improvements to FRSs 2018-2020	1 January 2022

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Town Council does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Other than the following standards, management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Town Council in the period of their initial adoption.

**2(c) Summary of significant accounting policies****(a) Funds****Town Council Fund**

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

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

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

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

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

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

**Sinking Fund**

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

Under the Town Councils Act, the Minister for National Development may, from time to time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid, less LRF matching grant-in-aid to be paid into the Sinking Fund.

For the past financial years up to FY 2016/2017, the minimum amounts to be paid into the Sinking Fund were as follows:

	<b>Property Type</b>	<b>Percentage of Conservancy and Service Fees and Grant-in-Aid, less LRF Matching Grant-in-Aid</b>
(i)	1-room to 3-room	30%
(ii)	4-room	35%
(iii)	5-room and Executive	35%
(iv)	Shop with living accommodation	35%
(v)	Commercial property	35%

The minimum amount to be paid into Sinking Fund has been revised to 26% for all residential and commercial properties with effect from 1 April 2017.



**2(c) Summary of significant accounting policies (cont'd)****(a) Funds (cont'd)**

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

The Sinking Fund is utilised for cyclical major repainting, renewal or replacement of roofing system, water tanks, pumps and water supply system, lightning protection system and major repairs and maintenance of the common area and contributions to the HDB in respect of general upgrading works carried out on the common property under the Housing and Development Act.

**Lift Replacement Fund ("LRF")**

In accordance to Section 33(4A) of the Town Councils Act, Lift Replacement Fund ("LRF") is established from 1 April 2017, to meet the cost of lift replacements and lift-related replacement works. This fund is maintained as part of the Town Council Funds.

Under the Town Councils Act, the Minister of National Development ("MND") may, from time-to-time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid to be paid into the LRF.

The minimum amount to be paid, by property type, into the LRF is 14% of conservancy and service fees and grants-in-aid for residential property and commercial property. These minimum contributions are treated as operating income transfers and are deducted from conservancy and service fees and government grants in the statement of income and expenditure.

To assist Town Councils cope with the operating need and long-term capital expenditure requirement for lift replacements and lift-related works, the MND provides two additional grants-in-aids, Lift Maintenance Grant (LMG) and LRF Matching Grant, from 1 April 2017.

- (i) Quarterly contributions to the LRF from S & CC collections and other grants-in-aids, including voluntary contributions beyond the minimum LRF contribution rate; and
- (ii) Voluntary contributions of Operating Fund surpluses to the LRF at the end of a financial year, as allowed under Section 33(9) of the amended Town Councils Act.

The LRF Matching Grant is not subject to the minimum contribution rates to LRF, even though it is a grant-in-aid.

**Town Improvement and Project Fund**

The Town Council maintains a Town Improvement and Project Fund as part of the Town Council Fund. This Fund is utilised for improvement and development works in the Town.

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

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

**2(c) Summary of significant accounting policies (cont'd)****(b) Allocation of General Overheads**

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

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

No overheads are allocated to the Sinking Fund, Lift Replacement Fund and Town Improvement and Project Fund.

**(c) Government Grants**

The Town Council receives various types of grants from Government, namely, Conservancy and Service Grant, Lift Maintenance Grant, LRF Matching Grant, GST Subvention Grant, Payment from Citizens' Consultative Committee and the one-off support scheme grants.

Conservancy and Service Grant to meet the current year's expenditure is taken to the Statement of Income and Expenditure. The Lift Maintenance Grant helps Town Councils cope with the higher lift-related servicing and maintenance costs. The LRF Matching Grant is to assist Town Councils in building up the LRF.

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

Payment from Citizen's Consultative Committee is given as reimbursement claims under the Community Improvement Projects Committee scheme.

The Jobs Support Scheme grants provides wage support to employers to help them retain their local employees during this period of economic uncertainty.

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

**2(c) Summary of significant accounting policies (cont'd)****(d) Plant and equipment and depreciation**

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. Depreciation is calculated on the straightline basis to write off the cost of the assets over their estimated useful lives as follows:

Machinery	5 years
Furniture and fittings	5 years
Office equipment	5 years

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

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that have been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Town Council and the cost can be measured reliably. Other subsequent expenditure is charged to the Statement of Income and Expenditure during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

**(e) Financial instruments**

The Town Council recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Town Council becomes party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.



**2(c) Summary of significant accounting policies (cont'd)****(e) Financial instruments (cont'd)****Financial assets**Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Town Council commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Town Council applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Town Council applies a practical expedient are measured at transaction price as defined in FRS 115.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income (“FVTOCI”) and fair value through profit or loss (“FVTPL”). The classification at initial recognition depends on the Town Council’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Town Council’s business model refers to how the Town Council manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Town Council determines whether the asset’s contractual cash flows are solely payments of principal and interest (“SPPI”) on the principal amount outstanding to determine the classification of the financial assets.

The Town Council’s financial assets consist only financial assets that are subsequently measured at amortised cost and financial asset subsequently measured at FVTPL.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if 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.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets held at FVTOCI

A financial asset that is an investment in debt instrument is subsequently measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets 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. Gains or losses are recognised in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognised in profit or loss.

**2(c) Summary of significant accounting policies (cont'd)****(e) Financial instruments (cont'd)**

At initial recognition, the Town Council may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which FRS 103, as subsequently measured at FVTOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis.

Upon derecognition, other than the abovementioned equity instruments for which their subsequent cumulative fair value changes would be transferred to accumulated profits, the cumulative fair value changes recognised in other comprehensive income is recycled to profit or loss.

