



Bishan-Toa Payoh  
Town Council

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**Bishan-Toa Payoh  
Town Council**

# **Annual Report**

**2019/2020**



Bishan-Toa Payoh  
Town Council

# Chairman's Review



**Repairs & Redecoration (R&R)**



**Lift Renewal Programme (LRP)**



**Covered Linkways**



**Drop off Porches**



**Children's Playgrounds**



**Elderly Fitness Stations**



**Healthy lifestyle hub**



**Mega Playpark @ Toa Payoh**

# BISHAN-TOA PAYOH ANNUAL REPORT 2019/2020

## Chairman's Review



Mr Chong Kee Hiong  
Chairman, Bishan-Toa Payoh Town Council  
MP for Bishan-Toa Payoh GRC

Bishan-Toa Payoh is a charming town with its own unique history and heritage. In maintaining the estate's environment and vibrancy, Bishan-Toa Payoh Town Council has constantly strived to improve public facilities, create community spaces for active living and refresh the HDB neighbourhood for residents.

## Reviewing 2019/2020

Looking back at the last fiscal year from 1 April 2019 to 31 March 2020, it was certainly a year where we made significant progress amidst challenging times. We introduced many new projects which enhanced our housing estates to become one of the most liveable and sought-after HDB residences. I am pleased that we have been able to successfully sustain our momentum and had completed 71 infrastructural projects with 26 on-going projects at a total expenditure of \$27.9m during the period.

### Safety and Accessibility

In striving to improve public facilities, we have completed 24 projects across the GRC, with another 19 projects ongoing, which included barrier free access ramps, covered linkways, sheltered drop-off points and lifts. Embarking on the Lift Renewal Programme (LRP), we have completed 124 lifts, bringing better accessibility to our residents, especially the elderly, the wheelchair-bound and families with young kids in strollers. With the safety of residents at heart, the ban on personal mobility devices at HDB block void decks and common property was introduced in 2019, receiving positive response from residents. Combating the outbreak of the COVID-19 virus earlier this year, we had also stepped up on cleanliness and safety management measures in all areas to ensure a safe estate for all.

### Fitness and Recreation

In creating community spaces for active living, we have completed 22 projects, with a mega playpark @Toa Payoh coming up next year. It is indeed gratifying to see our residents benefiting from these recreational facilities, encompassing a new Healthy Lifestyle Hub, elderly fitness equipment, children's playgrounds and refurbished barbecue pits. These recreational facilities had enhanced the lifestyle of residents, enabling families to stay active, spend bonding time together and create happy memories.

### Repairs and Redecoration

In refreshing the neighbourhood, we have completed 78 blocks of repairs and redecoration (R&R), with on-going works at another 171 blocks. Our continuous R&R efforts had rejuvenated our estates as well as kept our town vibrant and welcoming for residents.



## Welcoming 2020/2021

As we braved the storm of the Covid-19 pandemic together this year and emerged as a stronger community, residents can look forward to an exciting new wave of upcoming projects and developments and welcome 2021 with hope, optimism and positivity.

### Facilities & Infrastructure

In our continuous efforts to enhance public facilities in the neighbourhood, about 63 projects are in the pipeline in the next fiscal year. Residents may look forward to more barrier free access ramps, covered linkways, sheltered drop-off points, lifts, playgrounds, fitness facilities and R&R to 101 blocks.

### Greenery & Sustainability

Apart from maintaining the clean and green surroundings in the estate, more horticulture and greenery will be added to enhance the green spaces in the neighbourhood. Residents can look forward to urban farming at some of the multi-storey carpark roof gardens. Roof solar panels, cool paint and smart LED lighting will be added to selected HDB blocks to achieve energy savings and sustainability in the long run.

### Digitalisation & Outreach

As the nation moves into the digitalisation age, BTPTC had taken a huge step in upgrading our digital platforms, to improve our service delivery and enhance communication with residents. With the installation of 500 Digital Display Panels (DDPs) at every HDB residential block, town centres and neighbourhood centres across the GRC, we are now able to bring the latest community news to residents' door-step promptly and efficiently. In addition, our revamped official website offers a one-stop-shop of township information, community news and feedback mechanisms. Complete with integrated social media buttons, this informative and user-friendly website is redesigned to provide a pleasant navigation experience. In addition to the existing traditional communication platforms like noticeboards and lift in-car posters, we strive to outreach to all and connect better with residents within the GRC through a wide spectrum of effective communication platforms.

In these challenging times, I wish to extend my heartfelt appreciation to all residents, frontline conservancy workers and community partners who have worked together to maintain a clean and safe estate. I would like to thank the Bishan-Toa Payoh Town Council team of dedicated staff for their tireless efforts on the ground. Under the leadership of Chief Executive Officer, Mr Ernest Ng Kheng Heong, the team will continue to uphold delivery standards and serve residents better.

On behalf of my fellow MPs and Town Councillors, I would like to express my gratitude for your continued support and understanding. Having overcome many challenges in the past as one community, the Town Council will continue to safeguard the best interest of our residents and work closely with the community in reshaping our heartlands.



**Mr Chong Kee Hiong**

Chairman, Bishan-Toa Payoh Town Council  
MP for Bishan-Toa Payoh GRC

Financial statements

**BISHAN-TOA PAYOH TOWN COUNCIL**

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

For the year ended 31 March 2020

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**Independent auditor's report to the members of  
BISHAN-TOA PAYOH 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 Bishan-Toa Payoh Town Council ("the Town Council"), which comprise the statement of financial position as at 31 March 2020, and the statement of income and expenditure and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, 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 Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Town Council as at 31 March 2020 and the financial performance, changes in funds and cash flows of the Town Council for the financial year ended on that date.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent auditor's report to the members of  
BISHAN-TOA PAYOH TOWN COUNCIL (Cont'd)**  
(Established under the Town Councils Act, Cap. 329A)

Other Matter

The financial statements of the Town Council for the year ended 31 March 2019, were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 August 2019.

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

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

A Town Council is constituted based on its Act and its dissolution requires Minister for National Development's approval. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



**Independent auditor's report to the members of  
BISHAN-TOA PAYOH TOWN COUNCIL (Cont'd)**  
(Established under the Town Councils Act, Cap. 329A)

Auditor's responsibilities for the Audit of the financial statements (Cont'd)

- 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.
- 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.

**Independent auditor's report to the members of  
BISHAN-TOA PAYOH TOWN COUNCIL (Cont'd)**  
(Established under the Town Councils Act, Cap. 329A)

Basis for Opinion

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

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes monitoring related compliance requirements relevant to the Town Council, and implementing 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 internal control system, non-compliances may nevertheless occur and not be detected.

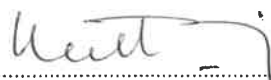


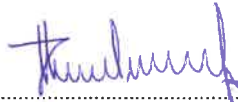
AT ADLER  
Public Accountants and  
Chartered Accountants

Singapore, 26 November 2020

## Statement of financial position as at 31 March 2020

	Note	31 March 2020 \$	31 March 2019 Restated \$	1 April 2018 Restated \$
<b>TOWN COUNCIL FUND</b>				
<b>Residential Property</b>				
Accumulated surplus	3	3,364,712	2,142,572	372,308
Sinking Fund	4	82,203,113	83,687,759	74,498,583
Town Improvement and Project Fund	5	1,988,665	3,108,371	3,384,224
Lift Replacement Fund	6	23,964,641	21,373,061	17,282,419
		<b>111,521,131</b>	<b>110,311,763</b>	<b>95,537,534</b>
<b>Commercial Property</b>				
Accumulated surplus	3	5,876,379	5,150,065	3,990,405
Sinking Fund	4	33,334,381	33,748,814	32,939,832
Town Improvement and Project Fund	5	165,824	242,914	296,619
Lift Replacement Fund	6	7,514,194	6,941,975	6,077,198
		<b>46,890,778</b>	<b>46,083,768</b>	<b>43,304,054</b>
<b>Carpark</b>				
Accumulated surplus	3	1,138,867	799,466	489,601
		<b>159,550,776</b>	<b>157,194,997</b>	<b>139,331,189</b>
<b>REPRESENTED BY:</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	7	1,316,381	31,045	20,412
Investments at amortised cost	8	29,781,382	29,785,265	20,026,610
		<b>31,097,763</b>	<b>29,816,310</b>	<b>20,047,022</b>
<b>Current Assets</b>				
Conservancy and service fees receivables	9	733,317	744,636	727,476
Other receivables	10	646,877	665,066	1,413,665
Interest receivable		660,982	727,833	512,479
Grants receivable	11	6,352,499	6,628,946	4,711,722
Receivables for Selective Lift Replacement and Lift Enhancement Programme	16	3,372,610	-	-
Receivable for Electrical Load Upgrading Programme	12	-	31,703	-
Receivable for Neighbourhood Renewal Programme	13	-	1,980,311	-
Fixed deposits with financial institutions	14	112,026,623	110,273,739	109,038,669
Cash and bank balances	15	16,145,572	16,291,991	10,899,174
		<b>139,938,480</b>	<b>137,344,225</b>	<b>127,303,185</b>
<b>Total Assets</b>		<b>171,036,243</b>	<b>167,160,535</b>	<b>147,350,207</b>
<b>Less:</b>				
<b>Non-Current Liabilities</b>				
Lease liabilities	18	931,792	-	-
		<b>931,792</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>				
Conservancy and service fees received in advance	19	672,392	643,660	654,049
Advances for Electrical Load Upgrading Programme	12	298,460	-	698,439
Advances for Neighbourhood Renewal Programme	13	170,257	-	971,920
Advances for Selective Lift Replacement Programme	16	-	299,953	-
Payables and accrued expenses	17	8,141,366	8,210,525	4,812,610
Lease liabilities	18	245,833	-	-
Income tax payable	23	1,025,367	811,400	882,000
		<b>10,553,675</b>	<b>9,965,538</b>	<b>8,019,018</b>
<b>Total Liabilities</b>		<b>11,485,467</b>	<b>9,965,538</b>	<b>8,019,018</b>
<b>NET ASSETS</b>		<b>159,550,776</b>	<b>157,194,997</b>	<b>139,331,189</b>


