

Financial statements

ANG MO KIO TOWN COUNCIL

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

For the financial year ended 31 March 2021

Dear Residents

The past year has been a challenging one for all as COVID-19 hit Singapore. During the pandemic, the Town Council's estate upgrading projects were affected by stringent social distancing rules.

Pandemic notwithstanding, Ang Mo Kio Town Council stands by our commitment to constantly rejuvenate the Town to make it a more conducive, safe, clean, and liveable home for our residents.

Despite facing multiple challenges, we continued to carry out our cyclical maintenance works, such as the Repairs and Redecoration (R&R) Programme, re-roofing and re-wiring of blocks.

In addition, more than 60 blocks benefitted with 173 new lifts across Yio Chu Kang, Ang Mo Kio - Hougang, and Jalan Kayu divisions under the Lift Replacement Programme and Selective Lift Replacement Programme.

Another area that we have made our mark is in the digital space. We created an online application for bulky item removal on our website early this year. Today, we have approved more than 5000 requests. It is good to see that residents have benefitted greatly from this online service, as they can make the bookings at their convenient time.

Keeping residents abreast of current happenings in the estate is essential. Our communication channels expanded to include a new Telegram Channel, AMKTC YouTube, and an inbox for residents to share estate improvement ideas. We also have a flipbook that shares estate improvement works done monthly at every estate on our website. Do check out our new social media channels and website, subscribe, and like them so that you can keep abreast of the Town Council's current happenings.

During the pandemic, the Town Council puts in extra effort to maintain a high level of public hygiene. The frequency of cleaning and disinfection efforts increased at common areas, high-traffic areas, and touchpoints such as lifts, playgrounds, fitness corners, railings, and benches. These efforts are critical in a bid to stem widespread transmission of the virus. Check out our COVID-19 media stories, which details what we are doing together during this challenging period.

The past year has been tough for everyone. On this note, I would like to thank our residents for their patience and support, and the Town Council team, especially our cleaners, for helping to keep the environment safe and hygienic.

With a concerted effort, we can emerge stronger together and embrace the new norms better. Let's continue to do our part to observe safe management measures to keep everyone safe.



Darryl David

MP of Ang Mo Kio GRC and Chairman of Ang Mo Kio Town Council

Estate Maintenance and Improvement Works

Through active engagement with residents and grassroots volunteers, we can understand and identify our residents' needs better.

The Town Council continual town improvement works strive to address the evolving needs of our residents through improving facilities and connectivity within the estates and scheduled cyclical works, conducting routine inspections to check on facilities/amenities defects as well as carrying out pest control efforts regularly such as Mozzie Wipeout Operations and Rodent Management Operations to ensure that our estates are safe, clean and conducive for our residents to live, work and play.

The town improvement works include the Repairs and Redecoration Programme(R&R), Selective Lift Replacement Programme (SLRP), Lift Enhancement Programme (LEP) and Neighbourhood Renewal Programme (NRP).

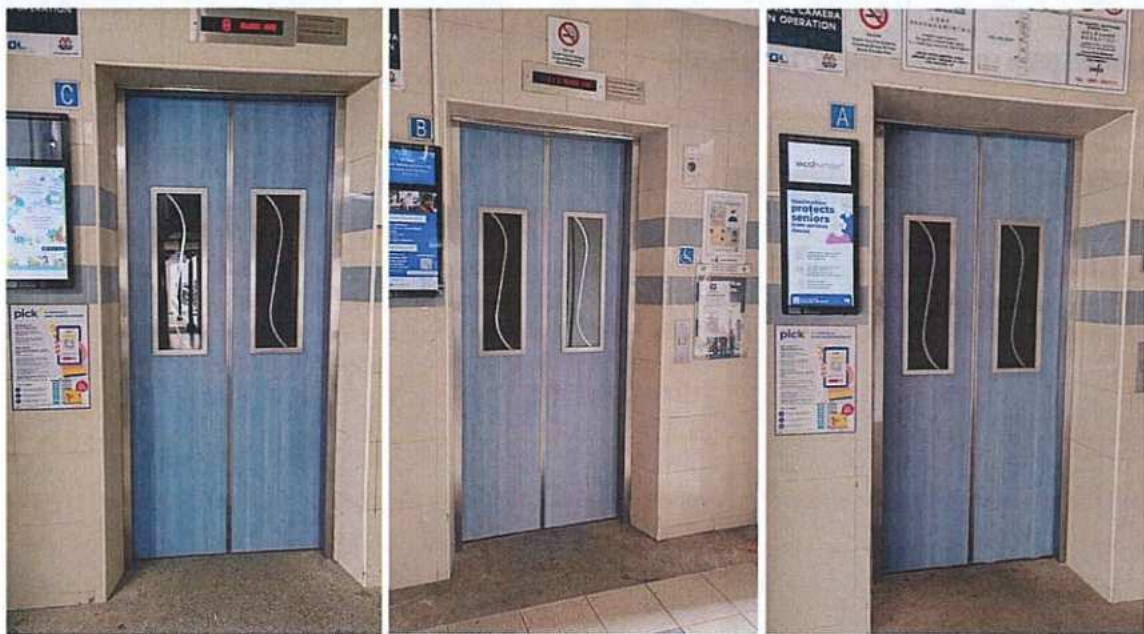
SLRP Lifts





New lifts replacement at Blk 614, 615 & 618 AMK Ave

LEP Lifts



Enhancement works for lift at Blk 642, 644, 645, 648, 650 Hougang Ave 8

Cyclical Works: Repairs and Redecoration Programme and estate improvement works



Newly painted Blk 410C, 409B and 407B Fernvale



Anti-Slip Coating applied at the lift lobbies of Blk 636 Ang Mo Kio Ave 6



Mozzie Wipeout Operation at Blk 633 ~ 649 Hougang Ave 8

Improved Connectivity

With more Barrier-Free Access (BFA) ramps, sheltered drop-off points and covered linkways, residents are able to commute to nearby amenities, food centres, convenience stores and carparks easily. Commuting within the estates are now more convenient for residents especially the seniors. Signages and floor/step markings which have faded through the years have been repainted/replaced along with added safety lines at accident prone areas.



Barrier-Free Access Ramp at Blk 645 Ang Mo Kio Ave 6



Sheltered Drop-Off Porch at Blk 547 Ang Mo Kio Ave 10



Handrails installed along pathway at Blk 986D Buangkok



Sheltered Linkway at Blk 567 Hougang Street 51



Before



After

New Directional Signages at Blk 443C Fernvale



Before



After

Painted Edge of Steps at Blk 629 Ang Mo Kio Ave 4

Active Lifestyle

We continue to build and upgrade playgrounds for children to play and fitness corners for the adults/seniors to keep fit.



Outdoor Fitness Corner at Blk 631 Ang Mo Kio Ave 4



Upgraded Playground at Blk 616 Hougang Ave 8



Upgraded playground between Blk 540 and 541 Ang Mo Kio Ave 10



Upgraded fitness corner at Blk 303 Ang Mo Kio Ave 1



Upgraded fitness corner at Blk 602 Ang Mo Kio Ave 5

Sustainable & Green Features

With the goal of sustainability in mind, AMKTC adopted various ways to conserve resources which include sustainable features such as the LED Smart Lighting system which helps to conserve energy and save electricity.



Allotment garden built between Blk 565 and 562 Hougang St 51



Installation of dual-tier bicycle racks at Blk 433B Fernvale Road



Installation of outdoor bicycle rack at Blk 620 Hougang Ave 8



Landscape improvement works Blk 700C Ang Mo Kio Ave 6



Upgraded pavilion at BBQ area near Blk 925 Hougang Street 91



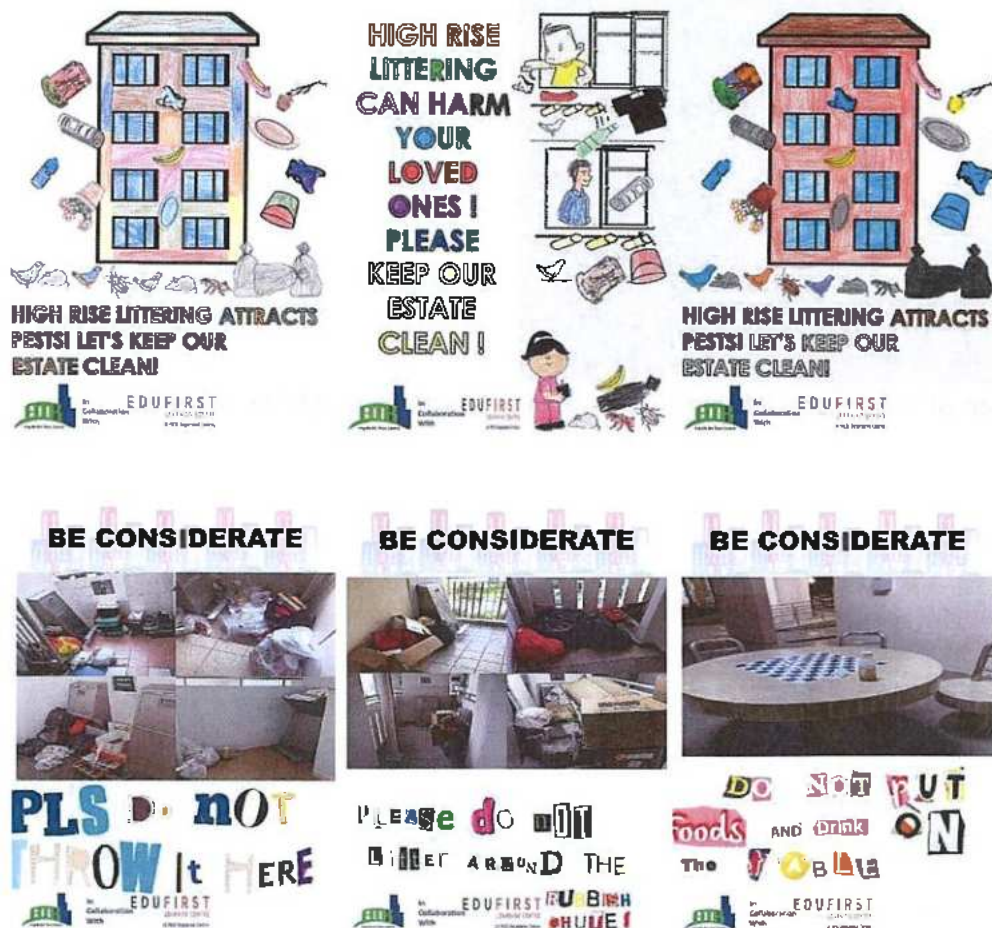


Installation of LED Smart Lighting System at Blk 454 to 476 Ang Mo Kio Ave 10

Outreach efforts

We recognise the importance of community engagement with our residents. With strict safe management measures, the outreach activities with schools were conducted via Zoom.