Dividends from equity instruments are recognised in profit or loss only when the Town Council's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Town Council and the amount of the dividend can be measured reliably.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in income and expenditure account.

Impairment of financial assets

The Town Council recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Town Council assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Town Council assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Town Council has reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Town Council measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Town Council measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss. The Town Council directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**2(c) Summary of significant accounting policies (cont'd)****(e) Financial instruments (cont'd)**Derecognition of financial assets

The Town Council derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Town Council neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset 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 receivables.

**Financial liabilities and equity instruments**Classification as debt or equity

Financial liabilities and any equity instruments issued by Town Council are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Town Council after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Financial liabilities**Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Town Council commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting. The Town Council's financial liabilities consist only other financial liabilities.

Other financial liabilities*Other payables*

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.



**2(c) Summary of significant accounting policies (cont'd)**

**(e) Financial instruments (cont'd)**

Derecognition of financial liabilities

The Town Council derecognises financial liabilities when, and only when, the Town Council's obligations are discharged, cancelled or they expire.

**(f) Funds with fund manager**

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

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

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

**(g) Cash and cash equivalents**

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

Cash on hand and in banks and short-term deposits which are held to maturity are carried at cost.

**(h) Receivable/Advances received for Neighbourhood Renewal Programme**

Neighbourhood Renewal Programme (NRP) is established in respect of the NRP works carried out on the qualifying properties to upgrade the quality of HDB estates. It is implemented by the Town Council with full funding from the Government.

The funding for the programme belongs to the government which is received in advance and is for the specific use of projects under the programme. The funding is subject to a budget allocation of \$3,400 per dwelling unit to cover NRP expenditure and \$150 per dwelling unit or \$125,000, whichever is higher to cover miscellaneous NRP expenditure. However, if the cost of project works incurred exceeds the funding provided, the Town Council has to bear the cost of excess expenditure.

**2(c) Summary of significant accounting policies (cont'd)****(i) Provisions**

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

**(j) Revenue recognition**

Revenue is recognised when the Town Council satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised in Singapore is the amount allocated to the satisfied performance obligation.

Conservancy and service fees

Conservancy and service fees are recognised on a monthly basis and charged to the residents over time.

Agency fees

Agency fees for routine maintenance of HDB's carparks are recognised as a performance obligation over time.

Interest income

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

Other income

Other income comprises mainly temporary occupation licenses ("TOL"), liquidated damages claims and other miscellaneous income and are recognised when due.

**2(c) Summary of significant accounting policies (cont'd)****(k) Income tax**

Income tax is provided on the following income:

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

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

In respect of government grant received, the Town Council has been granted remission under Section 92(2) of the Income Tax Act, Cap. 134. Tax shall be payable at the rate of 10% on the income derived from certain investments which have been approved under Section 43G(2) of the Income Tax Act, Cap 134.

**(l) Employee benefits**Defined contribution plan

The Town Council operates a defined contribution plan in the form of Central Provident Fund. The Town Council's obligation, in regard to the defined contribution plan is limited to the amount it contributes to the fund. The expenses are disclosed under manpower cost (Note 17) and general administrative expenditure accordingly (Note 18).

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

**(m) Impairment of non-financial assets**

At the end of each reporting period, the Town Council reviews the carrying amounts of its assets to determine whether there is any indication that these 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



**2(c) Summary of significant accounting policies (cont'd)****(m) Impairment of non-financial assets**

less than its carrying amount, the carrying amount of the asset (cash-generating) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that it does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately or credited to the fund to which the asset relates.

**(n) Inter-fund transfer**

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

**(o) Leases**

The Town Council applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated. Accordingly, the comparative information was prepared and disclosures made in accordance with the requirements of FRS 17 Leases and FRS INT 4 Determining whether an Arrangement contains a lease. The impact of the lease obligation to the opening retained earnings is insignificant and hence there is no adjustment to the changes in equity.

At inception of a contract, the Town Council assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a contract contains more than one lease component, the Town Council allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Town Council applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Town Council recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Town Council is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Town Council applied the recognition exemption allowed under FRS 116. For these leases, the Town Council recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Town Council by the end of the lease term or the cost of the right-of-use asset reflects that the Town Council will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced

**2(c) Summary of significant accounting policies (cont'd)****(o) Leases (cont'd)**

by impairment losses, if any, and adjusted for certain re-measurements of the lease liability, where applicable.

Right-of-use assets are presented within "Plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The Town Council generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Town Council obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Town Council is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Town Council is reasonably certain to terminate early and lease payments for an optional renewal period if the Town Council is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Town Council re-measures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a re-measurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

**Operating leases**

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**2(c) Summary of significant accounting policies (cont'd)****(p) Functional currency**

Items included in the financial statements of the Town Council are measured using the currency of the primary economic environment in which the Town Council operates (the "functional currency"). The financial statements of the Town Council are presented in Singapore dollar which is also the functional currency of the Town Council.

**(q) Related Parties**

A related party is defined as follows:

- a) A person or close member of that person's family is related to the Town Council if that person:
  - (i) has control or joint control over the Town Council;
  - (ii) has significant influence over the Town Council; or
  - (iii) is a member of the key management personnel of the Town Council or of a parent of the Town Council.
  
- b) An entity is related to the Town Council if any of the following conditions applies:
  - (i) the entity and the Town Council are members of the same Town Council (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Town Council of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Town Council or an entity related to the Town Council. If the Town Council is itself such a plan, the sponsoring employers are also related to the Town Council;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Town Council, directly or indirectly, including any director (whether executive or otherwise) of the Town Council.