  
CHONG KEE HIONG  
Chairman  
Date: 26 November 2020

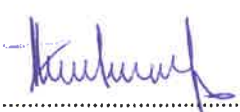
  
NG KHENG HEONG, ERNEST  
Secretary

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 2020

	Note	2020 \$	2019 Restated \$
<b>Operating income</b>			
Conservancy and service fees	3	41,371,606	40,774,113
Less: Operating transfer to sinking fund (minimum required by law)	3,4	(10,756,620)	(10,601,273)
Less: Operating transfer to lift replacement fund (minimum required by law)	3,6	(5,792,028)	(5,708,378)
		24,822,958	24,464,462
Agency fees	20	2,861,354	2,859,839
Other income	21	2,086,204	2,040,176
		29,770,516	29,364,477
<b>Less: Operating expenditure</b>			
Cleaning works		5,874,728	5,846,420
Lift maintenance		5,800,523	5,737,237
Other works and maintenance		4,956,591	4,742,171
Water and electricity		8,088,590	7,409,503
General and administrative expenditure	22	7,892,305	7,169,289
		(32,612,737)	(30,904,620)
<b>Operating deficit</b>		(2,842,221)	(1,540,143)
Add: Interest income	3	147,772	123,872
<b>Deficit before taxation and government grants</b>		(2,694,449)	(1,416,271)
Less: Income tax	3, 23	(91,366)	(71,640)
<b>Deficit before government grants</b>		(2,785,815)	(1,487,911)
Add:			
Government grants	24	14,357,613	13,954,197
Less: Transfer to			
- Sinking fund	3,4,24	(2,198,594)	(2,200,850)
- Town improvement and Project fund	3,5,24	(2,429,473)	(2,096,223)
- Lift Replacement fund	3,6,24	(4,655,876)	(4,578,250)
		5,073,670	5,078,874
<b>SURPLUS FOR THE YEAR FROM ROUTINE FUND</b>		2,287,855	3,590,963
Add: Surplus/(deficit) for the year			
- Sinking fund	4	(1,899,079)	9,998,158
- Town Improvement and Project fund	5	(1,196,796)	(680,732)
- Lift Replacement fund	6	3,163,799	4,955,419
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		2,355,779	17,863,808

  
CHONG KEE HIONG  
Chairman  
Date: 26 November 2020

  
NG KHENG HEONG, ERNEST  
Secretary

## Statement of changes in funds for the financial year ended 31 March 2020

	Residential property \$	Commercial property \$	Carpark \$	Total \$
<b>31 March 2020</b>				
Balance at 31 March 2019, as previously stated	105,553,613	45,814,277	799,466	152,167,356
Prior year adjustments (Note 35)	4,758,150	269,491	-	5,027,641
Balance at 31 March 2019, as restated	110,311,763	46,083,768	799,466	157,194,997
Total comprehensive income for the year	1,209,368	807,010	339,401	2,355,779
<b>Balance at 31 March 2020</b>	<b>111,521,131</b>	<b>46,890,778</b>	<b>1,138,867</b>	<b>159,550,776</b>

	Residential Property \$	Commercial property \$	Carpark \$	Total \$
<b>31 March 2019</b>				
Balance at 1 April 2018, as previously stated	92,153,310	43,106,504	489,601	135,749,415
Prior year adjustments (Note 35)	3,384,224	197,550	-	3,581,774
Balance at 1 April 2018, as restated	95,537,534	43,304,054	489,601	139,331,189
Total comprehensive income for the year	14,774,229	2,779,714	309,865	17,863,808
Balance at 31 March 2019, as restated	110,311,763	46,083,768	799,466	157,194,997

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 2020

	Note	2020 \$	Restated 2019 \$
<b>Cash Flows from Operating Activities</b>			
Deficit before taxation and government grants	3	(2,694,449)	(1,416,271)
Adjustments for:			
Operating income transfer to Sinking Fund	3,4	10,756,620	10,601,273
Operating income transfer to Lift Replacement Fund	3,6	5,792,028	5,708,378
Depreciation of property, plant and equipment	7,22	279,278	14,987
Amortisation of bonds		3,883	-
Allowance for impairment in conservancy and service fee receivables	9,22	86,649	-
Allowance for impairment in other receivables	10	267,746	-
Interest expenses on lease liabilities	22	35,683	-
Interest income	3	(147,772)	(123,872)
<b>Operating surplus before working capital changes</b>		<b>14,379,666</b>	<b>14,784,495</b>
(Increase)/Decrease in operating receivables		(324,887)	731,439
(Decrease)/Increase in operating payables		(40,427)	3,387,526
<b>Cash generated from operations before income tax</b>		<b>14,014,352</b>	<b>18,903,460</b>
Sinking Fund expenditure	4	(16,701,333)	(4,499,520)
Town Improvement and Project Fund expenditure	5	(3,626,269)	(2,776,805)
Lift Replacement Fund expenditure	6	(7,626,144)	(5,631,351)
Electrical Load Upgrading expenditure	12	(514,301)	(1,211,951)
Neighbourhood Renewal Programme expenditure	13	(1,323,236)	(2,952,231)
Selective Lift Replacement Programme expenditure	16(a)	(3,980,845)	(3,179,509)
Lift Enhancement Programme expenditure	16(b)	(922,481)	-
Income tax paid	23	(321,464)	(353,066)
<b>Net cash used in operations before government grants</b>		<b>(21,001,721)</b>	<b>(1,700,973)</b>
Lift Replacement Fund Matching Grant received	24	3,472,911	3,349,238
Selective Lift Replacement Programme fund received	16(a)	315,995	3,479,462
Lift Enhancement Programme fund received	16(b)	914,768	-
Government grants received	24	9,741,246	7,310,899
GST subvention received	24	1,419,903	1,376,836
Government funds received for Electrical Load Upgrading Programme projects	12	844,464	481,809
Government funds received for Neighbourhood Renewal Programme projects	13	3,473,804	-
<b>Net cash (used in)/generated from operating activities</b>		<b>(818,630)</b>	<b>14,297,271</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	7	(144,872)	(25,620)
Interest and investment income received		2,847,767	2,119,736
Acquisition of Investments		-	(9,763,500)
<b>Net cash generated from/(used in) investing activities</b>		<b>2,702,895</b>	<b>(7,669,384)</b>
<b>Cash Flows used in Financing Activities</b>			
Repayment of lease liabilities	18	(242,117)	-
Interest paid on lease liabilities	18	(35,683)	-
<b>Net cash used in financing activities</b>		<b>(277,800)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,606,465</b>	<b>6,627,887</b>
Cash and cash equivalents at beginning of year		126,565,730	119,937,843
Cash and cash equivalents at end of year	15	128,172,195	126,565,730

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 2020**

### **1 General**

Bishan-Toa Payoh Town Council (the "Town Council") was formed on 13 January 1997 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 and commercial property in the housing estates of the Housing and Development Board ("HDB") within the Town. The Town consists of the Bishan-Toa Payoh Group Representation Constituency ("GRC") which comprised the Bishan East-Thomson, Bishan North, Toa Payoh West-Balestier, Toa Payoh Central and Toa Payoh East-Novena divisions as at 31 March 2020.

Due to the redrawing of electoral boundaries as disclosed in Note 36 to the financial statements, subsequent to the financial year ended 31 March 2020, the Town Council manages the HDB residential estates in Bishan-Toa Payoh GRC and the new Marymount Single Member Constituency ("SMC"). The Bishan-Toa Payoh GRC comprised four constituencies, which include Bishan East - Sin Ming, Toa Payoh Central, Toa Payoh East and Toa Payoh West – Thomson.

The principal office of operations is situated at Blk 125A #01-134, Lorong 2 Toa Payoh, Singapore 311125.

These financial statements for the financial year ended 31 March 2020 were authorized for issue in accordance with a resolution of the Town Council on 26 November 2020.

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

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("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.

#### **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 as 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 and estimates are described below.

#### **(a) 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.

**2(i) Basis of preparation (Cont'd)****Significant accounting estimates and judgements (Cont'd)****(b) Determination of lease term of contracts with renewal options**

The Town Council have significant lease contracts for office premises that included renewal options. The Town Council applies judgement in evaluating whether it is reasonably certain that the option to renew these leases will be exercised. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Town Council reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Town Council included the lease renewal in the recognition of right-of-use assets and lease liabilities for office premises because of the Town Council's intention to exercise these renewal option.

**(c) Leases – estimating the incremental borrowing rate**

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

**(d) Town Improvement Project Grants**

The Town Council receives grants under Community Improvement Projects Committee ("CIPC") scheme for approved improvement and development works in the Town. Such grants are pre-approved in principle. Accruals for grants are made at year end based on the lower of the value of work completed that is eligible for CIPC funding or the approved CIPC funding for each specific project. Judgement is required for such accrual, which are made based on the Town Council's assessment of the value of work completed and the claims made for each town improvement project.

**(e) Legal action, contingent assets and contingent liabilities**

As disclosed in Note 34 to the financial statements, the Town Council received a letter of demand in July 2019 from a contractor seeking compensation of \$1.06 million. The Town Council has responded to the contractor in August 2019 to deny the basis of the claim and made a counter claim of \$560,000 for the failure on the part of the contractor to meet the terms of the contract. Since then, the Town Council has not received any further communication from the said contractor. No provision in respect of the claim liability has been made in the financial statements as it was assessed that there was no merit and/or basis for the claim made by the contractor based on the Town Council's review and assessment. Pending a response from the contractor, the Town Council has also not recognised the contingent asset arising from the counter claim made.

**2(i) Basis of preparation (Cont'd)****Significant accounting estimates and judgements (Cont'd)****(f) Expected credit loss on receivables**

The Town Council uses provision matrix to calculate ECLs for conservancy and service fee receivables. The provision rates are based on estimated on the basis of age of debts, results recovery efforts and historical experience.