The Town Council's website has also been upgraded with an online feature: Bulky Item Removal. The new online feature helps residents to submit their request for bulky item removal service easily and at their convenience.



Twenty students (7 to 12 years old) from Edufirst Learning Centre (Hougang Branch) coloured and designed posters about high rise littering. The students also had learnt about the dangers of high rise littering and how it can harm their family and loved ones.



Free Bulky Items Removal

Adjust font size A A Print

[Home](#) > [Our Services](#) > [Free Bulky Items Removal](#)



Got Bulky Items to Throw? Book Online now

Do not dispose bulky items illegally at the common areas. If you require assistance in removing bulky items, please [click here](#).

AMKTC provides **FREE** bulky items removal service once a month for all HDB Residents in Ang Mo Kio GRC, Kebun Baru SMC and Yio Chu Kang SMC. Maximum of 5 items can be disposed; the first 3 items will be disposed free-of-charge, while the next 2 items are chargeable at \$5 each.

Maximum dimension of each item to be disposed is 2.1m x 0.9m

Classification of Free Bulky Removal Items:

1 Mattress + 1 Bed Frame = 2 Items

1 L-Shaped Sofa (3 Seater + 2 Seater) = 2 Items

1 Dining Table + 2 Chairs = 3 Items



This service DOES NOT include:

- Glass items
- Dismantling of items
- Shifting of house
- Clearing of renovation debris
- Built-in fixtures (e.g. cabinets, drawers, window grilles etc.)
- Fish tank
- Piano/Big musical instrument
- * Any other item that is unable to fit into the lift.

Residents can now book their Bulky Item Removal service online at our website amktc.org.sg.

Fighting COVID-19

Public safety and hygiene are foremost. During the pandemic, the Town Council has stepped up its conservancy efforts; with the frequency of cleaning measures more extensive than usual.





Code of Governance Practices

Ang Mo Kio Town Council adopts best practices to execute its fiduciary responsibilities, improve accountability and disclosure. By exercising the code of governance practices, The Town Council aims to promote greater transparency and raise governance standards.

In the appointment and re-appointment of Town Councillors, the Town Council takes into consideration the composition of the Council and the relevant experience, skills and/or competencies of the members. The following factors are used as guidelines:

- The Council utilises a referral process to search for potential candidates;
- The Council considers a variety of factors, including audit and financial skills, time commitment, and prior experience; and
- At least two-thirds of the appointed Town Councillors must be residents of HDB estates under the Town Council's management

In carrying out an assessment of key risks facing the Town Council and whether internal controls in place are adequate and effective, the Town Council has implemented a comprehensive Risk Management Framework where key risks are identified and reported to the Council.

An annual risk assessment has been performed and the effectiveness of internal control has been assessed. 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.

Contents

	Page
Independent auditor's report	1
Statement of financial position	5
Statement of income and expenditure and other comprehensive income	6
Statement of changes in funds	7
Statement of cash flows	8
Notes to the financial statements	10

Independent auditor's report to the members of ANG MO KIO TOWN COUNCIL

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

Report on the audit of the financial statements

Opinion

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

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

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 refers to the Chairman's Review included in the Annual Report, but does not include the financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this auditor's report.

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 identified above 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. When we read the other information of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Independent auditor's report to the members of ANG MO KIO TOWN COUNCIL (Cont'd) (Established under the Town Councils Act, Cap. 329A)

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and Singapore Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A Town Council is established under the Town Councils Act and may be dissolved by the Minister's order published in the Gazette. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations.

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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Independent auditor's report to the members of ANG MO KIO TOWN COUNCIL (Cont'd) (Established under the Town Councils Act, Cap. 329A)

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

Report on other legal and regulatory requirements

Opinion

In our opinion,

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

Basis for Opinion

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

Independent auditor's report to the members of ANG MO KIO TOWN COUNCIL (Cont'd)

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

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditor's Responsibilities for the Compliance Audit

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

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


Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 28 OCT 2021

Statement of financial position as at 31 March 2021

	Note	31 March 2021 \$	31 March 2020 \$
TOWN COUNCIL FUNDS			
Residential property			
Accumulated surplus	3	8,734,140	650,986
Sinking Funds	4	120,729,910	105,250,943
Lift Replacement Funds	5	69,898,730	61,966,652
Town Improvement and Project Funds	6	1,088,193	4,032,721
		200,450,973	171,901,302
Commercial property			
Accumulated surplus	3	763,112	7,344,695
Sinking Funds	4	53,413,234	43,561,849
Lift Replacement Funds	5	12,452,693	9,636,010
Town Improvement and Project Funds	6	2,261,708	200,662
		68,890,747	60,743,216
Carpark			
Accumulated surplus	3	5,346,026	10,782,260
		274,687,746	243,426,778
REPRESENTED BY:			
Non-current assets			
Plant and equipment	7	222,042	227,262
Right-of-use assets	8	721,839	852,422
Current assets			
Financial assets at fair value through profit or loss	9	5,162,430	5,198,490
Conservancy and service fees receivables	10	1,869,639	1,542,196
Receivables for Selective Lift Replacement Programme	11	4,854,306	2,721,314
Receivables for Lift Enhancement Programme	12	3,601,394	2,050,424
Receivables for Neighbourhood Renewal Programme	13	-	2,891,222
Other receivables, deposits and prepayments	14	10,702,344	12,848,793
Cash and bank balances	15	266,791,932	229,907,314
		292,982,045	257,159,753
Total assets		293,925,926	258,239,437
Less:			
Non-current liabilities			
Lease liabilities	16	221,171	427,156
Current liabilities			
Conservancy and service fees received in advance		1,488,641	1,608,605
Advances received for Neighbourhood Renewal Programme	13	131,498	-
Advances received for Electrical Load Upgrading Programme	17	924,818	955,309
Lease liabilities	16	513,220	434,371
Payables and accrued operating expenses	18	14,307,290	9,601,866
Income tax payable	27	1,651,542	1,785,352
Total current liabilities		19,017,009	14,385,503
Total liabilities		19,238,180	14,812,659
NET ASSETS		274,687,746	243,426,778



DAVID DARRYL WILSON
Chairman



ANG BOON PENG
General Manager/Secretary

Dated: **28 OCT 2021**

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

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

	Note	Year ended 31 March 2021 \$	Year ended 31 March 2020 \$
Operating income			
Conservancy and service fees	3	75,982,834	77,826,345
Less:			
Operating income transfer to Sinking Funds (26% transferred to Sinking Funds)	3, 4	(19,755,542)	(20,234,865)
Operating income transfer to Lift Replacement Funds (14% transferred to Lift Replacement Funds)	3, 5	(10,637,600)	(10,895,697)
		45,589,692	46,695,783
Agency fees	3, 19	5,761,398	6,172,506
Other income	3, 20	2,986,890	3,781,647
		54,337,980	56,649,936
Less:			
Operating expenditure			
Cleaning works		(10,987,189)	(11,032,457)
Managing agent's fees	21	(6,426,890)	(6,321,040)
Lift maintenance		(11,325,647)	(11,657,673)
Other works and maintenance		(8,259,431)	(8,847,789)
Water and electricity		(13,523,957)	(16,983,764)
General and administrative expenditure	22	(4,407,593)	(3,627,462)
		(54,930,707)	(58,470,185)
Operating deficit		(592,727)	(1,820,249)
Add: Interest income	3	222,108	575,213
Deficit before taxation and government grants		(370,619)	(1,245,036)
Less:			
Income tax	3	(531,812)	(369,397)
Deficit before government grants		(902,431)	(1,614,433)
Add:			
Government grants	3, 28	27,057,200	30,715,049
Less: Transfer to			
- Sinking Funds	3, 4, 28	(4,261,441)	(4,171,217)
- Lift Replacement Funds	3, 28	(8,737,704)	(8,821,352)
- Lift Replacement Funds - voluntary contribution	3, 5, 28	-	(2,000,000)
- Town Improvement and Project Funds	3, 6, 28	(4,214,293)	(6,096,607)
		9,843,762	9,625,873
SURPLUS FOR THE YEAR		8,941,331	8,011,440
Add:			
Surplus/(Deficit) for the year from:			
- Sinking Funds	4	19,231,537	9,602,969
- Lift Replacement Funds	5	12,233,355	14,822,374
- Town Improvement and Project Funds	6	(479,617)	(2,175,467)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		39,926,606	30,261,316

DAVID DARRYL WILSON
Chairman

ANG BOON PENG
General Manager/Secretary

Dated: 28 OCT 2021

Statement of changes in funds

for the financial year ended 31 March 2021

	Residential property \$	Commercial property \$	Carpark \$	Total \$
Balance as at 1 April 2019	146,722,922	57,361,677	9,080,863	213,165,462
Surplus for the year	25,178,380	3,381,539	1,701,397	30,261,316
Balance as at 31 March 2020	171,901,302	60,743,216	10,782,260	243,426,778
Changes in activities allocation	7,158,113	-	(7,158,113)	-
Net transfer of funds during boundary change 2020	(13,088,186)	5,218,244	(795,696)	(8,665,638)
Surplus for the year	34,479,744	2,929,287	2,517,575	39,926,606
Balance as at 31 March 2021	200,450,973	68,890,747	5,346,026	274,687,746

The (deficit)/surplus for the year comprises the following:

	Note	Year ended 31 March 2021 \$	Year ended 31 March 2020 \$
Accumulated surplus	3	8,941,331	8,011,440
Sinking Funds	4	19,231,537	9,602,969
Lift Replacement Funds	5	12,233,355	14,822,374
Town Improvement and Project Funds	6	(479,617)	(2,175,467)
		39,926,606	30,261,316