4 Sinking Fund

	Note	Total		Residential property		Commercial property	
		2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
		\$	\$	\$	\$	\$	\$
Balance at 1 April		54,923,513	51,379,118	26,297,184	22,805,551	28,626,329	28,573,567
Transfer from Accumulated Surpluses at 22.06.20							
In accordance with the Statement of Transferable Surplus		1,932,212	-	736,148	-	1,196,064	-
		56,855,725	51,379,118	27,033,332	22,805,551	29,822,393	28,573,567
Add:							
Investment income	19(a)	1,005,186	66,076	481,283	29,331	523,903	36,745
Operating transfer from Conservancy and Service fees	3	7,848,433	7,802,556	6,858,040	6,763,634	990,393	1,038,922
Transfer from Government Grants	3,22	1,458,105	1,443,778	1,457,481	1,443,154	624	624
		10,311,724	9,312,410	8,796,804	8,236,119	1,514,920	1,076,291
Less:							
Expenditure	19(b)	1,458,754	5,616,983	1,004,649	4,677,443	454,105	939,540
Less:							
Income Tax	21(a)	105,394	151,032	50,463	67,043	54,931	83,989
Surplus for the year		8,747,576	3,544,395	7,741,692	3,491,633	1,005,884	52,762
Balance at 31 March		65,603,301	54,923,513	34,775,024	26,297,184	30,828,277	28,626,329

Represented by:		
<b>Current Assets</b>		
Financial assets at fair value through profit or loss	8	15,205,399
Conservancy and service fee receivables		143,226
Interest receivable		342,428
Other receivables and investment income receivable		690,609
Amount due from routine fund		2,020,041
Fixed deposits		31,047,900
Cash and bank balances		7,123,094
<b>Total Assets</b>		56,572,697
Less:		
<b>Current Liabilities</b>		
Payables & accrued expenses		1,385,122
New Trade Bonds purchased payable		-
Current tax payable		264,062
<b>Total Liabilities</b>		1,649,184
<b>NET ASSETS</b>		54,923,513

**East Coast Town Council  
(Established under the Town Councils Act, Cap. 329A)**

**Notes to the financial statements for the financial year ended 31 March 2021**

**5 Lift Replacement Fund**

	Note	Total		Residential property		Commercial property	
		2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
		\$	\$	\$	\$	\$	\$
Balance at 1 April		18,949,868	15,718,452	12,306,838	9,872,395	6,643,030	5,846,057
Transfer from Accumulated Surpluses at 22.06.20							
In accordance with the Statement of Transferable surpluses		1,040,422	15,718,452	396,387	-	644,035	-
		19,990,290	15,718,452	12,703,225	9,872,395	7,287,065	5,846,057
Add:							
Investment income	20(a)	161,981	263,550	105,191	165,535	56,790	98,015
Operating transfer from Conservancy and Service fees	3	4,226,077	4,201,375	3,692,787	3,641,953	533,290	559,422
		4,388,058	4,464,925	3,797,978	3,807,488	590,080	657,437
Add:							
Transfer from Government Grants – LRF Matching Grant		2,490,480	2,489,260	2,226,552	2,209,184	263,928	280,076
– Other government grants		785,136	777,422	784,800	777,086	336	336
– Total	3,22	3,275,616	3,266,682	3,011,352	2,986,270	264,264	280,412
Less:							
Expenditure	20(b)	2,605,773	4,455,558	2,546,506	4,331,281	59,267	124,277
Less:							
Income Tax	21(a)	27,489	44,633	17,852	28,034	9,637	16,599
Surplus for the year		5,030,412	3,231,416	4,244,972	2,434,443	785,440	796,973
Balance at 31 March		25,020,702	18,949,868	16,948,197	12,306,838	8,072,505	6,643,030

Represented by:

<b>Current Assets</b>		
Conservancy and service fee receivables	107,793	77,121
Interest receivable	27,097	140,842
Other receivables	1,740,072	580,035
Amount due from routine fund	1,575,007	1,087,716
Fixed deposits	15,048,197	14,790,282
Cash and bank balances	6,740,406	4,566,770
<b>Total Assets</b>	25,238,572	21,242,766
Less:		
<b>Current Liabilities</b>		
Payables and accrued expenses	145,749	2,225,225
Current tax payable	72,121	67,673
<b>Total Liabilities</b>	217,870	2,292,898
<b>NET ASSETS</b>	25,020,702	18,949,868

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

Notes to the financial statements for the financial year ended 31 March 2021

6 Town Improvement and Project Fund

	Note	Total		Residential property		Commercial property	
		2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
		\$	\$	\$	\$	\$	\$
Balance at 1 April		841,044	798,228	760,743	726,291	80,301	71,937
Transfer from Government Grants	3,22	1,939,800	1,830,338	1,708,621	1,635,224	231,179	195,114
Less: Expenditure	23	2,774,195	2,487,522	2,443,939	2,232,772	330,256	254,750
Deficit for the year		(834,395)	(657,184)	(735,318)	(597,548)	(99,077)	(59,636)
Appropriation from Accumulated Surplus	3	516,000	700,000	458,000	632,000	58,000	68,000
Balance at 31 March		522,649	841,044	483,425	760,743	39,224	80,301
Represented by:							
Current Assets							
Other receivables		817,025	1,230,259				
Less:							
Current Liabilities							
Payables and accrued expenses		488	36,520				
Fund due to operating fund		293,888	352,695				
		294,376	389,215				
		522,649	841,044				