The provision matrix is initially based on the Town Council's historical observed default rates. At every reporting date, historical default is updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Town Council's historical credit loss experience and forecast economic conditions may also not be representative of the actual default in the future. The Town Council has also considered the impact of coronavirus ("Covid-19") when making estimates on the recoverability of its conservancy and service fee receivables based on currently available information. During the year ended 31 March 2020, the Town Council provided 50% conservancy and service fee rebates for the month of March 2020 for the commercial properties managed by the Bishan-Toa Payoh Town Council, totaling \$179,069. This has helped to cushion the adverse economic impact arising from the Covid-19 pandemic to the shop operators and hawkers in the Town Council. Together with the rebates, the Town Council has assessed the allowance for impairment for conservancy and service fee receivables as at 31 March 2020 to be adequate.

The information about the ECLs on the Town Council's conservancy and service fee receivables is disclosed in Note 9 to the financial statements.

The ECLs for conservancy and service fees receivables amounted to \$1,182,509 (2019: \$1,095,860). The carrying amount of the Town Council's conservancy and service fees receivables as at 31 March 2020 is \$733,317 (2019: \$744,636).

For other receivables, the allowance for ECL is based on the Town Council's assessment of the collectability of each debtor taking into consideration the financial condition of those debtors. If there is deterioration in the debtors' financial condition, the Town Council makes allowance for credit losses, which would affect the profit or loss in the period when such adjustments are made.

As disclosed in Note 10 to the financial statements, a loss allowance of \$267,746 (2019: Nil) was made for other receivables measured using a 12- month expected credit loss.

**2(ii) Adoption of new and revised standards**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Town Council has adopted all the new and amended standards which are relevant to the Town Council and are effective for annual financial periods beginning on 1 April 2019. Except for the adoption of FRS 116 *Leases* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Town Council.

**FRS 116 *Leases***

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases-Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Town Council has lease contracts for the rental of office premises. Before the adoption of FRS 116, the Town Council classified these leases (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2(iv)(o).

Upon adoption of FRS 116, the Town Council applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Town Council.

The Town Council elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Town Council applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

**Leases previously accounted for as operating leases**

The Town Council recognised right-of-use asset (included as property, plant and equipment) and lease liabilities for office premises previously classified as operating leases. On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the incremental borrowing rates applicable to the leases as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid, accrued lease payments and provision for reinstatement costs.

The Town Council has tested its right-of-use asset for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.



**2(ii) Adoption of new and revised standards (Cont'd)**FRS 116 Leases (Cont'd)

The Town Council also applied the available practical expedients wherein it:

- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019, the Town Council recognised right-of-use assets (included as property, plant and equipment) and lease liabilities of \$1,419,742. The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitment as of 31 March 2019, as follows:

	\$
Operating lease commitment as at 31 March 2019 (Note 29)	882,125
Less: Non-lease components	(176,425)
Add: Renewal options	833,400
	<u>1,539,100</u>
Weighted average incremental borrowing rate as at 1 April 2019	<u>3%</u>
Lease liabilities as at 1 April 2019	<u>1,419,742</u>

**2(iii) Standards issued but not yet effective**

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

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8: Definition of Material	1 January 2020
Amendments to FRS 116: Covid-19 Related Rent Concessions	1 June 2020
Amendments to FRS 16: Property, Plant and Equipment— Proceeds before Intended Use	1 January 2022
Amendments to FRS 37: Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1: Classifications of Liabilities as Current or Non-Current	1 January 2023

The Town Council has performed a preliminary assessment and the management expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

**2(iv) 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 Housing and Development Board ("HDB") on an agency basis.

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

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

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

**Sinking Fund**

In accordance with section 33(4) of the Town Councils Act, separate Sinking Fund are established for the improvement to, management and maintenance of residential property and commercial property. The Sinking Fund are maintained as part of the Town Council 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, excluding Lift Replacement Fund Matching Grant to be paid into the Sinking Fund.

The minimum amounts to be transferred to Sinking Fund are at least 26% of the conservancy and service fees and grants-in-aid for all residential flat types and commercial property.

These contributions are treated as operating income transfers and are deducted from the conservancy and service fees and government grants in income or expenditure. The Lift Replacement Fund Matching Grant is not subject to the minimum contribution rate, even though it is a grant-in-aid.

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

**2(iv) Summary of significant accounting policies (Cont'd)****(a) Funds (Cont'd)****Town Improvement and Project Fund**

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

This fund is 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").

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

**Lift Replacement Fund**

Lift Replacement Fund ("LRF") are established and maintained as part of the Town Council Funds to meet the cost of any capital expenditure related to the replacement of lifts in the town for lift upgrading works, which were previously incurred under the Sinking Fund.

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

The minimum amounts to be transferred to Lift Replacement Fund are at least 14% of the conservancy and service fees and grants-in-aid for all residential flat types and commercial property. These contributions are treated as operating income transfers and are deducted from the conservancy and service fees and government grants in income or expenditure.

The Lift Replacement Fund Matching Grant is not subject to the minimum contribution rate, even though it is a grants-in-aid.

**(b) 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:

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

Such allocation by EDU is applied to all Town Council Funds.

Remuneration of certain employees are allocated to Sinking Fund, Town Improvement and Project Fund and Lift Replacement Fund based on the time spent by employees in projects related to the respective Funds during the year ended 31 March 2020 (2019: Allocated in proportion to the expenditure incurred for the respective Funds during the year).

**2(iv) Summary of significant accounting policies (Cont'd)****(c) 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 Fund Matching Grant.

- (i) Service and Conservancy Charge Operating Grants to meet 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 Grant is given as grants-in-aid and is granted to assist town councils for absorbing the GST increases in service and conservancy charges for HDB residential flats.
- (iv) Lift Maintenance Grant is disbursed at \$600 annually for each lift maintained by the Town Council. This is to cope with higher lift-related servicing and maintenance costs.
- (v) Lift Replacement Fund Matching Grant is given at 50% of the Town Council's quarterly contribution to its LRF for the replacement of their existing lifts and lift parts.

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.

**(d) Property, plant and equipment**

Property, 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 years
Data processing equipment/software	3 years

With the adoption of FRS116, the right-of-use of office premises has been included in property, plant and equipment and depreciated over the remaining lease term of 62 months and 68 months.

The cost of property, 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 property, 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 property, 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.

**2(iv) Summary of significant accounting policies (Cont'd)****(d) Property, plant and equipment (cont'd)**

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 property, plant and equipment are retained in the books of accounts until they are no longer in use.

Property, plant and equipment costing below \$1,000 each are charged to income or expenditure in the year of purchase.

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

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

The carrying amount of non-financial assets is reviewed at each reporting date for indications of impairment and where impairment is found, the asset is written down through the income and expenditure statement to its estimated recoverable amount.

The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the income and expenditure statement. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value-in-use.

In assessing value-in-use, the estimated future cash flows 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

At each reporting date, non-financial assets other than goodwill with impairment loss recognised in prior periods, are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

**(f) Financial assets****Initial recognition and measurement**

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

At initial recognition, the Town Council measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in income or expenditure.

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, excluding amounts collected on behalf of third party, if the conservancy and service fee receivables do not contain a significant financing component at initial recognition.



**2(iv) Summary of significant accounting policies (Cont'd)****(f) Financial assets (cont'd)**Subsequent measurementDebt instruments

Subsequent measurement of debt instruments depends on the Town Council's business model and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

**(i) Amortised cost**

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 or expenditure when the assets are derecognised or impaired, and through amortisation process.

**(ii) Fair value through other comprehensive income (FVOCI)**

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 or expenditure. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to income or expenditure as a reclassification adjustment when the financial asset is de-recognised.

**(iii) Fair value through profit or loss (FVPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss and is not part of a hedging relationship is recognised in income or expenditure in the period in which it arises.

The Town Council only has debt instruments at amortised cost.

Equity instruments

The Town Council does not have investments in equity instruments.

Derecognition

A financial asset is de-recognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in income or expenditure.

**2(iv) Summary of significant accounting policies (Cont'd)****(g) Impairment of financial assets**

The Town Council recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. 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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For conservancy and service fees receivables, the Town Council applies a simplified approach in calculating ECLs. Therefore, the Town Council does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Town Council 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.

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

**(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances and fixed deposits that are readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

**(i) Financial liabilities**Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Town Council becomes a party to the contractual provisions of the financial instrument. The Town Council determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit and loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in income or expenditure when the liabilities are derecognised, and through the amortisation process.

**2(iv) Summary of significant accounting policies (Cont'd)****(i) Financial liabilities (Cont'd)**Subsequent measurement (Cont'd)

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in income or expenditure.

**(j) Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**(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 benefits**Defined contribution plan

The Town Council contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to majority of the employees. The contributions to CPF are charged to income or expenditure in the period to which the contributions relate.

Employee leave entitlements

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

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Town Council has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**2(iv) Summary of significant accounting policies (Cont'd)****(l) Employee benefits (Cont'd)**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 and certain managers.

**(m) Revenue recognition**

Revenue is measured based on the consideration to which the Town Council expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

**(i) Conservancy and service fees**

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

**(ii) Agency fees**

Agency fees for routine maintenance of HDB's carparks are recognised on a time-proportion basis for the period when the services is rendered.

**(iii) Interest and investment income**

Interest income from fixed deposits and investment in debt instruments is recognised on a time-proportion basis 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(iv) 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.

**(o) Leases**

The Town Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Town Council, as lessee**

- (i) Policy applicable on 1 April 2019 on the initial application of FRS 116

The Town Council applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Town Council recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

**Right-of-use assets**

The Town Council recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date plus an estimate of costs of dismantle and remove the underlying assets or to restore the underlying assets or site on which it located less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.