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

Statement of cash flows

for the financial year ended 31 March 2021

	Note	Year ended 31 March 2021 \$	Year ended 31 March 2020 \$
Cash Flows from Operating Activities			
Deficit before taxation and government grants	3	(370,619)	(1,245,036)
Adjustments for:			
Depreciation of plant and equipment	7	189,581	156,532
Depreciation of right-of-use assets	8	510,364	458,409
Interest income	3	(222,108)	(575,213)
Interest expense	A, 16	22,643	25,057
Rent concessions	20	(78,400)	-
Fair value loss/(gain) arising from fair value through profit & loss investment	23	36,060	(216,370)
Operating income transfer to Sinking Funds	4	19,755,542	20,234,865
Operating income transfer to Lift Replacement Funds	5	10,637,600	10,895,697
Operating surplus before working capital changes		30,480,663	29,733,941
(Increase)/Decrease in operating receivables		(2,783,553)	2,001,855
Increase in operating payables		4,654,822	2,090,452
Cash generated from operations before income tax		32,351,932	33,826,248
Net cash transferred out in boundary change		(8,906,886)	-
Interest received		222,108	575,213
Interest paid		(22,643)	(25,057)
Income tax paid	27	(501,431)	(631,276)
Sinking Funds income - Other income	23	1,997	1,795
Lift Replacement Funds income from Selective Lift Replacement Programme and Lift Enhancement Programme	24	2,993,626	3,994,015
Sinking Funds expenditure	23	(6,204,875)	(17,308,341)
Lift Replacement Funds expenditure	24	(10,698,824)	(11,654,616)
Town Improvement and Project Funds expenditure	25	(4,693,910)	(8,272,074)
Selective Lift Replacement Programme expenditure	11	(2,132,992)	(2,143,224)
Lift Enhancement Programme expenditure	12	(1,550,970)	(1,980,346)
Neighbourhood Renewal Programme Funds expenditure	13	(1,942,981)	(3,600,164)
Electrical Load Upgrading Programme Funds expenditure	17	(918,301)	(861,484)
Net cash used in operations before government grants		(2,004,150)	(8,079,311)
Government grants received		29,520,896	29,339,141
Funding from Housing & Development Board for Neighbourhood Renewal Programme projects	13	4,965,701	89,560
Funding from Housing & Development Board for Electrical Load Upgrading Programme projects	17	887,810	999,354
Fixed deposit pledged		(254)	(252)
Net cash generated from operating activities		33,370,003	22,348,492
Cash Flows from Investing Activities			
Interest and investment income received		4,165,454	4,138,532
Proceeds from redemption of bonds upon maturity		-	2,000,000
Purchase of plant and equipment	7	(199,933)	(11,480)
Net cash generated from investing activities		3,965,521	6,127,052
Cash Flows from Financing Activities			
Repayment of lease liabilities	A	(451,160)	(474,361)
Net cash used in financing activities		(451,160)	(474,361)
Net increase in cash and cash equivalents		36,884,364	28,001,183
Cash and cash equivalents at beginning of year		229,806,308	201,805,125
Cash and cash equivalents at end of year	15	266,690,672	229,806,308

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

Statement of cash flows (Cont'd)

for the financial year ended 31 March 2021

Note A:

	As at 1 April 2020 \$	New leases \$	Transfer from Nee Soon Town Council in boundary change \$	Interest expense \$	Repayment \$	Rent concessions \$	As at 31 March 2021 \$
Lease liabilities	861,527	299,129	80,652	22,643	(451,160)	(78,400)	734,391

	As at 1 April 2019 \$	Adoption of FRS 116 \$	Interest expense \$	Repayment \$	As at 31 March 2020 \$
Lease liabilities	-	1,310,831	25,057	(474,361)	861,527

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

Notes to the financial statements

for the financial year ended 31 March 2021

1 General

Ang Mo Kio Town Council (the “Town Council”) was formed in 1989 under the Town Councils Act (Cap. 329A). The principal functions of the Town Council are to control, manage, maintain and improve the common areas of residential units, other commercial properties and market and food centres in the housing estates of the Housing & Development Board (“HDB”) within the Town.

The Town Council manages the Ang Mo Kio Group Representation Constituency (“GRC”), comprising the divisions of Cheng San-Seletar, Ang Mo Kio - Hougang, Jalan Kayu, Sengkang South, Teck Ghee and Yio Chu Kang.

The Town Council used to manage the common property of the Sengkang West Single Member Constituency (the “Sengkang West SMC”) till 27 October 2020.

As a result of the redrawing of the electoral boundaries after General Election held on 10 July 2020, there had been changes to the Town Council’s boundary. An area within the Sengkang West SMC (the “Sengkang West Division”), comprising 14,114 residential units, 84 commercial property units and 13,434 parking lots (the “Affected Property”) became part of Sengkang GRC, and 7,799 residential unit, 281 commercial property units and 4,922 parking lots (the “Affected Property”) of the Nee Soon GRC’s Kebun Baru division became part of the Ang Mo Kio GRC. Sengkang GRC and Nee Soon GRC are managed by Sengkang Town Council (“SKTC”) and Nee Soon Town Council (“NSTC”), respectively. On 28 October 2020, assets and liabilities of the Affected Property were transferred to SKTC and transferred from NSTC, respectively.

The legal date of handover of the maintenance of the Affected Property from the Town Council to SKTC was 28 October 2020. The Town Council maintained the accounting records during the caretaking to 27 October 2020. The legal date of takeover of the maintenance of the Affected Property from the NSTC to the Town Council was 28 October 2020.

The principal office of operations is situated at Block 342, Ang Mo Kio Avenue 1, #01-1561, Singapore 560342.

The financial statements of the Town Council for the financial year ended 31 March 2021 were authorised for issue by the Town Council on 28 October 2021.

2(a) Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”) as issued by the Singapore Accounting Standards Council as well as all related interpretations to FRS (“INT FRS”) and the Town Councils Act, Cap. 329A. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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.

2(a) Basis of preparation (Cont'd)**Significant accounting estimates and judgements**

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.

Areas involving a high degree of judgement or complexity are described below.

(a) Judgement**Income tax**

Significant judgement is required in determining the provision for income taxes. There are also claims for which the ultimate tax determination is uncertain during the ordinary course of business. The Town Council recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made.

Software-as-a-Service ("SaaS") arrangement

The Town Council entered into a SaaS cloud computing arrangement with a third-party IT cloud provider to implement a management system for operational purposes. Under the arrangement, the customer is provided with a right to access the vendor's software application on the cloud over the contract period, and the vendor performs configuration and customisation to the customer's specifications. The Town Council does not control the software intangible asset because it is unable to run the software on its own hardware or contract with another party unrelated to the vendor to host the software without having to incur significant costs. The SaaS arrangement between the Town Council and the IT cloud provider is assessed to be a service contract. Significant judgement is also applied in determining that the configuration and customisation service provided by the vendor is not distinct from the access to the cloud software over the contract period as there is a significant degree of integration, modification and interdependency. As a result, fee for use of the cloud software is expensed as the service is provided; configuration and customisation costs are recognised as prepayment and expensed over the period of access to the cloud software; cost of the data conversion software developed for the Town Council is capitalised and amortised over its useful life; and testing and training costs are expensed as incurred.

(b) Key sources of estimation**Allowance for expected credit losses ("ECL") of conservancy and service fees receivables and late payment penalty receivables**

Impairment for doubtful conservancy and service fees receivables and late payment penalty receivables amounting to \$1,091,097 (31 March 2020 - \$935,507) and \$222,109 (31 March 2020 - \$219,445), respectively, have been estimated using a provision matrix by evaluating historical credit loss experience, results of recovery efforts, current conditions as well as forward looking estimates.

As at 31 March 2021, the carrying amount of the Town Council's conservancy and service fees receivables and late payment penalty receivables are \$1,869,639 (31 March 2020 - \$1,542,196) in Note 10, and \$148,073 (31 March 2020 - \$146,296) in Note 14, respectively.

2(a) Basis of preparation (Cont'd)**(b) Key sources of estimation (Cont'd)**Depreciation of plant and equipment (Note 7)

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. If depreciation on plant and equipment increases/decreases by 10% from management estimate would not have a material effect on the financial statements.

Determination of incremental borrowing rate for leases (Note 8 and 16)

The Town Council recognises a lease liability at the present value of the remaining lease payments using the Town Council's incremental borrowing rate for the underlying lease asset; and recognises a corresponding right-of-use asset, on a lease-by-lease basis. Management applied significant estimates and assumptions in determining the incremental borrowing rate, with key inputs to the computation comprising the term of the lease, nature and quality of the security, economic environment and credit spread. The carrying amount of the Town Council's right-of-use assets and lease liabilities are disclosed in Note 8 and 16, respectively. A 5% change in the estimated incremental borrowing rate would not have a material effect on the financial statements.

2(b) Adoption of new and revised standards

On 1 April 2020, the Town Council adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date.

The adoption of these new and amended FRSs did not result in substantial changes to Town Council's accounting policies and has no material effect on the amounts reported for the current or prior financial year.

Reference	Description
Conceptual Framework	Amendments to References to the Conceptual Framework in FRS Standards
Amendments to FRS 103	Definition of a Business
Amendments to FRS 1 and FRS 8	Definition of Material

2(c) FRS not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not yet effective and which the Town Council has not early adopted:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 116	<i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to FRS 109, FRS 39, FRS 107, FRS104 and FRS 116	<i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
FRS 117	<i>Insurance Contracts</i>	1 January 2021
Amendments to FRS 116	<i>Covid-19 Related Rent Concessions</i>	1 April 2021
Amendments to FRS 103	<i>Reference to the Conceptual Framework</i>	1 January 2022

2(c) FRS not yet effective (Cont'd)

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
<i>Annual Improvements to FRS Standards 2018-2020</i>		
Amendments to FRS 109	<i>Fees in the '10 per cent' Test for Derecognition of Financial Liabilities</i>	1 January 2022
Amendments to FRS 116	<i>Lease Incentives</i>	1 January 2022
Amendments to FRS 1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2023

The Town Council does not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Town Council in the period of their initial adoption.