**7 Plant and equipment**

	<u>Total</u>	<u>Lease Office</u>	<u>Machinery</u>	<u>Furniture and fittings</u>	<u>Office equipment</u>
	\$	\$	\$	\$	\$
<u>Cost</u>					
At 1 April 2019	871,493	-	87,152	637,553	146,788
Additions	60,438	-	-	43,013	17,425
Initial recognition of right-of-use assets	594,502	594,502	-	-	-
Written-off/Disposals	(18,800)	-	-	-	(18,800)
<b>At 31 March 2020</b>	<b>1,507,633</b>	<b>594,502</b>	<b>87,152</b>	<b>680,566</b>	<b>145,413</b>
Additions	412,954	-	-	-	412,954
Initial recognition of right-of-use assets	-	-	-	-	-
Written-off/Disposals	(1,980)	-	-	-	(1,980)
<b>At 31 March 2021</b>	<b>1,918,607</b>	<b>594,502</b>	<b>87,152</b>	<b>680,566</b>	<b>556,387</b>
<u>Accumulated depreciation</u>					
At 1 April 2019	502,746	-	87,152	281,635	133,959
Depreciation for the year (Note 18)	105,178	-	-	96,559	8,619
Depreciation for the year (Right-of-use assets)	192,999	192,999	-	-	-
Written-off/Disposals	(18,240)	-	-	-	(18,240)
<b>At 31 March 2020</b>	<b>782,683</b>	<b>192,999</b>	<b>87,152</b>	<b>378,194</b>	<b>124,338</b>
Depreciation for the year (Note 18)	128,252	-	-	102,148	26,104
Depreciation for the year (Right-of-use assets)	219,062	219,062	-	-	-
Written-off/Disposals	(1,980)	-	-	-	(1,980)
<b>At 31 March 2021</b>	<b>1,128,017</b>	<b>412,061</b>	<b>87,152</b>	<b>480,342</b>	<b>148,462</b>
<u>Net book value</u>					
<b>At 31 March 2021</b>	<b>790,590</b>	<b>182,441</b>	<b>-</b>	<b>200,224</b>	<b>407,925</b>
At 31 March 2020	724,950	401,503	-	302,372	21,075

**8 Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss represents funds together with the related profits placed with professional fund managers.

The funds with fund managers are administrated by UOB Asset Management Ltd who was re-appointed to invest and manage funds on behalf of the Town Council for a period of 5 years commencing 1 September 2020. The terms of the agreement are as follows:

- (i) Fund manager guarantees the maintenance of the principal amount at the end of the term of investment for mandate with principal guarantee feature and will make good any shortfall if the principal amount is diminished or reduced at the end of the term of the investment.
- (ii) The fund manager will be paid an administration fee. Additionally, performance fees will be levied based on the excess return of the funds above the Performance Benchmark (PB) at the earlier of the expiry date or the termination of the agreement with UOB.
- (iii) The investments are invested in accordance with the Town Councils Act.

Funds with fund manager are designated at fair value through profit or loss at inception.

	2020/2021	2019/2020
	\$	\$
Balance at 1 April	19,284,934	19,793,402
Add/(Less):		
Increase of fund	407,628	-
Actual returns net of recorded in prior years	307,437	-
Investment income	202,345	416,846
Profit shared by fund manager	(11,017)	-
Management fees	(73,812)	(148,518)
Fair value Gain / (Loss)	224,658	(776,796)
<b>Balance at 31 March</b>	<b>20,342,173</b>	<b>19,284,934</b>

Represented by:

Quoted equities	-	1,790,315
Quoted bonds	13,996,453	12,508,105
Treasury Bills	6,108,647	906,979
<b>Financial assets at fair value through profit or loss</b>	<b>20,105,100</b>	<b>15,205,399</b>
Cash and fixed deposits (Note 12)	209,074	4,022,151
Accrued interest	69,116	90,785
Fee payable to fund manager (Note 13)	(30,100)	(33,401)
Profit shared by fund manager (Note 13)	(11,017)	-
	<b>20,342,173</b>	<b>19,284,934</b>

The fair value of quoted equities, quoted bonds and treasury bills is determined by reference to stock exchange quoted bid prices.

The quoted bonds managed by fund managers bear interest rates per annum ranging from 1.073% to 4.0% (2019/2020 – 2.08% to 4.665%) to be received semi-annually in arrears. The maturity period of the bonds ranges from September 2023 to October 2028 (2019/2020 – April 2020 to November 2020).

**9 Conservancy and service fee receivables**

	2020/2021 \$	2019/2020 \$
Conservancy and service fee receivables	1,092,475	853,438
Less: Allowance for impairment	(426,460)	(367,998)
	<u>666,015</u>	<u>485,440</u>
<u>Allowance for impairment</u>		
Balance at 1 April	367,998	376,714
Allowance for the year	60,000	-
Amount written off against allowance - net	(1,538)	(8,716)
Balance at 31 March	<u>426,460</u>	<u>367,998</u>

The average credit period generally granted to conservancy and service fee receivables is about 30 days (2019/2020 - 30 days). Conservancy and service fee receivables with short duration are not discounted and the carrying amounts are assumed to be a reasonable approximation of fair value. The conservancy and service fee receivables are denominated in Singapore dollar.