**2(iv) Summary of significant accounting policies (Cont'd)****(o) Leases (Cont'd)**Town Council, as lessee (Cont'd)**(i) Policy applicable on 1 April 2019 on the initial application of FRS 116 (Cont'd)****Right-of-use assets (Cont'd)**

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2(iv)(e).

The Town Council's right-of-use assets are presented within property, plant and equipment (Note 7).

**Lease liabilities**

At the commencement date of the lease, the Town Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments).

In calculating the present value of lease payments, the Town Council uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Town Council applies the short-term lease recognition exemption to short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**(ii) Policy applicable before 1 April 2019****Operating lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in the statement of income and expenditure on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in income or expenditure as an integral part of the total lease expense.

**2(iv) Summary of significant accounting policies (Cont'd)****(p) Inter-fund transfer**

Under Section 33(9) and 43(1)(i) of the Town Councils Act, Cap. 329A, and Rule 11A of Town Councils Financial Rules ("TCFR"), the Town Council may transfer an amount not exceeding the surplus from operating fund to sinking fund or lift replacement fund, and from sinking fund to lift replacement fund to make good for any deficit in that fund. The Town Council may also transfer an amount not exceeding the surplus from any of its funds established for residential property to the commercial property under the same fund, only to make good any deficit and vice versa.

**(q) Functional currency**

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

**BISHAN-TOA PAYOH TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**

**Notes to the financial statements for the financial year ended 31 March 2020**

**3 Accumulated surplus**

	Note	Residential property		Commercial property		Carpark		Total	Restated 2019 \$
		2020 \$	Restated 2019 \$	2020 \$	Restated 2019 \$	2020 \$	2019 \$	2020 \$	
<b>OPERATING INCOME</b>									
Conservancy and service fees		36,563,019	36,041,302	4,808,587	4,732,811	-	-	41,371,606	40,774,113
Less:									
Operating income transfer to Sinking Fund	4	(9,506,387)	(9,370,742)	(1,250,233)	(1,230,531)	-	-	(10,756,620)	(10,601,273)
Operating income transfer to Lift Replacement Fund	6	(5,118,826)	(5,045,784)	(673,202)	(662,594)	-	-	(5,792,028)	(5,708,378)
Agency fees and other income	20,21	21,937,806	21,624,776	2,885,152	2,839,686	-	-	24,822,958	24,464,462
		1,392,907	1,333,488	620,407	627,384	2,934,244	2,939,143	4,947,558	4,900,015
Less:									
Operating Expenditure		23,330,713	22,958,264	3,505,559	3,467,070	2,934,244	2,939,143	29,770,516	29,364,477
Operating (Deficit)/Surplus		(27,199,745)	(25,925,114)	(2,813,228)	(2,342,352)	(2,599,764)	(2,637,154)	(32,612,737)	(30,904,620)
Add:		(3,869,032)	(2,966,850)	692,331	1,124,718	334,480	301,989	(2,842,221)	(1,540,143)
<b>Non-Operating Income - Interest income</b>									
		125,926	100,562	8,956	9,196	12,890	14,114	147,772	123,872
(Deficit)/Surplus before taxation and government grants		(3,743,106)	(2,866,288)	701,287	1,133,914	347,370	316,103	(2,694,449)	(1,416,271)
Less:									
Income Tax	23	(77,866)	(61,046)	(5,531)	(4,356)	(7,969)	(6,238)	(91,366)	(71,640)
(Deficit)/Surplus after taxation but before government grants		(3,820,972)	(2,927,334)	695,756	1,129,558	339,401	309,865	(2,785,815)	(1,487,911)
Add:									
Government grants	24	13,788,353	13,477,521	569,260	476,676	-	-	14,357,613	13,954,197
Less: Transfer to:									
Sinking Fund	4,24	(2,185,351)	(2,187,806)	(13,243)	(13,044)	-	-	(2,198,594)	(2,200,850)
Town Improvement and Project Fund	5,24	(2,251,202)	(2,000,319)	(178,271)	(95,904)	-	-	(2,429,473)	(2,096,223)
Lift Replacement Fund	6,24	(4,308,688)	(4,240,624)	(347,188)	(337,626)	-	-	(4,655,876)	(4,578,250)
		5,043,112	5,048,772	30,558	30,102	-	-	5,073,670	5,078,874
Surplus for the financial year		1,222,140	2,121,438	726,314	1,159,660	339,401	309,865	2,287,855	3,590,963
Add:									
Accumulated surplus at beginning of year		2,142,572	372,308	5,150,065	3,990,405	799,466	489,601	8,092,103	4,852,314
Appropriation to Town Improvement and Project Fund	5	-	(351,174)	-	-	-	-	-	(351,174)
Accumulated surplus at end of year		3,364,712	2,142,572	5,876,379	5,150,065	1,138,867	799,466	10,379,958	8,092,103

# **BISHAN-TOA PAYOH TOWN COUNCIL**

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

**Notes to the financial statements for the financial year ended 31 March 2020**

## **4 Sinking Fund**

	Note	Residential property 2020 \$	2019 \$	Commercial property 2020 \$	2019 \$	Total 2020 \$	2019 \$
Balance at beginning of year		83,687,759	74,498,583	33,748,814	32,939,832	117,436,573	107,438,415
Add:							
Operating income transfer from conservancy and service fees (minimum required by law)	3	9,506,387	9,370,742	1,250,233	1,230,531	10,756,620	10,601,273
Transfer from government grants	3,24	2,185,351	2,187,806	13,243	13,044	2,198,594	2,200,850
Other income	25(i)	2,074,339	1,724,209	147,484	120,722	2,221,823	1,844,931
		13,766,077	13,282,757	1,410,960	1,364,297	15,177,037	14,647,054
Less: Expenditure	25(ii)	(14,900,827)	(3,954,152)	(1,800,506)	(545,368)	(16,701,333)	(4,499,520)
Less: Income tax	23	(349,896)	(139,429)	(24,887)	(9,947)	(374,783)	(149,376)
(Deficit)/Surplus for the financial year		(1,484,646)	9,189,176	(414,433)	808,982	(1,899,079)	9,998,158
Balance at end of year		82,203,113	83,687,759	33,334,381	33,748,814	115,537,494	117,436,573

Represented by:

### **Non-Current assets**

Investments at amortised cost

29,781,382

29,785,265

### **Current assets**

Conservancy and service fees receivables

Other receivables

Interest receivable

Grants receivable

Amount due from accumulated surplus

Fixed deposits with financial institutions

Cash and bank balances

190,662	193,115
433,540	311,289
572,213	647,234
92,291	-
168,743	727,630
79,008,205	77,670,104
8,500,575	9,815,130

88,966,229

89,364,502

### **Total assets**

118,747,611

119,149,767

Less:

### **Current liabilities**

Payables and accrued expenses

Income tax payable

### **Total liabilities**

Net assets

2,525,331	1,203,094
684,786	510,100
3,210,117	1,713,194
115,537,494	117,436,573

**BISHAN-TOA PAYOH TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2020**

**5 Town Improvement and Project Fund**

		Residential property		Commercial property		Total	
	Note	2020	Restated 2019	2020	Restated 2019	2020	Restated 2019
		\$	\$	\$	\$	\$	\$
Balance at beginning of year		3,108,371	3,384,224	242,914	296,619	3,351,285	3,680,843
Add:							
Transfer from Government Grants	3,24	2,251,202	2,000,319	178,271	95,904	2,429,473	2,096,223
Less: Expenditure	26	(3,370,908)	(2,627,207)	(255,361)	(149,598)	(3,626,269)	(2,776,805)
Less: Income tax	23	-	(139)	-	(11)	-	(150)
Deficit for the financial year		(1,119,706)	(627,027)	(77,090)	(53,705)	(1,196,796)	(680,732)
Add: Appropriation from accumulated surplus	3	-	351,174	-	-	-	351,174
Balance at end of year		1,988,665	3,108,371	165,824	242,914	2,154,489	3,351,285

*Represented by:*

	31 March 2020	Restated 31 March 2019	Restated 1 April 2018
	\$	\$	\$
<b>Current assets</b>			
Grants receivable	5,253,928	5,529,491	3,679,019
Other receivables	41,248	1,676	8,310
Amount due from accumulated surplus	-	-	158,285
Cash and bank balances	278,498	(82,376)	516,962
<b>Total assets</b>	5,573,674	5,448,791	4,362,576
<b>Less:</b>			
<b>Current liabilities</b>			
Payables and accrued expenses	981,849	688,109	681,733
Amount due to accumulated surplus	2,437,336	1,409,397	-
<b>Total liabilities</b>	3,419,185	2,097,506	681,733
<b>Net assets</b>	2,154,489	3,351,285	3,680,843

**6 Lift Replacement Fund**

	Note	Residential property		Commercial property		Total	
		2020	Restated 2019	2020	Restated 2019	2020	Restated 2019
		\$	\$	\$	\$	\$	\$
Balance at beginning of year		21,373,061	17,282,419	6,941,975	6,077,198	28,315,036	23,359,617
Add:							
Operating income transfer from conservancy and service fees (minimum required by law)							
Transfer from Government Grants							
- Other Government Grant	3	5,118,826	5,045,784	673,202	662,594	5,792,028	5,708,378
- Lift Replacement Fund Matching Grant	3, 24	1,176,728	1,178,049	7,131	7,024	1,183,859	1,185,073
	3, 24	3,131,960	3,062,575	340,057	330,602	3,472,017	3,393,177
		4,308,688	4,240,624	347,188	337,626	4,655,876	4,578,250
		384,012	337,706	27,309	23,736	411,321	361,442
Other income – Interest income		9,811,526	9,624,114	1,047,699	1,023,956	10,859,225	10,648,070
Less: Expenditure							
Less: Income tax	27	(7,155,260)	(5,476,242)	(470,884)	(155,109)	(7,626,144)	(5,631,351)
	23	(64,686)	(57,230)	(4,596)	(4,070)	(69,282)	(61,300)
Surplus for the financial year		2,591,580	4,090,642	572,219	864,777	3,163,799	4,955,419
Balance at end of year		23,964,641	21,373,061	7,514,194	6,941,975	31,478,835	28,315,036