The Town Council does not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Town Council in the period of their initial adoption.

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

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

- Residential property
- Commercial property

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

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

All monies received by the Town Council are paid into and related expenditures are paid 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 Funds

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

2(d) Summary of significant accounting policies (Cont'd)**(a) Funds (Cont'd)****Sinking Funds (Cont'd)**

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 to be paid into the Sinking Funds.

The minimum amounts that are paid by each property type into the Sinking Funds for every quarter of the financial year starting 1 April 2017, and for every quarter of any subsequent financial year end, are as follows:

- (a) At least 26% of all conservancy and service charges which are levied by the Town Council for residential property and for commercial property, respectively, and are paid or due and payable, or both, to the Town Council in that quarter; and
- (b) At least 26% of -
 - (i) the total grants-in-aid received by the Town Council in that relevant quarter for residential property and commercial property, respectively; less
 - (ii) the Lift Replacement Funds matching grant-in-aid received by the Town Council in that same relevant quarter for that same 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 and other comprehensive income.

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

Lift Replacement Funds

Lift Replacement Funds ("LRF") are established and maintained from financial year starting 1 April 2017 as part of the Town Council Funds. The Lift Replacement Funds are utilised for all lift-related expenses, which were previously incurred under the Sinking Funds.

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 to be paid into the Lift Replacement Funds.

14% of the closing balance shown in the Town Council's audited accounts for financial year ended 31 March 2017 in respect of each ordinary sinking fund established for residential property and commercial property, respectively, has been paid by the Town Council into every lift replacement fund established by the Town Council for that residential property and commercial property, respectively.

2(d) Summary of significant accounting policies (Cont'd)**(a) Funds (Cont'd)****Lift Replacement Funds (Cont'd)**

The minimum amounts that are paid by each property type into the Lift Replacement Funds for every quarter of the financial year starting 1 April 2017, and for every quarter of any subsequent financial year end, are as follows:

- (a) At least 14% of all conservancy and service charges which are levied by the Town Council for residential property and for commercial property, respectively, and are paid or due and payable, or both, to the Town Council in that quarter; and
- (b) At least 14% of -
 - (i) the total grants-in-aid received by the Town Council in that relevant quarter for residential property and commercial property, respectively; less
 - (ii) the Lift Replacement Funds matching grant-in-aid received by the Town Council in that same relevant quarter for that same property.

Town Improvement and Project Funds

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

The funds comprise the amounts set aside for projects to be carried out in the next financial year. All expenditures on town improvement and projects are appropriated from these reserves.

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

(b) Inter-funds transfer

Under Section 33(9) of the Town Councils Act and Rule 11A(1) of the Town Council Financial Rules, if there is a surplus in an operating fund or a surplus in an ordinary sinking fund of the Town Council at the end of the financial year, the Town Council may transfer the whole or part of the surplus in the operating fund to a lift replacement fund or an ordinary sinking fund, or transfer the whole or part of the surplus in an ordinary sinking fund to a lift replacement fund, but only to make good any deficit in the lift replacement fund.

Under Section 43(1)(i) of the Town Councils Act, the Minister may make rules for the circumstances under which a surplus in an operating fund, sinking fund or lift replacement fund established for residential property, may be transferred to the same fund established for commercial property, and vice versa.

Under Rule 11A(2) and (3) of the Town Council Financial Rules, a surplus in an operating fund, sinking fund or lift replacement fund established for residential property, may be transferred to the same fund established for commercial property, and vice versa, to make good any deficit.

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

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

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

Such allocation by EDU is not applied to the Sinking Funds, Town Improvement and Project Funds and Lift Replacement Funds.

(d) Government grants

The Town Council receives five types of grants from the government: Service and Conservancy Charge operating grant, payments from Citizens' Consultative Committees, Goods and Services Tax ("GST") subvention grant, Lift Maintenance grant and Lift Replacement Funds ("LRF") matching grant.

- (i) Service and Conservancy Charge operating grant to meet the current year's operating expenditure are taken to income or expenditure.
- (ii) Payments from Citizens' Consultative Committees are granted to provide funding support for community improvement projects under the CIPC scheme.
- (iii) The GST subvention is given as grants-in-aid and is granted to assist the Town Councils for absorbing the GST increases in service and conservancy charges for HDB residential flats.
- (iv) The Lift Maintenance grant is given to help the Town Councils cope with higher lift-related servicing and maintenance costs, with a disbursement of \$600 annually for each lift maintained by the Town Council.
- (v) The Lift Replacement Funds matching grant is given to encourage Town Councils to set aside sufficient funds for the replacement of their existing lifts and lift parts, with disbursements to Town Councils made every quarter, matching 50% of the Town Council's quarterly contribution to its LRF.

Government grants are recognised at fair value when there are reasonable assurance that the attached conditions will be complied with and that the grants will be received. Grants in recognition of specific expenditures are recognised as income over the periods necessary to match them with the related expenditure that they are intended to compensate, on a systematic basis unless the accounting treatment is specified.

2(d) Summary of significant accounting policies (Cont'd)**(e) Plant and equipment and depreciation**

Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

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

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 recognised 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 reliably measured. Other subsequent expenditure is recognised as an expense 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. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

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

(f) Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

2(d) Summary of significant accounting policies (Cont'd)**(f) Impairment of non-financial assets (Cont'd)**

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

(g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial assets**Measurement****Initial recognition and measurement**

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Town Council's business model for managing them. With the exception of conservancy and service fee receivables that do not contain a significant financing component or for which the Town Council has applied the practical expedient, the Town Council initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Conservancy and service fee receivables are measured at the amount of consideration to which the Town Council expects to be entitled in exchange for transferring promised services to a resident. Refer to the accounting policies in this section *Revenue Recognition*.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("OCI"), it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Town Council commits to purchase or sell the asset.

2(d) Summary of significant accounting policies (Cont'd)**(g) Financial instruments (Cont'd)****(I) Financial assets (Cont'd)****Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated as fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income and expenditure statement when the assets are derecognised or impaired, and through the amortisation process.

Subsequent measurement of debt instruments depends on the Town Council's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash 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.

The Town Council's financial assets at amortised cost include conservancy and service fee receivables, receivables for Selective Lift Replacement Programme, receivables for Lift Enhancement Programme, receivables for Neighbourhood Renewal Programme, other receivables, deposits and cash and bank balances.

Financial assets designated as fair value through other comprehensive income ("FVOCI") (debt instruments)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in income and expenditure statement and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to income and expenditure statement as a reclassification adjustment when the financial asset is de-recognised. The Town Council does not hold such financial assets.

2(d) Summary of significant accounting policies (Cont'd)**(g) Financial instruments (Cont'd)****(I) Financial assets (Cont'd)****Subsequent measurement (Cont'd)****Financial assets designated as fair value through other comprehensive income ("FVOCI") (equity instruments)**

The Town Council subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held-for-trading, the Town Council may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in income and expenditure statement when the Town Council's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in income and expenditure statement. Changes in fair value of financial assets at FVOCI recognised in OCI are never recycled to income and expenditure statement. Dividends are recognised as other income in the income and expenditure statement when the right of payment has been established, except when the Town Council benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment. The Town Council does not hold such financial assets.

Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in income and expenditure statement in the period in which it arises. Interest income from these financial assets is included in the finance income. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of income and expenditure and other comprehensive income.

2(d) Summary of significant accounting policies (Cont'd)**(g) Financial instruments (Cont'd)****(I) Financial assets (Cont'd)****Derecognition**

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Town Council has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Town Council has transferred substantially all the risks and rewards of the asset, or (b) the Town Council has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Town Council has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Town Council continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Town Council also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Town Council has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Town Council could be required to repay.

Impairment of financial assets

The Town Council assesses on a forward-looking basis the expected credit losses (“ECL”) associated with its debt instrument assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Town Council expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For conservancy and service fee receivables and late payment penalty receivables, the Town Council measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Town Council does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Town Council has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2(d) Summary of significant accounting policies (Cont'd)**(g) Financial instruments (Cont'd)****(II) Financial liabilities****Initial recognition and measurement**

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. These financial liabilities comprise trade and other payables.

Subsequent measurement

They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income and expenditure statement.

Derecognition

The Town Council derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Town Council also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in income and expenditure statement.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for doubtful debts. An allowance for doubtful receivables is established when there is objective evidence that the Town Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in income or expenditure. When a receivable becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and fixed deposits.

(j) Payables

Payables are initially measured at fair value (net of transaction costs), and subsequently measured at amortised cost, using the effective interest method.

2(d) Summary of significant accounting policies (Cont'd)**(k) 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. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in income or expenditure in the period they occur.

(l) Employee benefitsDefined contribution plan

The Town Council contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore. The Town Council contributes to the CPF for its two employees. Other personnel are under the direct payroll of its managing agent. The contributions to CPF are charged to income or expenditure in the period to which the contributions relate.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Key management personnel consist of Town Councillors.

(m) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the Town Council.

(i) Conservancy and service fees

Conservancy and service fees are recognised when due.

(ii) Agency fees

Agency fees for routine maintenance of HDB's carparks are recognised when due.

(iii) Interest and investment income

Interest income from fixed deposits is recognised on a time-proportion basis using the effective interest method.

Interest income from bonds is recognised using the effective interest method.

(iv) Other income

Other income comprises mainly temporary occupation licences, liquidated damages claims and other miscellaneous income, and are recognised when due.

2(d) Summary of significant accounting policies (Cont'd)**(n) 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 or non-owners 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 interest income derived from qualifying debt securities which have been approved under Section 13 of the Income Tax Act, Cap. 134.

(o) LeasesThe Town Council as lessee

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

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Town Council uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

2(d) Summary of significant accounting policies (Cont'd)**(o) Leases (Cont'd)**The Town Council as lessee (Cont'd)*(a) Lease liability (Cont'd)*

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

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

The Town Council has elected the exemption to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Town Council shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Town Council has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the balance sheet.