**10 Other receivables**

	2020/2021 \$	2019/2020 \$
GST receivable from IRAS	52,137	5,876
GST Subvention grant receivable	256,948	255,071
LRF matching grant receivables	555,011	543,857
Receivable from Citizens' Consultative Committee	817,025	1,230,259
Recoverable from HDB	1,361,518	267,398
Recoverable from NEA	4,565	501,596
Payment in advance/deposits	348,417	407,873
S & CC Grant Receivable	441	3,342
Others	98,282	53,084
	<u>3,494,344</u>	<u>3,268,356</u>

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

**11 Fixed deposits**

Fixed deposits are denominated in Singapore dollar.

Included in fixed deposits is an amount of \$32,244 (2019/2020 - \$32,164) pledged with a bank as security for guarantee granted to the Town Council.

**12 Cash and bank balances**

	2020/2021 \$	2019/2020 \$
Cash and bank balances	29,601,175	9,522,009
Cash and fixed deposits held by fund manager (Note 8)	209,074	4,022,152
	<b>29,810,249</b>	<b>13,544,161</b>

Cash and bank balances are denominated in Singapore dollar.

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

	2020/2021 \$	2019/2020 \$
Cash and bank balances	29,601,175	9,522,009
Fixed deposits	43,224,200	49,743,597
	<b>72,825,375</b>	<b>59,265,606</b>
Less: Fixed deposit pledged	32,244	32,164
	<b>72,793,131</b>	<b>59,233,442</b>

**13 Payables**

(a) (Receivable from)/Advances received for Neighbourhood Renewal Programme

	2020/2021 \$	2019/2020 \$
Balance at 1 April	(2,448,097)	(545,789)
Received from Government	3,104,796	279,635
Payment to contractors	(955,993)	(2,181,943)
	<b>2,148,803</b>	<b>(1,902,308)</b>
Balance as at 31 March	<b>(299,294)</b>	<b>(2,448,097)</b>

(b) Payables and accrued expenses

	2020/2021 \$	2019/2020 \$
Accounts payable	1,106,111	2,580,301
Accrued operating expenses	1,023,635	556,927
Advance received for LEP Cost sharing	-	2,007,757
Refundable deposits	147,326	139,345
Fee payable to fund manager (Note 8)	30,100	33,401
Net excess of fund payable to fund manager (Note 8)	11,017	-
	<b>2,318,189</b>	<b>5,317,731</b>

Included in payables and accrued expense are amounts owing to a related party amounting to \$157,646 (2019/2020: \$108,651).

The average credit period taken to settle trade payables is about 30 days (2019/2020 - 30 days). The other payables are with short-term duration. The carrying amounts are assumed to be a reasonable approximation of fair values. Payables and accrued expenses are denominated in Singapore dollar.

**14 Agency fees**

These are fees received for routine maintenance of HDB carparks in the Town.



**Notes to the financial statements for the financial year ended 31 March 2021**

**15 The Town Council as a lease**

The Town Council has lease offices for 36 months as at 31 March 2021. Lease payments are made monthly. Apart from the office leases, the town council does not have any significant short term or low value leases.

**15(a) Right-of-use assets**

The carrying amount of right-of-use assets by class of underlying assets classified with plant and equipment as follows:

	2020/2021 \$	2019/2020 \$
As at 1 April	401,503	-
Additions	-	594,502
Depreciation	(219,062)	(192,999)
As at 31 March	<u>182,441</u>	<u>401,503</u>

**15(b) Finance lease liabilities**

	2020/2021 \$	2019/2020 \$
Within one year	162,182	218,536
After one year but within five years	27,826	190,009
	<u>190,008</u>	<u>408,545</u>

The finance lease terms is generally 3 years on inception.

The effective interest rates charged during the financial year ended 31 March 2021 is 5.00% (2019/2020 – 5.00%) per annum. Interest rates are fixed at the contract dates, and thus expose the town council to fair value interest rate risk. As at the end of the financial year, the fair values of the town council's finance lease obligations approximate their carrying amounts. The town council's obligations under finance leases are secured by the lessors' title to the leased assets, which will revert to the lessors in the event of default by the town council. The lessor has the sole and unfettered discretion to allow the Town Council to extend the lease on the expiry date of the lease term.

**15(c) Amounts recognised in profit or loss**

	2020/2021 \$	2019/2020 \$
Interest expenses on lease liabilities	15,464	22,058
	<u>15,464</u>	<u>22,058</u>

**16 Other income**

Other income comprises the following:

	2020/2021 \$	2019/2020 \$
Administrative fee	44,791	35,102
Agency fees	626	1,413
Late payment fees	70,279	88,603
Liquidated damages	84,374	97,770
Sale of tender documents	83,822	41,854
Sundry fines	18,600	40,500
Temporary Occupation Licence ("TOL") income	1,272,928	1,577,849
Use of void decks/common property	(2,543)	32,550
Use of water and electricity	182,682	134,976
Others *	111,013	73,776
	<b>1,866,572</b>	<b>2,124,393</b>

\* Includes Job Support Scheme of \$7,471 (2020: \$Nil), Rent Concessions of \$39,000 (2020:Nil) and one-off Grant of \$3,480 (2020:Nil) for Safe Distancing Measures.

**17 Manpower Cost**

Included in general administrative expenditure are cost of manpower provided by the Town Council.