*Represented by:***Current assets**

Conservancy and service fees receivables

Other receivables

Interest receivable

Grant receivables

**Receivables for Selective Lift Replacement and Lift**

Enhancement Programme

Amount due from accumulated surplus

Fixed deposits with financial institutions

Cash and bank balances

**Total assets****Less:****Current liabilities**

Payables and accrued expenses

Advances for Selective Lift Replacement Programme

Income tax payable

**Total liabilities****Net assets**

102,664	103,985
84,593	205,592
76,297	65,398
793,302	744,501
3,372,610	-
733,676	335,084
22,777,102	24,428,704
5,179,773	4,788,378
33,120,017	30,671,642

1,510,892	1,969,353
-	299,953
130,290	87,300
1,641,182	2,356,606
31,478,835	28,315,036

**7 Property, plant and equipment**

	<u>Furniture, Fixtures and Fittings</u> \$	<u>Office Equipment</u> \$	<u>Data processing equipment/ software</u> \$	<u>Office Premises</u> \$	<u>Total</u> \$
<b>Cost</b>					
At 1 April 2018	936,996	29,140	146,164	-	1,112,300
Additions	3,879	6,149	15,592	-	25,620
Write-off	-	-	(5,165)	-	(5,165)
At 31 March 2019	940,875	35,289	156,591	-	1,132,755
At 1 April 2019 – effect of adopting FRS116	-	-	-	1,419,742	1,419,742
At 1 April 2019, as restated	940,875	35,289	156,591	1,419,742	2,552,497
Additions	3,150	-	141,722	-	144,872
Write-offs	(1,757)	(4,600)	(27,858)	-	(34,215)
<b>At 31 March 2020</b>	<b>942,268</b>	<b>30,689</b>	<b>270,455</b>	<b>1,419,742</b>	<b>2,663,154</b>
<b>Accumulated depreciation</b>					
At 1 April 2018	936,956	21,799	133,133	-	1,091,888
Depreciation for the year (Note 22)	388	3,517	11,082	-	14,987
Write-offs	-	-	(5,165)	-	(5,165)
At 31 March 2019	937,344	25,316	139,050	-	1,101,710
Depreciation for the year (Note 22)	1,352	4,897	16,741	256,288	279,278
Write-offs	(1,757)	(4,600)	(27,858)	-	(34,215)
<b>At 31 March 2020</b>	<b>936,939</b>	<b>25,613</b>	<b>127,933</b>	<b>256,288</b>	<b>1,346,773</b>
<b>Net book value</b>					
At 31 March 2019	3,531	9,973	17,541	-	31,045
At 1 April 2019	3,531	9,973	17,541	1,419,742	1,450,787
<b>At 31 March 2020</b>	<b>5,329</b>	<b>5,076</b>	<b>142,522</b>	<b>1,163,454</b>	<b>1,316,381</b>

Right-of-use assets from lease contracts are presented under Office Premises.

Data processing equipment/software included software under development of \$114,344 (2019: Nil). The cost of software under development has not been depreciated as it is not ready for use as at 31 March 2020.

**8 Investments at amortised cost**

	2020 \$	2019 \$
Investments at amortised cost	29,781,382	29,785,265
Comprising:		
Quoted bonds issued by statutory boards	29,781,382	29,785,265
Maturing:		
After one year but within five years	8,008,998	8,012,154
After five years	21,772,384	21,773,111
	29,781,382	29,785,265
Market value	31,617,625	29,918,260

**8 Investments at amortised cost (Cont'd)**

Investments in quoted bonds issued by statutory boards have fixed interest rates ranging from 1.825% to 3.08% (2019: 1.825% to 3.08%) per annum and maturity date ranging from August 2022 to July 2033 (2019: August 2022 to July 2033) as at reporting date.

The fair value of quoted bonds are based on the closing bid price at the end of the financial year and are within Level 1 of the fair value hierarchy.

**9 Conservancy and service fees receivables**

	2020 \$	2019 \$
Conservancy and service fees receivables	1,915,826	1,840,496
Less: Allowance for impairment	(1,182,509)	(1,095,860)
	<b>733,317</b>	<b>744,636</b>

Movements in allowance for impairment during the year are as follows:

	2020 \$	2019 \$
Balance at beginning of year	(1,095,860)	(1,090,583)
Allowance for the year (Note 22)	(86,649)	(9,348)
Amount utilised	-	4,071
Balance at end of year	<b>(1,182,509)</b>	<b>(1,095,860)</b>

The age analysis of conservancy and service fees receivables is as follows:

	2020 \$	2019 \$
Not past due	249,873	221,778
Past due 1 - 3 months	156,665	195,306
Past due 4 - 5 months	122,305	104,350
More than 6 months	1,386,983	1,319,062
Total receivables	1,915,826	1,840,496
Less: Allowance for impairment	(1,182,509)	(1,095,860)
	<b>733,317</b>	<b>744,636</b>

**10 Other receivables**

	2020 \$	2019 \$
Deposits	276,109	383,475
GST receivable from Inland Revenue	105,987	158,858
Recoverable from HDB/NEA	21,706	62,037
Prepaid expenses	7,607	7,651
Other receivables	503,214	53,045
Less: Allowance for impairment*	(267,746)	-
	<b>235,468</b>	<b>53,045</b>
	<b>646,877</b>	<b>665,066</b>

The allowance for impairment relates to a receivable from an electric utility company that is undergoing liquidation subsequent to year-end. The Town Council has made full provision on the outstanding amount.



**11 Grants receivable**

	31 March 2020 \$	Restated 31 March 2019 \$	Restated 1 April 2018 \$
Receivable from Citizens' Consultative Committee	5,253,928	5,529,491	3,679,019
GST subvention receivable	354,964	354,954	332,141
Lift Replacement Fund Matching Grant	743,607	744,501	700,562
	<b>6,352,499</b>	<b>6,628,946</b>	<b>4,711,722</b>

**12 Advances/(Receivable) for Electrical Load Upgrading Programme**

	2020 \$	2019 \$
Balance at beginning of year	(31,703)	698,439
Government funds received/receivables	844,464	481,809
Payments/payables to contractors	(514,301)	(1,211,951)
	<b>330,163</b>	<b>(730,142)</b>
Balance at end of year	<b>298,460</b>	<b>(31,703)</b>

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.

**13 Advances/(Receivable) for Neighbourhood Renewal Programme**

	2020 \$	2019 \$
Balance at beginning of year	(1,980,311)	971,920
Government funds received/receivables	3,473,804	-
Payments/payables to contractors	(1,323,236)	(2,952,231)
	<b>2,150,568</b>	<b>(2,952,231)</b>
Balance at end of year	<b>170,257</b>	<b>(1,980,311)</b>

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

The Town Council receives funding from the government to cover NRP expenditure. If the cost of project works incurred exceeds the funding provided, the Town Council has to bear the cost of excess expenditure.

**14 Fixed deposits with financial institutions**

	2020 \$	2019 \$
Fixed deposits with financial institutions (Note 15)	112,026,623	110,273,739

Fixed deposits with financial institutions mature on varying dates within 12 months (2019: 12 months) from the end of the financial year. Interest rates at the reporting date were between 0.65% and 2.03% (2019: between 1.00% and 2.00%) per annum. Fixed deposits are also recallable on demand by the Town Council without incurring any significant penalties and interest costs.

**15 Cash and bank balances**

	2020 \$	2019 \$
Cash and bank balances	16,145,572	16,291,991

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

	2020 \$	2019 \$
Cash and bank balances	16,145,572	16,291,991
Fixed deposits with financial institutions (Note 14)	112,026,623	110,273,739
	128,172,195	126,565,730

**16 (Receivables)/Advances for Selective Lift Replacement and Lift Enhancement Programme**

	2020 \$	Restated 2019 \$
(Receivables)/Advances for Selective Lift Replacement Programme (SLRP)	(3,364,897)	299,953
Receivables for Lift Enhancement Programme (LEP)	(7,713)	-
Total	(3,372,610)	299,953

**(a) (Receivables)/Advances for Selective Lift Replacement Programme (SLRP)**

	2020 \$	Restated 2019 \$
Balance at beginning of year	299,953	-
Government funds received	315,995	3,479,462
Payments/payables to contractors	(3,980,845)	(3,179,509)
Balance at end of year	(3,364,897)	299,953

**16 (Receivables)/Advances for Selective Lift Replacement and Lift Enhancement Programme (Cont'd)****(a) (Receivables)/Advances for Selective Lift Replacement Programme (SLRP) (Cont'd)**

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 old 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 (capped at \$125,000 per lift) when the Town Council is ready to replace them.

**(b) Receivables for Lift Enhancement Programme (LEP)**

	2020 \$	2019 \$
Balance at beginning of year	-	-
Government funds received	914,768	-
Payments/payables to contractors	(922,481)	-
Balance at end of year	(7,713)	-

Lift Enhancement Programme (LEP) was introduced in September 2016 for HDB to support the Town Council in its enhancements to existing lifts which have been in operation for 18 years or less (based on April 2017) and are not yet equipped with all the recommended lift components. With the LEP, HDB will co-fund 92.5% of the lift cost or 92.5% of actual LEP cost, whichever is lower.

Consistent with accounting policy adopted for Government Grants, where the conditions on the co-funding are met and that the funds from the co-funding will be received, the Town Council has adopted the policy where the co-funding from HDB for SLRP and LEP are recognised over the periods necessary to match them with related expenditure that they are intended to co-fund.