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

The Town Council remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

2(d) Summary of significant accounting policies (Cont'd)**(o) Leases (Cont'd)**The Town Council as lessee (Cont'd)*(a) Lease liability (Cont'd)*

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Right-of-use asset

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Office premises: over lease term of 3 years
Office equipment: over lease term of 5 years

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

The right-of-use assets are presented as a separate line item in the balance sheet.

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

(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 functional currency is Singapore dollar.

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

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

3 Accumulated surplus

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

	Note	Residential property 31 March 2021 \$	Commercial property 31 March 2021 \$	31 March 2020 \$	Carpark 31 March 2021 \$	31 March 2020 \$	Total 31 March 2021 \$	31 March 2020 \$
ACCUMULATED SURPLUS AT BEGINNING OF YEAR		650,986	7,344,695	6,150,791	10,782,260	9,080,863	18,777,941	18,898,335
Add/(Less):								
Transfer of accumulated surplus								
Transfer of funds in boundary change from								
Nee Soon Town Council as at 27 October 2020		(1,083,726)	(4,829,684)	-	(7,158,113)	-	(13,071,523)	-
Transfer of funds in boundary change to Sengkang		484,483	197,355	-	(6,198)	-	675,640	-
Town Council as at 27 October 2020		(525,011)	(148,540)	-	(789,498)	-	(1,463,049)	-
Transfer to Lift Replacement Fund	5	-	-	(3,998,528)	-	-	-	(4,000,000)
Transfer from Town Improvement and Project Funds	6	4,135,221	197,618	92,256	-	-	4,332,839	101,549
Appropriation to Town Improvement and Project Funds	6	(1,088,193)	(2,261,708)	(4,032,721)	-	(200,662)	(3,349,901)	(4,233,383)
OPERATING INCOME		2,573,760	499,736	5,955,950	2,828,451	9,080,863	5,901,947	10,766,501
Conservancy and service fees		70,511,433	5,471,401	5,433,407	-	-	75,982,834	77,826,345
Less:								
Operating income transfer to Sinking Funds								
(26% transferred to Sinking Funds)	4	(18,332,976)	(1,422,566)	(1,412,687)	-	-	(19,755,542)	(20,234,865)
Operating income transfer to Lift Replacements								
(14% transferred to Lift Replacement Funds)	5	(9,871,604)	(765,996)	(760,677)	-	-	(10,637,600)	(10,895,697)
Agency fees	19	42,306,853	3,282,839	3,260,043	-	-	45,589,692	46,695,783
Other income	20	2,054,691	841,672	1,211,845	90,527	6,172,506	5,761,398	6,172,506
Less: Operating expenditure		44,361,544	4,124,511	4,471,888	5,851,925	6,269,083	54,337,980	56,649,936
OPERATING (DEFICIT)/SURPLUS		(47,753,890)	(3,835,581)	(3,067,367)	(3,341,236)	(4,609,608)	(54,930,707)	(58,470,185)
Add: Interest income		(3,392,346)	288,930	1,404,521	2,510,689	1,659,475	(592,727)	(1,820,249)
(DEFICIT)/SURPLUS BEFORE INCOME TAX		192,140	9,987	24,811	19,981	53,135	222,108	575,213
AND GOVERNMENT GRANTS								
Less: income tax		(3,200,206)	298,917	1,429,332	2,530,670	1,712,610	(370,619)	(1,245,036)
Less: income tax (boundary change)	27	(242,710)	(18,242)	(41,306)	(6,588)	(11,213)	(267,540)	(369,397)
		(239,747)	(18,018)	-	(6,507)	-	(264,272)	-
		(482,457)	(36,260)	(41,306)	(13,095)	(11,213)	(531,812)	(369,397)
(DEFICIT)/SURPLUS BEFORE GOVERNMENT GRANTS		(3,682,663)	262,657	1,388,026	2,517,575	1,701,397	(902,431)	(1,614,433)
Add: Government grants	28	26,473,527	583,673	673,976	-	-	27,057,200	30,715,049
Less: Transfer to								
Sinking Funds	4.28	(4,261,129)	(312)	(312)	-	-	(4,261,441)	(4,171,217)
Lift Replacement Funds	5.28	(8,361,498)	(376,206)	(379,117)	-	-	(8,737,704)	(8,821,352)
Lift Replacement Funds - Voluntary	5.28	-	-	(1,736)	-	-	-	(2,000,000)
Town Improvement and Project Funds	6.28	(4,007,857)	(206,436)	(292,092)	-	-	(4,214,293)	(6,096,607)
		9,843,043	719	719	-	-	9,843,762	9,625,873
SURPLUS FOR THE YEAR		6,160,380	263,376	1,388,745	2,517,575	1,701,397	8,941,331	8,011,440
ACCUMULATED SURPLUS AT END OF YEAR		8,734,140	763,112	7,344,695	5,346,026	10,782,260	14,843,278	18,777,941

4 Sinking Funds

	Note	Residential property 31 March 2021 \$	Residential property 31 March 2020 \$	Commercial property 31 March 2021 \$	Commercial property 31 March 2020 \$	Total 31 March 2021 \$	Total 31 March 2020 \$
Balance as at beginning of year		105,250,943	96,768,433	43,561,849	42,441,390	148,812,792	139,209,823
Transfer from accumulated surplus at 22 June 2020		5,357,195	-	3,139,295	-	8,496,490	-
Transfer of funds in boundary change from Nee Soon Town Council as at 27 October 2020		9,165,513	-	6,718,831	-	15,884,344	-
Transfer of funds in boundary change to Sengkang Town Council as at 27 October 2020		(16,731,011)	-	(1,551,008)	-	(18,282,019)	-
		103,042,640	96,768,433	51,868,967	42,441,390	154,911,607	139,209,823
Add:							
Income	23	1,298,254	2,060,202	432,294	900,966	1,730,548	2,961,168
Operating income transfer from conservancy and service fees	3	18,332,976	18,822,178	1,422,566	1,412,687	19,755,542	20,234,865
Transfer from government grants	3,28	4,261,129	4,170,905	312	312	4,261,441	4,171,217
		23,892,359	25,053,285	1,855,172	2,313,965	25,747,531	27,367,250
Less:							
Expenditure	23	(5,976,369)	(16,267,718)	(228,506)	(1,040,623)	(6,204,875)	(17,308,341)
Income tax	27	(209,171)	(303,057)	(75,355)	(152,883)	(284,526)	(455,940)
Income tax (boundary change)		(19,549)	-	(7,044)	-	(26,593)	-
		(228,720)	(303,057)	(82,399)	(152,883)	(311,119)	(455,940)
Surplus for the year		17,687,270	8,482,510	1,544,267	1,120,459	19,231,537	9,602,969
Balance as at end of year		120,729,910	105,250,943	53,413,234	43,561,849	174,143,144	148,812,792

Represented by:

Current assets

Financial assets at fair value through profit or loss	9	5,162,430	5,198,490
Conservancy and service fees receivables	10	486,106	400,971
Other receivables, deposits and prepayments	14	236,175	1,083,973
Due from accumulated surplus		5,497,468	5,957,668
Cash and cash equivalents	15	163,720,913	138,379,286
Total assets		175,103,092	151,020,388

Less:

Current liabilities

Payables and accrued operating expenses	18	219,482	1,400,411
Income tax payable	27	740,466	807,185
Total liabilities		959,948	2,207,596
NET ASSETS		174,143,144	148,812,792

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

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

5 Lift Replacement Funds

	Note	Residential property 31 March 2021 \$	Residential property 31 March 2020 \$	Commercial property 31 March 2021 \$	Commercial property 31 March 2020 \$	Total 31 March 2021 \$	Total 31 March 2020 \$
Balance as at beginning of year		61,966,652	44,120,089	9,636,010	8,660,199	71,602,662	52,780,288
Transfer from accumulated surplus at 22 June 2020		2,884,644	-	1,690,389	-	4,575,033	-
Transfer of funds in boundary change from Nee Soon Town Council as at 27 October 2020		3,264,086	-	535,841	-	3,799,927	-
Transfer of funds in boundary change to Sengkang Town Council as at 27 October 2020		(9,282,736)	-	(576,818)	-	(9,859,554)	-
		58,832,646	44,120,089	11,285,422	8,660,199	70,118,068	52,780,288
Add:							
Income		3,459,125	4,796,699	226,276	119,908	3,685,401	4,916,607
Operating income transfer from conservancy and service fees	24	9,871,604	10,135,020	765,996	760,677	10,637,600	10,895,697
Transfer from government grants (excluding Lift Replacement Funds matching grant)	3	2,294,459	2,245,877	168	188	2,294,627	2,246,045
Lift Replacement Funds matching grant	3,28	6,067,039	6,196,358	376,038	378,949	6,443,077	6,575,307
Lift Replacement Funds matching grant - Voluntary	3,28	-	1,998,264	-	1,736	-	2,000,000
		21,692,227	25,372,218	1,368,478	1,261,438	23,060,705	26,633,658
Less:							
Expenditure		(10,537,521)	(11,385,901)	(161,303)	(268,715)	(10,698,824)	(11,654,616)
Income tax	27	(81,001)	(136,282)	(36,472)	(20,384)	(117,473)	(156,666)
Income tax (boundary change)		(7,621)	-	(3,432)	-	(11,053)	-
		(88,622)	(136,282)	(39,904)	(20,384)	(128,526)	(156,666)
Surplus for the year		11,066,084	13,850,035	1,167,271	972,339	12,233,355	14,822,374
Transfer from Operating Fund - voluntary contribution*	3	-	3,996,528	-	3,472	-	4,000,000
Balance as at end of year		69,898,730	61,966,652	12,452,693	9,636,010	82,351,423	71,602,662

* This voluntary contribution is made in accordance with Section 33(9) of the Town Councils Act. With the voluntary contribution of \$Nil (FY 31 March 2020 - \$4M) from the Operating Fund to Lift Replacement Fund during the financial year ended 31 March 2021, the Town Council is entitled to receive a matching grant of \$Nil (FY 31 March 2020 - \$2M).