	2020/2021 \$	2019/2020 \$
Staff salaries and related costs	23,867	22,542
CPF contributions	4,038	3,676
	<b>27,905</b>	<b>26,218</b>

**18 General and administrative expenditure**

The general and administrative expenditure comprises the following:

	2020/2021 \$	2019/2020 \$
Advertising, publicity and public relations	307,085	191,497
Agency fees - HDB/NEA collection	7,019	7,168
Audit fee	54,100	29,000
Impairment loss on conservancy and service receivables (Note 9)	60,000	-
Computer services	244,049	150,307
Depreciation of plant and equipment (Note 7)	128,252	105,178
Depreciation Charge – Right of Use	219,062	192,999
Lease interest Expense – Right of Use	15,464	22,058
Disposal of Plant & Equipment	-	560
Plant and equipment not capitalized	140	2,292
Maintenance of machinery and equipment	996	110
Office rental and upkeep expenditure	99,845	135,437
Office supplies and stationery	51,629	66,797
Postage and telephone	106,130	104,888
Property tax	118,927	160,577
Service charges *	84,334	108,833
Town councillors' allowances **	155,461	174,000
Irrecoverable GST	106,019	123,858
Others	2,736	3,186
	<b>1,761,248</b>	<b>1,578,745</b>

\* Includes manpower costs of \$27,905 (2019/2020 - \$26,218) (Note 17)

\*\* Town councillors are key management of the Town Council. Key management remuneration refers to Town Councillors' allowances.

**19 Sinking Fund income and expenditure**

## (a) Income

	2020/2021	2019/2020
	\$	\$
Interest income from fixed deposits/current account	355,333	574,543
Income from funds with fund manager	649,853	(508,467)
	<u>1,005,186</u>	<u>66,076</u>

## (b) Expenditure

	2020/2021	2019/2020
	\$	\$
Electrical Re-wiring	159,216	34,740
Reroofing works	83,875	368,610
Replacement of water pumps	125,880	-
Replacement of booster pumps	38,955	-
Redecoration and repainting	932,589	4,925,007
Project management fees	53,621	213,134
Irrecoverable GST	64,618	75,492
	<u>1,458,754</u>	<u>5,616,983</u>

**20 Lift Replacement Fund income and expenditure**

## (a) Income

	2020/2021	2019/2020
	\$	\$
Interest income from fixed deposits/current account	161,981	263,550
	<u>161,981</u>	<u>263,550</u>

## (b) Expenditure

	2020/2021	2019/2020
	\$	\$
Replacement of Main Sheaves / Ropes	316,450	511,994
Replacement of ARD Battery	103,426	166,736
Replacement of EBOPS Battery	109,666	94,371
Lift Overhauls / total Replacement works	28,920	2,206,550
Lift Enhancement work	360,420	647,525
Replacement of Lift Position Display Panel (CPI/HPI)	682,764	286,382
Replacement of Inverter Units	766,323	257,609
Project management fees	113,138	138,764
Irrecoverable GST	124,666	145,627
	<u>2,605,773</u>	<u>4,455,558</u>

**21 Income tax**

## (a) Income tax expense

Income tax expense attributable to profit is made up of:

	2020/2021	2019/2020
	\$	\$
- Current income tax provision	257,781	331,585
	<b>257,781</b>	<b>331,585</b>
Taken up in:		
Statement of Income and Expenditure		
- Current financial year	124,898	135,920
	<b>124,898</b>	<b>135,920</b>
Sinking Fund		
- Current financial year	105,394	151,032
	<b>105,394</b>	<b>151,032</b>
Lift Replacement Fund		
- Current financial year	27,489	44,633

The income tax expense on the income for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to taxable income due to the following factors:

	2020/2021	2019/2020
	\$	\$
Government grants	10,038,382	9,872,594
Investment and interest income	1,035,742	1,463,756
Other income	754,661	791,862
Allowable expenses	(78,712)	(79,369)
	<b>11,751,073</b>	<b>12,048,843</b>
Tax calculated at a tax rate of 17% (2019/2020 - 17%)	1,997,513	2,048,303
Singapore statutory stepped income exemption	(17,425)	(17,425)
Tax effect of certain income taxed at concessionary tax rate	(31,256)	(35,866)
Tax remission of government grants under Section 92(2) of Singapore income Tax Act	(1,691,051)	(1,663,427)
	<b>257,781</b>	<b>331,585</b>

## (b) Income tax payable

	2020/2021	2019/2020
	\$	\$
Balance at 1 April	600,758	527,653
Current financial year's income tax expense	257,781	331,585
Payments during the year	(269,109)	(258,480)
Balance at 31 March	<b>589,430</b>	<b>600,758</b>

**Notes to the financial statements for the financial year ended 31 March 2021**

**22 Government grants**

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

	Total		Conservancy and Service Grant		Payment from Citizens' Consultative Committee		GST Subvention Grant		Lift Maintenance Grant		LRF Matching Grant	
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Government grants received/receivable	10,038,382	9,872,594	4,038,379	4,004,125	1,939,800	1,830,338	1,024,323	1,010,071	545,400	538,800	2,490,480	2,489,260
Less: Transfer to Sinking Fund (Note 4)	1,458,105	1,443,778	1,049,978	1,041,072	-	-	266,323	262,618	141,804	140,088	-	-
Less: Transfer to Lift Replacement Fund (Note 5)	3,275,616	3,266,682	565,373	560,578	-	-	143,407	141,412	76,356	75,432	2,490,480	2,489,260
Less: Transfer to Town Improvement and Projects Fund (Note 6)	1,939,800	1,830,338	-	-	1,939,800	1,830,338	-	-	-	-	-	-
	<b>3,364,861</b>	<b>3,331,796</b>	<b>2,423,028</b>	<b>2,402,475</b>	<b>-</b>	<b>-</b>	<b>614,593</b>	<b>606,041</b>	<b>327,240</b>	<b>323,280</b>	<b>-</b>	<b>-</b>

(b) The total amounts of grants received (including grants transferred from other Town Councils) since the formation of the Town Council is as follows:

Total grants received at 1 April	2020/2021	2019/2020
Add: Grants received during the year	180,930,702	170,988,251
Total grants received at 31 March	10,441,486	9,932,451
	<b>191,372,188</b>	<b>180,930,702</b>



**23 Town improvement projects**

These projects are partially funded by Government grants under the Community Improvement Projects Committee (CIPC) scheme and are given through the Citizens' Consultative Committee (CCC).