**17 Payables and accrued expenses**

	2020 \$	2019 \$
Refundable deposits	514,952	314,287
Payables to contractors	6,002,495	6,672,001
Accrued operating expenses	1,608,078	1,008,872
Other creditors	15,841	215,365
	8,141,366	8,210,525

**18 Lease liabilities**

Town Council has leases for office premises. The lease term for office premises are 3 years, with further 3 years' renewal option. Town Council exercises significant judgement (as disclosed in Note 2(i)(b)) in determining whether the renewal options for lease of office premises are reasonably certain to be exercised. The carrying amount of lease liabilities for office premises are as follows:

	2020 \$	2019 \$
Current		
- Due within one year	245,833	-
Non-current		
- Due after one year but within five years	931,792	-
	1,177,625	-

**18 Lease liabilities (Cont'd)**

The table below details changes in the Town Council's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Town Council's statement of cash flows as cash flows from financing activities.

	Beginning of financial year – adoption of FRS 116	<u>Financing cash flows</u>		<u>Non-cash changes</u>	End of financial year
	\$	Repayments made	Interest paid	Interest expenses	\$
<b>2020</b>					
Lease liabilities	1,419,742	(242,117)	(35,683)	35,683	1,177,625

**19 Conservancy and service fees received in advance**

Conservancy and service fees received in advance is a contract liability relating to the Town Council's obligation to transfer goods or services to customers for which the Town Council has received advances from customers for goods or services to be delivered. Contract liabilities are recognised as income as the Town Council performs under the contract.

Conservancy and service fee recognised during the financial year ended 31 March 2020 included in contract liabilities at the beginning of the year was \$643,660 (2019: \$654,049).

**20 Agency fees**

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

**21 Other income**

	2020 \$	2019 \$
Agency fees	3,117	4,653
Late payment fees	121,177	104,840
Liquidated damages	348,362	367,042
Sale of tender documents	26,984	26,700
Sundry fines	8,900	20,038
Sundry income	68,542	83,484
Temporary occupation licences	1,367,387	1,284,127
Use of void decks and common property	24,710	23,810
Use of water and electricity	117,025	125,482
	<b>2,086,204</b>	<b>2,040,176</b>

**22 General and administrative expenditure**

	2020 \$	2019 \$
Advertising, publicity and public relations	273,902	217,570
Computers services	210,498	219,303
Conservancy and service fees receivables		
- allowance for impairment (Note 9)	86,649	9,348
- bad debts recovered	(5,434)	-
Allowance for impairment in other receivables (Note 10)	267,746	-
Depreciation of property, plant and equipment (Note 7)	279,278	14,987
Employee remuneration (Note 28)	6,212,417	6,125,941
Office expenses	236,064	214,050
Office rental	-	305,568
Others	227,884	161,424
Plant and equipment not capitalised	639	3,166
Professional fees	57,325	70,240
Property tax	146,130	124,764
Unclaimable GST	279,964	261,844
Interest on lease liabilities	35,683	-
Conservancy and service fee rebate	212,568	46,641
Allocation of general and administrative expenditure to:		
- Sinking Fund (Note 25 (ii))	(334,561)	(183,974)
- Town Improvement and Project Fund (Note 26)	(179,894)	(114,881)
- Lift Replacement Fund (Note 27)	(114,553)	(306,702)
	<b>7,892,305</b>	<b>7,169,289</b>

**23 Income tax**

	2020 \$	2019 \$
Current tax expense		
- Current year	546,199	484,000
- Over provision in respect of previous years	(10,768)	(201,534)
	<b>535,431</b>	<b>282,466</b>
Taken up in:		
Accumulated surplus (Note 3)	91,366	71,640
Sinking Fund (Note 4)	374,783	149,376
Town Improvement and Project Fund (Note 5)	-	150
Lift Replacement Fund (Note 6)	69,282	61,300
	<b>535,431</b>	<b>282,466</b>

**23 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:

	2020 \$	Restated 2019 \$
Government grants	14,357,613	13,954,197
Investment and interest income	2,770,060	2,325,321
Other income	460,018	545,115
	<b>17,587,691</b>	<b>16,824,633</b>
Tax calculated at Singapore tax rate of 17% (2019 - 17%)	2,989,907	2,860,188
Singapore statutory stepped income exemption	(17,425)	(17,425)
Tax remission of government grants under Section 92(2) of Singapore Income Tax Act	(2,426,287)	(2,357,719)
Over provision in respect of previous years	(10,768)	(201,534)
Others	4	(1,044)
	<b>535,431</b>	<b>282,466</b>

Movements in income tax payable are as follows:

	2020 \$	2019 \$
Balance at beginning of year	811,400	882,000
Payments during the year	(321,464)	(353,066)
Over provision in respect of previous years	(10,768)	(201,534)
Tax expense on income for current year	546,199	484,000
Balance at end of year	<b>1,025,367</b>	<b>811,400</b>

**BISHAN-TOA PAYOH TOWN COUNCIL****(Established under the Town Councils Act, Cap. 329A)****Notes to the financial statements for the financial year ended 31 March 2020****37****24 Government grants**

	Note	Service and Conservancy charge operating grant		GST Subvention grant		Payment from Citizens' Consultative Committee		Lift Maintenance Grant		Lift Replacement Fund Matching Grant		Total Restated 2019 \$
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Government grants received/receivable during the year	3	6,234,010	6,286,348	1,419,913	1,399,649	2,429,473	2,096,223	802,200	778,800	3,472,017	3,393,177	14,357,613
Less:												13,954,197
Transfer to Sinking Fund	3, 4	(1,620,843)	(1,634,451)	(369,179)	(363,911)	-	-	(208,572)	(202,488)	-	-	(2,198,594)
Transfer to Town Improvement and Project Fund	3, 5	-	-	-	-	(2,429,473)	(2,096,223)	-	-	-	-	(2,096,223)
Transfer to Lift Replacement Fund	3, 6	(872,762)	(880,089)	(198,789)	(195,952)	-	-	(112,308)	(109,032)	(3,472,017)	(3,393,177)	(4,578,250)
		3,740,405	3,771,808	851,945	839,786	-	-	481,320	467,280	-	-	5,073,670
												5,078,874

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

	2020	2019
	\$	\$
Total grants received as at beginning of year	280,290,981	268,254,008
Grants received during the year	14,634,060	12,036,973
Total grants received as at end of year	294,925,041	280,290,981

**25 Sinking Fund income and expenditure****(i) Income**

	2020 \$	2019 \$
Interest income from bank deposits	1,474,532	1,236,161
Interest income from quoted bonds	736,435	603,846
Others	10,856	4,924
	<b>2,221,823</b>	<b>1,844,931</b>

**(ii) Expenditure**

	2020 \$	2019 \$
Electrical rewiring works	-	59,830
Other works	562,353	370,160
Re-decoration and repainting works	15,567,813	3,368,077
Re-roofing works	89,104	463,691
Unclaimable GST	147,502	53,788
General and administrative expenditure (Note 22)	334,561	183,974
	<b>16,701,333</b>	<b>4,499,520</b>

**26 Town Improvement and Project Fund expenditure**

	2020 \$	2019 \$
Covered linkways	1,744,186	1,212,910
Construction/upgrading of playground and fitness corner	667,656	483,571
Construction of facilities and other amenities	1,034,533	965,443
General and administrative expenditure (Note 22)	179,894	114,881
	<b>3,626,269</b>	<b>2,776,805</b>

**27 Lift Replacement Fund expenditure**

	2020 \$	Restated 2019 \$
Replacement of main sheaves/ropes	998,501	762,700
Replacement of ARD/EBOPS battery	302,096	307,245
Other lift related works and unclaimable GST *	6,210,994	4,254,704
General and administrative expenditure (Note 22)	114,553	306,702
	<b>7,626,144</b>	<b>5,631,351</b>

\* Net of funding for SLRP and LEP of \$3,980,845 and \$922,481 (2019: \$3,179,509 and Nil) respectively.



**28 Employee remuneration**

	2020 \$	2019 \$
Councillors' allowance	165,000	163,800
Salaries and related costs	5,324,652	5,281,564
Contribution to CPF	722,765	680,577
	<b>6,212,417</b>	<b>6,125,941</b>

Employee remuneration includes the following:

	2020 \$	2019 \$
Key management personnel remuneration		
- Councillors' allowance *	165,000	163,800
- Salaries and related costs	521,394	460,279
- Contribution to CPF	34,857	30,959
	<b>721,251</b>	<b>655,038</b>

\* The Town Councillors consist of elected members and other members appointed by the Chairman. The Town Councillors receive a monthly allowance.

**29 Operating lease payment commitments**

As at 31 March 2019, future minimum lease payment commitments of office premises and computers services contract are as follows:

	2019 \$
No later than one year	440,654
Later than one year and no later than five years	441,471
	<b>882,125</b>

Operating leases for office premises are entered for a term of 3 years, which is subject to a revision on renewal.

The Town Council entered into an agreement for a contract sum of \$986,052 with NEC Asia Pacific Pte Ltd for the supply, delivery, design, development, installation, configuration, testing, commission, warranty of a fully operational integrated Town Council Management System with operation support and maintenance for the period 1 May 2013 to 30 April 2020. This was further extended to 31 March 2021 with remaining lease payment commitments of S\$245,659 as at 31 March 2020.

As disclosed in Note 2(ii), the Town Council has adopted FRS 116 on 1 April 2019. Lease payments for office premises have been recognised as right-of-use assets (presented in property, plant and equipment as office premises) and lease liabilities on the statement of financial position as at 31 March 2020.

Lease payments for computers services contract was non- lease components and expensed off to statement of income and expenditure when incurred.

**30 Expenditure and capital commitments**

Expenditure and capital commitments approved by the Town Council but not provided for in the financial statements are as follows:

	2020 \$	2019 \$
Amount approved and contracted for	43,671,532	30,842,346
Amount approved but not contracted for	53,764,000	87,436,000

**31 Financial instruments and financial risks**

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 regularly to reflect changes in the operational environment and market conditions.

**31.1 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 are potentially subject to credit risk consist principally of fixed deposits and bank balances, conservancy and service fees receivables, other receivables and investments. The maximum exposure to credit risk is the fair value of the financial instruments as at the end of the reporting period.