Represented by:

Current assets

Conservancy & service fees receivables	10	261,749	215,907
Other receivables, deposits and prepayments	14	1,720,535	3,720,610
Receivables for Selective Lift Replacement Programme	11	4,854,306	2,721,314
Receivables for Lift Enhancement Programme	12	3,601,394	2,050,424
Due from accumulated surplus		2,944,023	7,134,725
Cash and cash equivalents	15	71,602,061	58,402,713
Total assets		84,984,068	74,245,693

Less:**Current liabilities**

Payables and accrued operating expenses	18	2,358,505	2,390,577
Income tax payable	27	274,140	252,454
Total liabilities		2,632,645	2,643,031
NET ASSETS		82,351,423	71,602,662

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

	Note	Residential property 31 March 2021	Residential property 31 March 2020	Commercial property 31 March 2021	Commercial property 31 March 2020	Total 31 March 2021	Total 31 March 2020
		\$	\$	\$	\$	\$	\$
Balance as at beginning of year		4,032,721	2,167,719	200,662	109,297	4,233,383	2,277,016
Transfer of funds during boundary change from Nee Soon Town Council as at 27 October 2020		654,064	-	45,410	-	699,474	-
Transfer of funds during boundary change to Sengkang Town Council as at 27 October 2020		(117,574)	-	(2,827)	-	(120,401)	-
Add/(Less):		4,569,211	2,167,719	243,245	109,297	4,812,456	2,277,016
Transfer from government grants Expenditure	3, 28	4,007,857 (4,441,847)	5,804,515 (7,879,978)	206,436 (252,063)	292,092 (392,096)	4,214,293 (4,693,910)	6,096,607 (8,272,074)
Deficit for the year	25	(433,990)	(2,075,463)	(45,627)	(100,004)	(479,617)	(2,175,467)
Less:		4,135,221	92,256	197,618	9,293	4,332,839	101,549
Transfer to accumulated surplus *	3	(4,135,221)	(92,256)	(197,618)	(9,293)	(4,332,839)	(101,549)
Add:		-	-	-	-	-	-
Appropriation from accumulated surplus **	3	1,088,193	4,032,721	2,261,708	200,662	3,349,901	4,233,383
Balance as at end of year		1,088,193	4,032,721	2,261,708	200,662	3,349,901	4,233,383

Current assets

Amount due from accumulated surplus**

Current liabilities

Total liabilities

.....

++ The amount required by the Town Improvement and Project Funds for the following financial year would then be appropriated from the accumulated surplus.

7 Plant and equipment

	Furniture, fixtures and fittings \$	Office equipment \$	Total \$
<u>Cost</u>			
At 1 April 2019	1,298,041	190,855	1,488,896
Additions	-	11,480	11,480
Disposals	-	(6,556)	(6,556)
At 31 March 2020	1,298,041	195,779	1,493,820
Additions	-	199,933	199,933
Disposals	-	(55,037)	(55,037)
Transfer from Nee Soon Town Council in boundary change	183	4,315	4,498
Transfer to Sengkang Town Council in boundary change	-	(20,070)	(20,070)
At 31 March 2021	1,298,224	324,920	1,623,144
<u>Accumulated depreciation</u>			
At 1 April 2019	942,455	173,712	1,116,167
Depreciation	146,530	10,002	156,532
Disposals	-	(6,141)	(6,141)
At 31 March 2020	1,088,985	177,573	1,266,558
Depreciation	146,174	43,407	189,581
Disposals	-	(55,037)	(55,037)
At 31 March 2021	1,235,159	165,943	1,401,102
<u>Net book value</u>			
At 31 March 2021	63,065	158,977	222,042
At 31 March 2020	209,056	18,206	227,262

8 Right-of-use assets

	Office equipment \$	Office premises \$	Total \$
<u>Cost</u>			
At 1 April 2019 and 31 March 2020	18,545	1,292,286	1,310,831
Additions	-	299,129	299,129
Transfer from Nee Soon Town Council in boundary change	-	80,652	80,652
At 31 March 2021	18,545	1,672,067	1,690,612
<u>Accumulated depreciation</u>			
At 1 April 2019	-	-	-
Depreciation	3,742	454,667	458,409
At 31 March 2020	3,742	454,667	458,409
Depreciation	3,742	506,622	510,364
At 31 March 2021	7,484	961,289	968,773
<u>Carrying amount</u>			
At 31 March 2021	11,061	710,778	721,839
At 31 March 2020	14,803	837,619	852,422

9 Financial assets at fair value through profit or loss

	31 March 2021 \$	31 March 2020 \$
Financial assets at fair value through profit or loss		
Debit securities in listed corporations, government and other public debentures	5,162,430	5,198,490
	5,162,430	5,198,490
Represented by:		
Quoted corporate bond	1,009,570	1,006,970
Quoted bonds issued by a statutory board	4,152,860	4,191,520
	5,162,430	5,198,490

Quoted corporate bond bears fixed interest rate of 2.72% per annum with a maturity date of 3 September 2021. Quoted bonds issued by a statutory board bear weighted average fixed interest rates of 2.21% per annum with maturity dates ending on 28 August 2022 and 30 October 2029.

10 Conservancy and service fees receivables

	Note	31 March 2021 \$	31 March 2020 \$
Conservancy and service fees receivables	32	2,960,736	2,477,703
Less: Impairment	32	(1,091,097)	(935,507)
	32	1,869,639	1,542,196
Recorded in:			
Accumulated surplus		1,121,784	925,318
Sinking Funds	4	486,106	400,971
Lift Replacement Funds	5	261,749	215,907
		1,869,639	1,542,196

Conservancy and service fees receivables are denominated in Singapore dollars.

The Town Council generally extends 30-day (31 March 2020 - 30-day) credit term to its conservancy and service fees customers.

The movements in allowance for impairment are as follows:

	Note	31 March 2021 \$	31 March 2020 \$
Balance as at beginning of year		935,507	1,001,243
Amount utilised		(144,512)	(87,115)
Transfer from Nee Soon Town Council in boundary change		115,519	-
Transfer to Sengkang Town Council in boundary change		(161,044)	-
Amount recognised	22	345,627	21,379
Balance as at end of year		1,091,097	935,507

11 Receivables for Selective Lift Replacement Programme

	31 March 2021 \$	31 March 2020 \$
Balance as at beginning of year	2,721,314	578,090
Payment to contractors	2,132,992	2,143,224
Balance as at end of year	4,854,306	2,721,314

Selective Lift Replacement Programme (“SLRP”) was introduced to help replace old lifts with modern lifts that come with more energy-efficient motors, vision panels and infra-red doors with motion safety sensors for added energy efficiency, safety and security. These lifts were installed between 1987 and 1997, and are in blocks that are already barrier-free and do not need upgrading under the Lift Upgrading Programme (“LUP”). However, they lack certain safety and security features that come with modern lifts. HDB will help co-pay 50% for the replacement of these lifts when the Town Council is ready to replace them.

12 Receivables for Lift Enhancement Programme

	31 March 2021 \$	31 March 2020 \$
Balance as at beginning of year	2,050,424	70,078
Payment to contractors	1,550,970	1,980,346
Balance as at end of year	3,601,394	2,050,424

Lift Enhancement Programme (“LEP”) was introduced in response to feedback received from residents after a spate of lift accidents. Due to technological advancements, existing lifts may not be equipped with modern features which enhance their safety, reliability and performance. Under the LEP, HDB will fund about 90% of Town Council’s costs to install the recommended enhancement features.

13 Receivables/(Advances received) for Neighbourhood Renewal Programme

	31 March 2021 \$	31 March 2020 \$
Balance as at beginning of year	2,891,222	(619,382)
Add/(Less):		
Amount received in advance from Housing & Development Board	(4,965,701)	(89,560)
Payment to contractors	1,942,981	3,600,164
	(3,022,720)	3,510,604
(Advances received)/Receivables for Neighbourhood Renewal Programme	(131,498)	2,891,222

Neighbourhood Renewal Programme (“NRP”), fully funded by the government, was introduced in August 2007 in response to feedback received from residents during the Forum on HDB Heartware for more active consultation on the improvements to be provided in their precincts. Blocks built up to 1989 and have not undergone the Main Upgrading Programme (“MUP”) or Interim Upgrading Programme (“IUP”) are eligible for NRP.

14 Other receivables, deposits and prepayments

	Note	31 March 2021 \$	31 March 2020 \$
Grant receivables			
- Citizens' Consultative Committees		3,937,114	4,806,084
- GST Subvention		668,867	710,587
- Lift Replacement Funds Matching Grant		1,330,846	1,425,539
- Lift Replacement Funds Matching Grant - voluntary		-	2,000,000
- Service and Conservancy Charges		167,875	204,211
		6,104,702	9,146,421
Other receivables			
- Interest on fixed deposits and government bonds		696,941	2,219,960
- Late payment penalty receivables		370,182	365,741
- Less: Impairment		(222,109)	(219,445)
		148,073	146,296
- Claimable GST	26	670,363	-
- Recoverable from Housing & Development Board		1,323,891	82,680
- Recoverable from National Environment Agency		124,615	107,243
- Recoverable from Sengkang Town Council		49,217	-
- Recoverable from contractors		218,904	441,419
- Recoverable from Public Utilities Board		155,071	-
		3,387,075	2,997,598
Deposits		368,980	302,428
Others		50,586	36,378
Prepayments		791,001	365,968
		10,702,344	12,848,793
Recorded in:			
Accumulated surplus		4,721,421	3,178,098
Sinking Funds	4	236,175	1,083,973
Lift Replacement Funds	5	1,720,535	3,720,610
Town Improvement and Project Funds	6	4,024,213	4,866,112
		10,702,344	12,848,793

Other receivables and deposits are denominated in Singapore dollars.

Movements in allowance for impairment loss on late payment penalty receivables are as follows:

	Note	31 March 2021 \$	31 March 2020 \$
Balance as at beginning of year		219,445	216,938
Amount utilised		(11,843)	(8,392)
Amount recognised	22	42,206	10,899
Transfer to Sengkang Town Council in boundary change		(27,699)	-
Balance as at end of year		222,109	219,445

15 Cash and bank balances

	31 March 2021 \$	31 March 2020 \$
Cash on hand	15,500	13,500
Cash at bank	41,941,549	16,165,965
	41,957,049	16,179,465
Fixed deposits	224,834,883	213,727,849
	266,791,932	229,907,314

15 Cash and bank balances (Cont'd)

	Note	31 March 2021 \$	31 March 2020 \$
Recorded in:			
Accumulated surplus		31,468,958	33,125,315
Sinking Funds	4	163,720,913	138,379,286
Lift Replacement Funds	5	71,602,061	58,402,713
		266,791,932	229,907,314

Cash and bank balances are denominated in Singapore dollars.