Expenditure	2020/2021 \$	2019/2020 \$
Construction of covered walkways/pavillion	428,419	412,468
Construction/upgrading of playground and fitness corner	1,630,015	1,489,537
Resident's Corner	43,545	41,342
Miscellaneous projects	445,000	389,678
Professional/project management fee	227,216	154,497
	<u>2,774,195</u>	<u>2,487,522</u>

Out of the total of \$2,774,195 (2019/2020 - \$2,487,522) spent on town improvement projects, \$1,939,800 (2019/2020 - \$1,830,338) was met from CIPC grants.

**24 Commitments for capital expenditure**

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

	2020/2021 \$	2019/2020 \$
Amount approved and contracted for	12,588,862	4,937,728
Amount approved but not contracted for	29,703,509	24,140,469
	<u>42,292,371</u>	<u>29,078,197</u>

Included in the amount approved and contracted for are commitments for Neighbourhood Renewal Programme of \$2,202,252 (2019/2020 - \$1,077,197).

**25 Operating lease commitments**

At the reporting date, the Town Council was committed to making the following payments in respect of operating lease of office premises and computer services with a term of more than one year:

	2020/2021 \$	2019/2020 \$
Due within 1 year	-	-
Due after 1 year but within 5 years	-	-
Due after 5 years	-	-
	<u>-</u>	<u>-</u>

**Notes to the financial statements for the financial year ended 31 March 2021**

**26 Significant related party transactions**

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

	2020/2021	2019/2020
	\$	\$
Managing agent fee charged by a related party	4,122,081	3,857,672
Energy saving cost charged by a related party*	216,664	2,627,981
Repair and maintenance works charged by a related party	1,166,797	3,294,678
Consultancy and project management fee charged by a related party	439,317	477,750

\* The Town Council has entered into an agreement for the related party to supply and install Light Emitting Diode ("LED") luminaries at the HDB blocks at no costs to the Town Council. Under the terms of the agreement, certain percentage of the energy cost saved from the usage of the LED will be shared with the related party.

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

**27 Financial risk management objectives and policies**

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

The Town Council does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

**27.1 Currency risk**

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

The Town Council's operational activities are carried out in Singapore dollar. Hence, the Town Council is not exposed to foreign currency risk.

**27.2 Cash flow and fair value interest rate risk**

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

**27 Financial risk management objectives and policies (cont'd)**

**27.2 Cash flow and fair value interest rate risk (cont'd)**

The Town Council's interest-bearing assets, comprised mainly of short-term bank deposits and financial assets at fair value through profit or loss, are exposed to financial market risk due to fluctuations in interest rates, which may affect the Town Council's interest income.

The Town Council manages this exposure by performing ongoing evaluations of their investment portfolio.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 75 (2019/2020 - 75) basis points lower/higher with all other variables held constant, the Town Council's surplus net of tax would have been \$324,182 (2019/2020 - \$373,077) lower/higher.

In respect of interest-bearing financial assets the following table indicates their effective interest rates at reporting date:

	Note	Effective <u>interest</u> rate %	<u>Total</u> \$	Less than <u>1 year</u> \$	1 to 5 <u>years</u> \$
<b>31 March 2021</b>					
<b>Financial assets</b>					
Fixed deposits	12	1.34%	43,224,200	36,272,256	6,951,944
<b>31 March 2020</b>					
<b>Financial assets</b>					
Fixed deposits	12	1.87%	49,743,597	7,142,800	42,600,797

**27.3 Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

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

	Less than <u>1 year</u> \$	1 to 5 <u>years</u> \$	Over <u>5 years</u> \$	<u>Total</u> \$
<b>At 31 March 2021</b>				
Fixed deposits	36,272,256	6,951,944	-	43,224,200
Cash and bank balances	29,810,249	-	-	29,810,249
Other financial assets	4,240,831	-	-	4,240,831
<hr/>				
Other Current financial liabilities	2,480,371	-	-	2,480,371
Other non-current financial liabilities	-	27,826	-	27,826

**27 Financial risk management objectives and policies (cont'd)****27.3 Liquidity risk (cont'd)**

	Less than <u>1 year</u> \$	1 to 5 <u>years</u> \$	Over <u>5 years</u> \$	<u>Total</u> \$
<b>At 31 March 2020</b>				
Fixed deposits	7,142,800	42,600,797	-	49,743,597
Cash and bank balances	13,544,161	-	-	13,544,161
Other financial assets	6,535,762	-	-	6,535,762
<hr/>				
Other current financial liabilities	3,528,513	-	-	3,528,513
Other non-current financial liabilities	-	190,009	-	190,009

**27.4 Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Town Council. The Town Council has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Town Council performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Town Council has no significant concentration of credit risk and categorised the receivables as low credit risks. Generally the credit terms are 30 days and the Town Council has no significant trade receivables overdue. No other financial assets carry a significant exposure to credit risk. The Town Council has established credit limits for customers and monitors their balances. Cash and cash equivalents are placed with banks and financial institution which are regulated.