Bank balances and fixed deposits are placed with Singapore-regulated financial institutions.

Investments comprised of bonds issued by statutory boards and are of good credit standing.

For receivables, an ongoing credit evaluation is performed on the financial conditions of the receivables and losses on impairment are recognised in income or expenditure. The allowance for doubtful conservancy and service fees receivables totalling \$1,182,509 (2019: \$1,095,860) has been determined at the reporting date. There are no concentrations of credit risk with respect to conservancy and service fees receivables as the exposure is spread over a large number of residents.

The tables below detail the credit quality of the Town Council's receivables as well as maximum exposure to credit risk by credit risk rating grades:

Town Council	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
<b>2020</b>					
Conservancy and service fees receivables (Note 9)	(1)	Lifetime ECL (Simplified approach)	1,915,826	(1,182,509)	733,317
Other receivables (Note 10)	(3)	12-month ECL	914,623	(267,746)	646,877
Grants receivable (Note 11)	(2)	Performing	6,352,499	-	6,352,499
Receivables for Selective Lift Replacement and Lift Enhancement Programme (Note 16)	(2)	Performing	3,372,610	-	3,372,610

**31 Financial instruments and financial risks (Cont'd)****31.1 Credit risk (Cont'd)**

Town Council	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2019					
Conservancy and service fees receivables (Note 9)	(1)	Lifetime ECL (Simplified approach)	1,840,496	(1,095,860)	744,636
Grants receivable (Note 11)	(2)	Performing	6,628,946	-	6,628,946
Receivable for Electrical Load Upgrading Programme (Note 12)	(2)	Performing	31,703	-	31,703
Receivable for Neighbourhood Renewal Programme (Note 13)	(2)	Performing	1,980,311	-	1,980,311

- (1) For conservancy and service fees receivables, the Town Council has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Town Council determines the expected credit losses on these receivables by reference to their historical credit loss experience based on the past due status of the debtors, adjusted for forward looking factors specific to the receivables and the economic conditions.

- (2) The counterparty has a low risk of default.

There are no other material classes of financial assets that are past due except for the conservancy and service fees receivables. The age analysis of conservancy and service fees receivables is disclosed in Note 9.

The impaired conservancy and service fees receivables arise mainly from residents who are facing significant financial hardships and have difficulties in paying their conservancy and service fees despite reminders and notices sent.

- (3) Impaired other receivables due to the liquidation of an electric utility company subsequent to year-end.

**31.2 Market risk***Interest rate risk*

The exposure in interest rate risk mainly arises from changes in interest rates as disclosed in Note 14.

*Equity price risk*

Equity price risk is applicable to investments in equity shares or similar instruments.

There is no exposure to equity price risk as the Town Council has no investment in equity shares or similar instruments.

**31.3 Liquidity risk**

Liquidity risk is the risk that the Town Council will not be able to meet its financial obligations from shortage of funds. The Town Council manages the liquidity risk by maintaining sufficient cash and internally generated cash flows. Besides, the Town Council's operations are partially supported by various grants from the government and the Town Council is satisfied that funds for operations are available when required.

**31 Financial instruments and financial risks (Cont'd)****31.3 Liquidity risk (Cont'd)**

The normal credit period for settlement of payables and accrued expenses is 30 days (2019: 30 days). It is expected that all the liabilities will be paid when due with cash inflows from operating activities and government grants.

The following are the contractual maturities of financial assets and financial liabilities, based on contractual undiscounted cash flows:-

	Carrying amount	Contractual cash flows	One year or less	Two to five years	After five years
	\$	\$	\$	\$	\$
<b>2020</b>					
<b>Financial assets</b>					
Investments at amortised cost	29,781,382	34,650,768	241,416	9,515,383	24,893,969
Conservancy and service fees receivables	733,317	733,317	733,317	-	-
Other receivables, excluding prepaid expenses	639,270	639,270	639,270	-	-
Interest receivable	660,982	660,982	660,982	-	-
Grants receivable	6,352,499	6,352,499	6,352,499	-	-
Receivables for SLRP and LEP	3,372,610	3,372,610	3,372,610	-	-
Fixed deposits with financial institutions	112,026,623	112,026,623	112,026,623	-	-
Cash and bank balances	16,145,572	16,145,572	16,145,572	-	-
	<b>169,712,255</b>	<b>174,581,641</b>	<b>140,172,289</b>	<b>9,515,383</b>	<b>24,893,969</b>
<b>Financial liabilities</b>					
Payables and accrued expenses	8,141,366	8,141,366	8,141,366	-	-
Lease liabilities	1,177,625	1,261,300	277,800	983,500	-
	<b>9,318,991</b>	<b>9,402,666</b>	<b>8,419,166</b>	<b>983,500</b>	<b>-</b>
<b>2019</b>					
<b>Financial assets</b>					
Investments at amortised cost	29,783,265	35,402,225	242,494	9,685,748	25,473,983
Conservancy and service fees receivables	744,636	744,636	744,636	-	-
Other receivables, excluding prepaid expenses	657,415	657,415	657,415	-	-
Interest receivable	727,833	727,833	727,833	-	-
Grants receivable	6,628,946	6,628,946	6,628,946	-	-
Receivable for ELU	31,703	31,703	31,703	-	-
Receivable for NRP	1,980,311	1,980,311	1,980,311	-	-
Fixed deposits with financial institutions	110,273,739	110,273,739	110,273,739	-	-
Cash and bank balances	16,291,991	16,291,991	16,291,991	-	-
	<b>167,119,839</b>	<b>172,738,799</b>	<b>137,579,068</b>	<b>9,685,748</b>	<b>25,473,983</b>
<b>Financial liabilities</b>					
Payables and accrued expenses	8,210,525	8,210,525	8,210,525	-	-

**32 Funds management**

The Town Council's objectives when managing its funds are:

- (i) To maintain the value of the funds;
- (ii) To safeguard against the impact of inflation; and
- (iii) To reduce the future financial burden on residents.

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

There were no changes in the Town Council's policies and procedures in the management of its surplus funds during the financial year. The Town Council is not subject to externally imposed capital requirements. As at the end of the reporting period, the Town Council's total funds amounted to \$159,550,776 (2019: \$157,194,997).

**33 Fair value measurements**

The carrying amounts of current financial assets and liabilities approximate their respective fair values due to the short-term maturity of these financial instruments.

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 level 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 fair value of investments as disclosed in Note 8 is categorised as Level 1.

**34 Contingent Liabilities**

On July 2019, the Town Council received a letter of demand from a contractor seeking compensation of \$1.06 million for costs overruns from the works in respect of a covered plaza and open space facilities completed on 5 September 2015. The Town Council has responded in August 2019 to deny the basis of the claims in accordance with the terms of the contract and made a counterclaim of \$560,000 against the contractor.

There has been no further communication and/or legal correspondence since August 2019 in respect of this matter. No provision in respect of the claim liability has been made in the financial statements as it was assessed that there was no merit and/or basis for the claim in accordance with the terms of the contract. Pending a response from the contractor, the Town Council has also not recognised the contingent asset arising from the counter claim made.

**35 Prior year adjustments****(a) Restatement of Town Improvement and Project Fund**

In accordance with the Town Council's accounting policy, government grants, including Community Improvement Projects Committee (CIPC) grants are recognised at fair value when there are reasonable assurance that the attached conditions of the grants will be complied with and that the grants will be received. Such grants 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.

During the year ended 31 March 2020, it was noted that CIPC grants which met the conditions for recognition as CIPC grant income in prior years have not been recognised in accordance with the accounting policy set out above. This has resulted in an under recognition of CIPC grant income of \$3,581,774 prior to 1 April 2018 and an over recognition of CIPC grant income for the year ended 31 March 2019 of S\$242,915.

**(b) Restatement of Lift Replacement Fund**

To better reflect the nature and substance of transactions relating to co-funding from Housing and Development Board (HDB) on Selective Lift Replacement Programme, the Town Council aligned its accounting policy to that of government grants. Co-funding is now recognised over the periods necessary to match them with the related expenditure that they are intended to compensate, on a systematic basis. The change resulted in an under recognition of co-funding of Selective Lift Replacement Programme from the HDB of \$1,688,782 for financial year ended 31 March 2019.

**(c) Effects of the restatements**

The combined effects of the above restatements to the statement of financial positions, statement of income and expenditure, statement of cash flows, statement of changes in funds and notes to the financial statements are reflected as follows:

**Statement of financial position**

	<b>31 March 2019</b>	<b>31 March 2019</b>
	<b>Restated</b>	<b>Previously</b>
	<b>\$</b>	<b>Stated</b>
		<b>\$</b>
<b>TOWN COUNCIL FUND</b>		
Town Improvement and Project Fund		
- Residential Property	<b>3,108,371</b>	-
- Commercial Property	<b>242,914</b>	12,426
Lift Replacement Fund		
- Residential Property	<b>21,373,061</b>	19,723,282
- Commercial Property	<b>6,941,975</b>	6,902,972
<b>Current Assets</b>		
Grants receivable (Note 11)	<b>6,628,946</b>	3,290,087
<b>Current Liabilities</b>		
Advances for Selective Lift Replacement Programme (Note 16)	<b>299,953</b>	1,988,735

**35 Prior year adjustments (Cont'd)****(c) Effects of the restatements (cont'd)**Statement of financial position (cont'd)

	1 April 2018 Restated \$	1 April 2018 Previously Stated \$
<b>TOWN COUNCIL FUND</b>		
Town Improvement and Project Fund		
- Residential Property	3,384,224	-
- Commercial Property	296,619	99,069
<b>Current Assets</b>		
Grant receivables	4,711,722	1,129,948