The interest rates for fixed deposits range from 0.10% - 1.45% (31 March 2020 - 0.25% to 2.24%) per annum, receivable one year in arrears. The weighted average effective interest rates is 1.15% (31 March 2020 - 2.02%) per annum.

A fixed deposit of \$101,260 (31 March 2020 - \$101,006) is pledged to a bank to secure a performance guarantee issued by the bank.

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

	31 March 2021 \$	31 March 2020 \$
Cash and bank balances as above	266,791,932	229,907,314
Less:		
Fixed deposit pledged	(101,260)	(101,006)
Cash and bank balances per statement of cash flows	266,690,672	229,806,308

16 Lease liabilities

	31 March 2021 \$	31 March 2020 \$
Maturity analysis		
- Year 1	524,760	448,035
- Year 2	147,460	378,720
- Year 3	76,470	50,260
- Year 4	825	7,170
- Year 5	-	825
	749,515	885,010
Less: undue interest cost	(15,124)	(23,483)
	734,391	861,527
Analysed as:		
- Current	513,220	434,371
- Non-current	221,171	427,156
	734,391	861,527

Interest expense on lease liabilities of \$22,643 (31 March 2020 - \$25,057) is recognised in the statement of income and expenditure.

Rental expenses not capitalised in lease liabilities but recognised within "general and administrative expenditure" in the statement of income and expenditure and other comprehensive income are set out below:

	31 March 2021 \$	31 March 2020 \$
Leases of low-value assets	-	8,389

16 Lease liabilities (Cont'd)

Total cash outflows for all leases (including interest paid) during the year amount to \$451,160 (2020 - \$474,361).

As at 31 March 2021, the Town Council's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Town Council's short-term lease expense for the year.

The lease liabilities are denominated in Singapore dollars.

17 Advances received for Electrical Load Upgrading Programme

	31 March 2021 \$	31 March 2020 \$
Balance as at beginning of year	955,309	817,439
Add/(Less):		
Funding from Housing & Development Board	887,810	999,354
Payment to contractors	(918,301)	(861,484)
	(30,491)	137,870
Balance as at end of year	924,818	955,309

The Electrical Load Upgrading ("ELU") was introduced to upgrade the incoming electrical supply for HDB apartment blocks with a 40amps main switch instead of 30amps. The ELU works include supply and installation of new main switchboard including all accessories, connection, authority testing, commissioning and LEW licensing; replacement of all electrical sub-main risers including all tap-off boxes, accessories and connections; as well as replacement of all meter boards for residential units including authority testing and commissioning.

Blocks completed on or after 1 January 1994 and have undergone the Main Upgrading Programme ("MUP") are not eligible for ELU as they are already provided with a higher electrical loading of 40 amps main switch.

This programme is fully funded by HDB and implemented by the Town Council.

18 Payables and accrued operating expenses

	Note	31 March 2021 \$	31 March 2020 \$
Accounts payable		10,129,063	4,584,421
Accrued operating expenses		2,525,603	4,379,589
GST payable		-	141,809
Deposits received		731,966	462,779
Payable to HDB		-	12,449
Others		920,658	20,819
		14,307,290	9,601,866
Recorded in:			
Accumulated surplus		10,974,533	4,743,746
Sinking Funds	4	219,482	1,400,411
Lift Replacement Funds	5	2,358,505	2,390,577
Town Improvement and Project Funds	6	754,770	1,067,132
		14,307,290	9,601,866

Included in accounts payable is amount owing to the managing agent of \$80,513 (31 March 2020 - \$165,506).

Payables and accrued operating expenses are denominated in Singapore dollars.

19 Agency fees

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

20 Other income

	31 March 2021 \$	31 March 2020 \$
Community hall rental	2,489	25,791
Late payment penalty	202,528	287,628
Liquidated damages	145,596	346,209
Sale of tender documents	31,050	23,000
Sundry fines	47,382	52,443
Sundry income	79,013	125,831
Temporary Occupation Licence charges	2,088,695	2,247,370
Use of common property	(9,135)	94,251
Use of void decks	3,150	46,595
Use of water and electricity	192,163	309,495
Use of roof top access	120,605	215,850
Rent concessions	78,400	-
Others	4,954	7,184
	2,986,890	3,781,647

21 Managing agent's fees

The Town Council's management of its daily operations has been outsourced to a managing agent.

22 General and administrative expenditure

	Note	31 March 2021 \$	31 March 2020 \$
Advertising, publicity and public relations		241,430	319,832
Computer services		850,504	324,842
Depreciation of plant and equipment	7	189,581	156,532
Depreciation of right-of-use assets	8	510,364	458,409
Impairment conservancy and service fees receivables	10	345,627	21,379
Impairment loss on late payment penalty write back	14	42,206	10,899
Office rental and upkeep expenditure		58,483	82,576
Office supplies and stationery		69,797	67,765
Plant and equipment not capitalised		(18,304)	959
Professional fees		272,771	103,487
Property tax		264,603	247,434
Key management personnel compensation - Town Councillors' allowances	29	279,387	305,700
Repairs and maintenance		14,080	21,706
Staff salary and related costs		80,253	55,495
Telephone, postage and courier expenditure		162,556	175,575
Unclaimable GST	26	533,111	971,087
Others		511,144	303,785
		4,407,593	3,627,462

23 Sinking Funds income and expenditure**(i) Income**

	31 March 2021 \$	31 March 2020 \$
Interest income from bank accounts and fixed deposits	1,613,064	2,619,820
Interest income from bonds	115,487	123,183
Fair value gain on financial assets at fair value through profit or loss	-	216,370
Other income	1,997	1,795
	1,730,548	2,961,168

(ii) Expenditure

	Note	31 March 2021 \$	31 March 2020 \$
Electrical rewiring		647,479	3,103,562
Fair value loss on financial assets at fair value through profit or loss		36,060	-
General and administrative charges		281	205
Modification of water tank overflow		157,901	-
Project management fees		196,499	477,522
Re-decoration and repairing		4,080,169	9,776,202
Re-roofing works		109,665	2,888,395
Replacement of booster pumps		603,594	128,800
Replacement of fire protection system		-	45,340
Replacement of Refuse Chute Flushing System ("RCFS")		-	151,079
Replacement of water pumps		142,212	316,432
Unclaimable GST	26	231,015	420,804
		6,204,875	17,308,341

24 Selective Lift Replacement Programme and Lift Replacement Funds income and expenditure**(i) Income**

	31 March 2021 \$	31 March 2020 \$
Interest income from bank accounts and fixed deposits	691,775	922,592
Income recognised from Selective Lift Replacement Programme	2,132,993	2,143,224
Income recognised from Lift Enhancement Programme	860,633	1,850,791
	2,993,626	3,994,015
	3,685,401	4,916,607

24 Lift Replacement Funds income and expenditure (Cont'd)**(ii) Expenditure**

		31 March 2021 \$	31 March 2020 \$
	Note		
Lift overhaul/upgrading		-	154,083
Lift Enhancement Programme's contractor claims		1,589,470	2,108,001
Lift position display panels		740,592	1,799,800
Lift inverter units		651,451	431,811
Project management fees		335,404	338,385
Replacement of hoisting ropes		1,598,600	1,512,360
Replacement of ARD batteries		399,212	430,704
Replacement of EBOP batteries		566,816	258,619
Replacement of encoders		8,350	3,449
Retrofitting Elevator Energy Regeneration System		-	230,213
Selective Lift Replacement Programme's contractor claims		4,684,485	4,158,061
Unclaimable GST	26	124,393	226,587
General and administrative expenses		51	2,543
		10,698,824	11,654,616

25 Town Improvement and Project Funds expenditure

	31 March 2021 \$	31 March 2020 \$
Consultancy fees and architectural fees	669,287	857,952
Town improvement works	4,024,623	7,414,122
	4,693,910	8,272,074

26 Goods and Services Tax ("GST")

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore. The unclaimable portion is charged to the statement of income and expenditure and other comprehensive income during the year.

27 Income tax

		31 March 2021 \$	31 March 2020 \$
	Note		
Current tax expense		669,539	982,003
		669,539	982,003
Recorded in:			
Accumulated surplus	3	267,540	369,397
Sinking Funds	4	284,526	455,940
Lift Replacement Funds	5	117,473	156,666
		669,539	982,003

27 Income tax (Cont'd)

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

	31 March 2021 \$	31 March 2020 \$
Interest income	2,642,435	4,240,809
Government grants and other income	28,656,709	32,709,420
Allowable expenses	(243,060)	(391,877)
	31,056,084	36,558,352
Tax calculated at a tax rate of 17% (2020 - 17%)	5,279,534	6,214,920
Tax exempt income	(17,425)	(17,425)
Tax remission of government grants under section 92(2) of Singapore Income Tax Act	(4,584,486)	(5,206,869)
Tax effect of certain income taxed at concessionary tax rate	(8,084)	(8,623)
	669,539	982,003

The Town Council enjoys a concessionary tax rate of 10% for the income earned on investment in bonds.