The Town Council's major classes of financial assets are cash and cash equivalent, trade and other receivables. Bank deposits are mainly deposited with banks with high credit ratings.

To assess and manage its credit risks, the Town Council categorises the aforementioned financial assets according to their risk of default. The Town Council defines default to have taken place when internal or/and external information indicates that:

- the borrower is unlikely to pay its credit obligations to the Town Council in full, without recourse by the Town Council to actions such as realising security (if any is held); or
- the financial assets is more than 30 days past due.

**27 Financial risk management objectives and policies (cont'd)**

**27.4 Credit risk (cont'd)**

The Town Council has not rebutted the presumption included in FRS 109 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Town Council's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Counterparty has a low credit risk <sup>Note 1</sup> and does not have any past due amounts	12-months ECL
2	Significant increase in credit risk since initial recognition <sup>Note 2</sup> or financial asset is > 30 days past due	Lifetime ECL – not credit impaired
3	Evidence indicates that financial asset is credit-impaired <sup>Note 3</sup>	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
4	Evidence indicates that the management has no reasonable expectations of recovering the write off amount <sup>Note 4</sup>	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Town Council assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Town Council compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Town Council considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Town Council's future outlook of the industry in which the debtor operates and the most recent news or market talks about the debtor, as applicable. In its assessment, the Town Council will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change



**27 Financial risk management objectives and policies (cont'd)****27.4 Credit risk (cont'd)**

in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Town Council presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Town Council has reasonable and supportable information that demonstrates otherwise.

The ageing analysis of conservancy and service fee receivables with number of months of fees past due but not impaired are as follows:

	2020/2021	2019/2020
	\$	\$
With less than 3 months of fees outstanding	82,496	121,013
With more than 3 months but less than 6 months of fees outstanding	57,492	105,235
With more than 6 months but less than 12 months of fees outstanding	372,484	85,537
With more than 12 months of fees outstanding	14,052	-

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

**Note 3. Credit impaired**

In determining whether financial assets are credit-impaired, the Town Council assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

**27 Financial risk management objectives and policies (cont'd)****27.4 Credit risk (cont'd)**

## Note 4. Write off

Generally, the Town Council writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Town Council performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Town Council do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables

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 ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by service types and customer ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Town Council assesses, the growth rates of the major industries which its customers operate in.

The estimated credit loss of trade receivables is as follows:

	2021	Rate of Provision	2020
	\$	%	\$
<u>Based on invoice date</u>			
Arrears in excess of 12 months	183,386	100	77,962
Arrears in excess of 24 months	208,793	100	271,437
Ex-arrears	34,281	100	18,599
Expected Credit Loss at 31 March	<u>426,460</u>		<u>367,998</u>

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

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

**27 Financial risk management objectives and policies (cont'd)****27.5 Price risk**

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Town Council is exposed to market price risks arising from its investment with fund manager classified as investment at fair value through profit or loss.

At the end of the reporting period, if the fair value had been 2% (2019/2020 - 2%) lower/higher with all other variables held constant, the Town Council's surplus for the year would have been \$402,102 (2019/2020 - \$304,108) lower/higher, arising as a result of higher/lower fair value losses on investments.

**28 Management of Town Council's funds**

The Town Council's objectives when managing funds are:

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

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

There were no changes in the Town Council's approach to funds management during the year. The Town Council is not subject to externally imposed requirements. As at the end of the reporting period, the Town Council's total funds amounted to \$94,916,670 (2019/2020 - \$79,125,079).

**Notes to the financial statements for the financial year ended 31 March 2021**

**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:

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

**(a) Assets measured at fair value**

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b><u>Recurring fair value measurements</u></b>				
<b>As at 31 March 2021</b>				
<i>Financial assets through profit or loss</i>				
Quoted equities (Note 8)	-	-	-	-
Quoted bonds (Note 8)	-	13,996,453	-	13,996,453
Treasury Bills (Note 8)	6,108,647	-	-	6,108,647
<hr/>				
<b>As at 31 March 2020</b>				
<i>Financial assets through profit or loss</i>				
Quoted equities (Note 8)	1,790,315	-	-	1,790,315
Quoted bonds (Note 8)	-	12,508,105	-	12,508,105
Treasury Bills (Note 8)	906,979	-	-	906,979

**30 Subsequent events****(a) Coronavirus Outbreak**

The outbreak of Coronavirus Disease (COVID-19) since early 2020 and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects. However, this has impacted slightly the Town Council's operations and its financial performance on receivable subsequent to the financial year end.

The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures for different phases approach to resume activities safely with the gradual re-opening of economic activities in each phase.

As the situation continues to evolve with significant level of uncertainty, the town council is unable to reasonably estimate the full financial impact of the COVID-19 outbreak. The Town Council is monitoring the situation closely and to mitigate the financial impact, it is conscientiously managing its cost by adopting an operating cost reduction strategy and conserving liquidity by working with major creditors to align repayment obligations with receivable collection if necessary.

Town Council has implemented the various safe management measures to the office and the public areas such as market & hawker centres, playground, game courts, fitness corner and amphitheatre etc. according to the requirements issued by the government to ensure the safety control is always in place.

In addition, the arrangement for deferred payment or instalment plans to help the residents who are in financial hardship to cope with the difficulty in payment of monthly service and conservancy charges.