Statement of income and expenditure and other comprehensive income

	31 March 2019 Restated \$	31 March 2019 Previously Stated \$
Deficit before government grants	(1,487,911)	(1,487,911)
Government Grants	13,954,197	14,197,112
Less: Transfer to		
- Sinking fund	(2,200,850)	(2,200,850)
- Town Improvement and project fund	(2,096,223)	(2,339,138)
- Lift replacement fund	(4,578,250)	(4,578,250)
	5,078,874	5,078,874
<b>SURPLUS FOR THE YEAR FROM ROUTINE FUND</b>	<b>3,590,963</b>	<b>3,590,963</b>
Add: Surplus/(deficit) for the year		
- Sinking fund	9,998,158	9,998,158
- Town Improvement and project fund	(680,732)	(437,817)
- Lift replacement fund	4,955,419	3,266,637
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>17,863,808</b>	<b>16,417,941</b>

Statement of cash flows

	31 March 2019 Restated \$	31 March 2019 Previously Stated \$
Lift Replacement Fund expenditure	(5,631,351)	(7,320,133)
Selective Lift Replacement Programme expenditure	(3,179,509)	(1,490,727)

**BISHAN-TOA PAYOH TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2020**

**35 Prior year adjustments (Cont'd)**

**(c) Effects of the restatements (cont'd)**

**Note 5 - Town Improvement and Project Fund**

	Residential property		Commercial property		Total
	Restated	Previously Stated	Restated	Previously Stated	
	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019
	\$	\$	\$	\$	\$
Balance at beginning of year	3,384,224	-	296,619	99,069	3,680,843
Add:					
Transfer from Government Grants	2,000,319	2,276,172	95,904	62,966	2,339,138
Less: Expenditure	(2,627,207)	(2,627,207)	(149,598)	(149,598)	(2,776,805)
Less: Income tax	(139)	(139)	(11)	(11)	(150)
Deficit for the financial year	(627,027)	(351,174)	(53,705)	(86,643)	(437,817)
Add: Appropriation from accumulated surplus	351,174	351,174	-	-	351,174
Balance at end of year	3,108,371	-	242,914	12,426	3,351,285
					12,426

	Residential property		Commercial property		Total
	Restated	Previously Stated	Restated	Previously Stated	
	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019
	\$	\$	\$	\$	\$
Balance at beginning of year	3,384,224	-	296,619	99,069	3,680,843
Add:					
Transfer from Government Grants	2,000,319	2,276,172	95,904	62,966	2,339,138
Less: Expenditure	(2,627,207)	(2,627,207)	(149,598)	(149,598)	(2,776,805)
Less: Income tax	(139)	(139)	(11)	(11)	(150)
Deficit for the financial year	(627,027)	(351,174)	(53,705)	(86,643)	(437,817)
Add: Appropriation from accumulated surplus	351,174	351,174	-	-	351,174
Balance at end of year	3,108,371	-	242,914	12,426	3,351,285
					12,426

**Current assets**  
 Grants receivable  
 Other receivables  
 Amount due from accumulated surplus  
 Cash and bank balances  
**Total assets**

**Less:**  
**Current liabilities**  
 Payables and accrued expenses  
 Amount due to accumulated surplus  
**Total liabilities**  
**Net assets**

	Restated	Previously Stated	Restated	Previously Stated	
	31 March 2019	31 March 2019	1 April 2018	1 April 2018	
	\$	\$	\$	\$	\$
Balance at beginning of year	3,384,224	-	296,619	99,069	3,680,843
Add:					
Transfer from Government Grants	2,000,319	2,276,172	95,904	62,966	2,339,138
Less: Expenditure	(2,627,207)	(2,627,207)	(149,598)	(149,598)	(2,776,805)
Less: Income tax	(139)	(139)	(11)	(11)	(150)
Deficit for the financial year	(627,027)	(351,174)	(53,705)	(86,643)	(437,817)
Add: Appropriation from accumulated surplus	351,174	351,174	-	-	351,174
Balance at end of year	3,108,371	-	242,914	12,426	3,351,285
					12,426

	Restated	Previously Stated	Restated	Previously Stated	
	31 March 2019	31 March 2019	1 April 2018	1 April 2018	
	\$	\$	\$	\$	\$
Balance at beginning of year	3,384,224	-	296,619	99,069	3,680,843
Add:					
Transfer from Government Grants	2,000,319	2,276,172	95,904	62,966	2,339,138
Less: Expenditure	(2,627,207)	(2,627,207)	(149,598)	(149,598)	(2,776,805)
Less: Income tax	(139)	(139)	(11)	(11)	(150)
Deficit for the financial year	(627,027)	(351,174)	(53,705)	(86,643)	(437,817)
Add: Appropriation from accumulated surplus	351,174	351,174	-	-	351,174
Balance at end of year	3,108,371	-	242,914	12,426	3,351,285
					12,426



**BISHAN-TOA PAYOH TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2020**

**35 Prior year adjustments (Cont'd)**

**(c) Effects of the restatements (cont'd)**

**Note 6 – Lift Replacement Fund**

	Residential property		Commercial property		Total
	Restated	Previously Stated	Currently Stated	Previously Stated	
	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019
	\$	\$	\$	\$	\$
Balance at beginning of year	17,282,419	17,282,419	6,077,198	6,077,198	23,359,617
Add:					
Operating income transfer from conservancy and service fees (minimum required by law)					
Transfer from Government Grants					
- Other Government Grant	1,178,049	1,178,049	7,024	7,024	1,185,073
- Lift Replacement Fund Matching Grant	3,062,575	3,062,575	330,602	330,602	3,393,177
	4,240,624	4,240,624	337,626	337,626	4,578,250
Other income – Interest income	337,706	337,706	23,736	23,736	361,442
	9,624,114	9,624,114	1,023,956	1,023,956	10,648,070
Less: Expenditure	(5,476,242)	(7,126,021)	(155,109)	(194,112)	(7,320,133)
Less: Income tax	(57,230)	(57,230)	(4,070)	(4,070)	(61,300)
Surplus for the financial year	4,090,642	2,440,863	864,777	825,774	3,266,637
Balance at end of year	21,373,061	19,723,282	6,941,975	6,902,972	26,626,254

**Current assets**

Conservancy and service fees receivables	103,985
Other receivables	205,592
Interest receivables	65,398
Grant receivables	744,501
Receivables for SLR and LEP	-
Amount due from accumulated surplus	335,084
Fixed deposits with financial institutions	24,428,704
Cash and bank balances	4,788,378
<b>Total assets</b>	<b>30,671,642</b>

**Less:**

**Current liabilities**

Payables and accrued expenses	1,969,353
Advances for SLR	1,988,735
Income tax payable	87,300
<b>Total liabilities</b>	<b>4,045,388</b>
<b>Net assets</b>	<b>26,626,254</b>

**35 Prior year adjustments (Cont'd)****(c) Effects of the restatements (cont'd)**Other notes to the financial statements

	31 March 2019 Restated \$	31 March 2019 Previously Stated \$
<b>Note 11 – Grants receivable</b>		
Receivable from Citizens' Consultative Committee	5,529,491	2,190,632
<b>Note 16(a) – Advances for Selective Lift Replacement Programme</b>		
Payment/payable to contractors	(3,179,509)	(1,490,727)
<b>Note 24 – Government Grants</b>		
Payment from Citizens' Consultative Committee	2,096,223	2,339,138
<b>Note 27 – Lift replacement fund expenditure</b>		
Other lift related works and unclaimable GST	4,254,704	5,943,486

Statement of changes in funds

In addition to the information disclosed above, these prior year adjustments have also been disclosed in the statement of changes in funds for the respective financial years.

**36 Subsequent Events****(a) Impact of the COVID - 19 Pandemic**

On March 2020, the World Health Organisation declared the outbreak of a coronavirus (COVID-19) a pandemic. On 3 April 2020 and subsequently on 21 April 2020, Singapore announced a nationwide partial lock down, known as a circuit breaker, from 7 April 2020 to 1 June 2020 to contain the spread of Covid-19 in Singapore.

The Covid-19 pandemic and the circuit breaker has affected businesses globally and in Singapore. While the disruption to the Town Council from the circuit breaker is temporary, there is considerable uncertainty around the duration of the impact of the Covid-19 pandemic.

As part of our efforts to support the businesses within our Town, the Town Council have announced a 50% conservancy and service fees rebates for the months of March 2020 and April 2020 and 25% conservancy and service fees rebates for the months from July 2020 to October 2020 to the commercial properties managed by us. Where necessary, the Town Council has considered the impact of Covid-19 when making estimates and judgements on the recoverability of its receivables and noted that the allowance for impairment for conservancy and service fees receivables in Note 9 to be adequate.

Subsequent to the financial year, the Town Council also received government grants in the form of Job Support Schemes ("JSS"), where the Government co-funded between 10% to 75% of the first S\$4,600 of gross monthly wages paid to each local employee employed by the Town Council.

As at the date of this report, we are closely monitoring our operations, liquidity and capital resources and are actively working to minimise the current and future impact of Covid-19 pandemic. Based on the information available to date, the Town Council does not foresee any significant adverse impact to the operating cash flows of the Town Council.

**36 Subsequent Events (Cont'd)****(b) General Election and Boundary Changes**

Due to the redrawing of the electoral boundaries subsequent to the financial year, part of Bishan North was carved out to form the new Marymount Single Member Constituency ("SMC"). The Town Council will also be handing over 8 blocks from Bishan-Toa Payoh GRC to Jalan Besar Town Council and will also be taking over 15 Blocks from Jalan Besar Town Council that form part of Bishan-Toa Payoh GRC with effect from 28 October 2020.

Pursuant to Section 34 of the Town Councils Act, where a writ of election is issued, Town Councils are required to transfer the excess of revenue over expenditure (referred to as surpluses) in any fund (other than a sinking fund) established under Section 33 of the Act to the sinking funds of that Town Council in accordance with the Guidelines issued for the preparation of the Statement of Transferable Surplus.

In accordance with this requirement, subsequent to the financial year, the Town Council will be transferring \$3,854,364 and \$2,075,427 respectively to the sinking fund and the lift replacement fund based on the number of residential and commercial units under the management of the Town Council as at 22 June 2020.