Movements in income tax payable are as follows:

	Note	31 March 2021 \$	31 March 2020 \$
Balance as at 1 April		1,785,352	1,434,625
Current financial year's income tax expense		669,539	982,003
Transfer arising from boundary change		(301,918)	-
Payments during the year		(501,431)	(631,276)
Balance as at 31 March		1,651,542	1,785,352
Recorded in:			
Accumulated surplus		636,936	725,713
Sinking Funds	4	740,466	807,185
Lift Replacement Funds	5	274,140	252,454
Balance as at 31 March		1,651,542	1,785,352

28 Government grants

- (i) Government grants taken to the statement of income and expenditure and other comprehensive income during the year are as follows:

Note		Service and conservancy charge operating grant		GST subvention grant		One-Off Grant		Payment from Citizens' Consultative Committee		Lift Maintenance grant		Lift Replacement Funds matching grant		Total	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Government grants received/receivable during the year	3	12,290,485	11,878,786	2,738,284	2,811,349	-	4,214,293	6,096,607	1,361,371	1,353,000	6,443,077	8,575,307	27,057,200	30,715,049
	Less:														
	Transfer to Sinking Funds	3, 4	(3,195,526)	(3,068,484)	(711,958)	(730,953)	-	-	-	(353,957)	(351,780)	-	-	(4,261,441)	(4,171,217)
	Transfer to Lift Replacement Funds	3, 5	(1,720,688)	(1,663,030)	(363,367)	(393,595)	-	-	-	(190,592)	(189,420)	(6,443,077)	(6,575,307)	(8,737,704)	(8,821,352)
	Transfer to Lift Replacement Funds - Voluntary	3, 5	-	-	-	-	-	-	-	-	-	-	(2,000,000)	-	(2,000,000)
	Transfer to Town Improvement and Project Funds	3, 6	7,374,291	7,127,272	1,642,959	1,686,801	-	(4,214,293)	(6,096,607)	816,822	811,800	-	-	(4,214,293)	(6,096,607)
							9,690	-	-	-	-	-	-	9,843,762	9,625,873

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

	31 March 2021	31 March 2020
Total grants received/receivable at 1 April	414,966,510	384,251,461
Grants received/receivable during the year	27,057,200	30,715,049
Total grants received/receivable at 31 March	442,023,710	414,966,510

29 Key management remuneration

	31 March 2021 \$	31 March 2020 \$
Town Councillors' allowances (Note 22)	279,387	305,700

30 Significant related party transactions

Related party relates to the managing agent, CPG Facilities Management Pte Ltd, who manages the operations of the Town Council.

Apart from the disclosures made elsewhere in these financial statements, the following transactions took place between the Town Council and its related party on terms agreed between the parties during the financial year:

	31 March 2021 \$	31 March 2020 \$
Expenditure paid to Managing Agent in relation to:		
- Managing Agent Fees (Note 21)	6,426,890	6,321,040
- Project Management Fees	738,556	1,098,615
	7,165,446	7,419,655

31 Capital commitments

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

	31 March 2021 \$	31 March 2020 \$
Amount approved and contracted for	35,606,761	21,690,288
Amount approved but not contracted for	84,733,528	88,691,257
	120,340,289	110,381,545

32 Financial instruments and financial risks

The Town Council's financial instruments comprise cash and cash equivalents, and various items including investment in financial assets, conservancy and service fees receivables and other receivables, accrued operating expenses and other payables that arise from its operations.

The main risks arising from the Town Council's financial instruments are credit risk and market risk. The Town Council is not exposed to foreign exchange risk. There is no significant liquidity risk as sufficient cash is maintained. Risks management policies and systems are reviewed to reflect changes in the operational environment and market conditions.

32 Financial instruments and financial risks (Cont'd)**32.1 Credit risk**

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its contractual obligations to the Town Council when they fall due. Financial assets that potentially subject to concentrations of credit risk consist principally of fixed deposits and bank balances, conservancy and service fees receivables. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the reporting period.

Fixed and bank deposits are placed with Singapore-regulated financial institutions.

Investment in bonds comprising bonds issued by a statutory board and a government-linked company with a good credit standing.

Receivables for Selective Lift Replacement Programme, receivables for Lift Enhancement Programme, receivables for Neighbourhood Renewal Programme and grant receivables from statutory boards and the government are considered to have a low credit risk. At the reporting date, no loss allowance for these receivables was required.

For conservancy and service fees receivable, an ongoing credit evaluation is performed on the financial conditions of the receivables and losses on impairment are recognised in the statement of income and expenditure and other comprehensive income. The impairment of conservancy and service fees receivable totalling \$1,091,097 (31 March 2020 - \$935,507) is determined at the reporting date (Note 10).

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

The class of financial asset with material past due balances related to conservancy and service fees receivables as disclosed below:

	Note	31 March 2021 \$	31 March 2020 \$
Not past due (Less than 30 days)		368,603	431,414
Past due 30 to 90 days		407,502	500,945
Past due 91 to 180 days		728,057	343,400
Past due 181 to 360 days		611,817	287,950
Past due over 360 days		844,757	913,994
		2,960,736	2,477,703
Less: Impairment		(1,091,097)	(935,507)
	10	1,869,639	1,542,196

At the reporting date, conservancy and service fees receivables of \$1,501,036 (31 March 2020 - \$1,110,782) is past due but not impaired, as management believes that it will be collectible via debt recovery efforts and based on historical experience.

32 Financial instruments and financial risks (Cont'd)**32.1 Credit risk (Cont'd)**Exposure to credit risk

The tables below provides information about the Town Council's exposure to credit risk and ECLs at the reporting date:

	12-month/ Lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
31 March 2021				
Conservancy and service fee receivables	Lifetime ECL	2,960,736	(1,091,097)	1,869,639
Late payment penalty receivables	Lifetime ECL	370,182	(222,109)	148,073
31 March 2020				
Conservancy and service fee receivables	Lifetime ECL	2,477,703	(935,507)	1,542,196
Late payment penalty receivables	Lifetime ECL	365,741	(219,445)	146,296

At each reporting date, the Town Council evaluates the recoverability of conservancy and service fees receivables and late payment penalty receivables and records allowances for expected credit losses which are measured using a provision matrix by evaluating historical credit loss experience, results of recovery efforts, current conditions as well as forward looking estimates.

32.2 Market riskInterest rate risk

The Town Council's exposure interest rate risk relates primarily to interest-earning fixed deposits with financial institutions and investments in bonds.

32.3 Liquidity risk

Liquidity risk is the risk that the Town Council will encounter difficulty in meeting financial obligations due to shortage of funds. The Town Council manages the liquidity risk by maintaining sufficient cash, internally generated cash flows, as well as on basis of expected payment dates of the financial liabilities. Besides, the Town Council's operations are partially supported by various grants from statutory boards and the government. The Town Council is satisfied that funds for operations are available as and when required.

The credit period for settlement of payables and accrued operating expenses is between 30 and 90 days (31 March 2020 - 30 and 90 days). It is expected that all the liabilities will be paid when due with cash inflows from operating activities and grants.

The contractual undiscounted cash flows of financial assets and financial liabilities due within 12 months approximate their carrying amounts as the impact of discounting is not significant.

32 Financial instruments and financial risks (Cont'd)**32.3 Liquidity risk (Cont'd)**

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

		-----Contractual undiscounted cash flows-----			
	Carrying amount \$	Total \$	Less than 1 year \$	Between 2 and 5 years \$	Over 5 years \$
At 31 March 2021					
Advances received for Electrical Load					
Upgrading Programme	924,818	924,818	924,818	-	-
Lease liabilities	734,391	749,515	524,760	224,755	-
Payables and accrued operating expenses*	14,307,290	14,307,290	14,307,290	-	-
	15,966,499	15,981,623	15,756,868	224,755	-
At 31 March 2020					
Advances received for Electrical Load					
Upgrading Programme	955,309	955,309	955,309	-	-
Lease liabilities	861,527	885,010	448,035	436,975	-
Payables and accrued operating expenses*	9,460,057	9,460,057	9,460,057	-	-
	11,276,893	11,300,376	10,863,401	436,975	-

*Exclude GST payable

32.4 Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial instruments by category other than those disclosed on the face of the statement of financial position and in notes to the financial statements are as follows:

	Financial assets at fair value through profit or loss \$	Financial assets at amortised cost \$	Total \$
31 March 2021			
Financial assets			
Financial assets at fair value through profit or loss	5,162,430	-	5,162,430
Conservancy and service fees receivables	-	1,869,639	1,869,639
Receivables for Selective Lift Replacement Programme	-	4,854,306	4,854,306
Receivables for Lift Enhancement Programme	-	3,601,394	3,601,394
Receivables for Neighbourhood Renewal Programme	-	-	-
Other receivables and deposits #	-	3,136,278	3,136,278
Cash and bank balances	-	266,791,932	266,791,932
	5,162,430	280,253,549	285,415,979

Exclude grant receivables, claimable GST and prepayments

32 Financial instruments and financial risks (Cont'd)**32.4 Accounting classifications of financial assets and financial liabilities (Cont'd)**

	Financial liabilities (at amortised cost) \$	Total \$
31 March 2021		
Financial liabilities		
Advances received for Electrical Load Upgrading Programme	924,818	924,818
Lease liabilities	734,391	734,391
Payables and accrued operating expenses*	14,307,290	14,307,290
	15,966,499	15,966,499

* Exclude GST payable

	Financial assets at fair value through profit or loss \$	Financial assets at amortised cost \$	Total \$
31 March 2020			
Financial assets			
Financial assets at fair value through profit or loss	5,198,490	-	5,198,490
Conservancy and service fees receivables	-	1,542,196	1,542,196
Receivables for Selective Lift Replacement Programme	-	2,721,314	2,721,314
Receivables for Lift Enhancement Programme	-	2,050,424	2,050,424
Receivables for Neighbourhood Renewal Programme	-	2,891,222	2,891,222
Other receivables and deposits #	-	3,336,404	3,336,404
Cash and bank balances	-	229,907,314	229,907,314
	5,198,490	242,448,874	247,647,364

	Financial liabilities (at amortised cost) \$	Total \$
31 March 2020		
Financial liabilities		
Advances received for Electrical Load Upgrading Programme	955,309	955,309
Lease liabilities	861,527	861,527
Payables and accrued operating expenses*	9,460,057	9,460,057
	11,276,893	11,276,893

Exclude grant receivables, claimable GST and prepayments

* Exclude GST payable

33 Funds management

The Town Council's objectives when managing funds are:

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

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

There were no changes in the Town Council's approach to funds management during the year. The Town Council is not subject to externally imposed capital requirements. At the end of the reporting period, the Town Council's total funds amounted to \$274,687,746 (31 March 2020 - \$243,426,778).

34 Fair value measurements

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

The Town Council classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. There are three fair value hierarchy levels, as follows:

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

The financial assets at fair value through profit or loss in Note 9 are categorised as Level 1.