

BUILDING A

Safe

Inclusive

Sustainable

Vibrant

TOWN





Nee Soon Town comprises 5 divisions, Chong Pang, Kebun Baru, Nee Soon Central, Nee Soon East and Nee Soon South.

We manage over 605 blocks and 61,000 residential units in the town, in addition to several commercial units comprising of shops, hawker stalls and markets.

Vision

Home with a Heart

Mission

Building a safe, inclusive,
sustainable and vibrant Town





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Chairman's Review



“ Nee Soon Town Council has consistently received top ratings in our Town Council Management Report (TCMR), scoring all green for the past four years. ”

Louis Ng Kok Kwang
Chairman
Nee Soon Town Council

FY19/20 has got to be one of our best performing years yet. Nee Soon Town Council has consistently received top ratings in our Town Council Management Report (TCMR), scoring all green for the past four years. FY19/20 was no different. We continue to do well in areas such as corporate governance, estate maintenance, estate cleanliness, lift maintenance and service and conservancy charges (S&CC) arrears management, clinching all green for the fifth consecutive year.

Our stellar performance would not have been possible if not for the strict stance we take when it comes to governance, vendor, financial and risk management. Our town councillors involve themselves deeply in the works of the Town Council, developing new structures and processes to cope with the evolving requirements. They continue to advise the executive team with their expertise in areas such as projects, finance and audit.

While we work hard to make Nee Soon the best town to live in, we do not compromise on sustainability in the process. We believe that we can only grow as an organisation by engaging in responsible business practices, supporting our community while safeguarding our environment. Many of

our sustainability works can be seen in our current and upcoming town projects that we have initiated for the benefit of our residents.

Besides having outdone ourselves by weaving sustainability in multiple Town Council operations over the past year, we have also surpassed our performance of previous years by completing over a hundred town improvement projects last year alone. This would not have been possible without the valuable suggestions and feedback from our residents and we hope to hear more from you through our extended channels of communication platforms.

During the pandemic, our staff put in the extra effort to ensure the estate is clean and safe for our residents. I am also heartened by the graciousness of our residents who stepped forward to donate their hand sewn masks for the welfare of our frontline workers.

We are privileged to have a team of staff and councillors who are dedicated and passionate about making Nee Soon the best town to live in. I also want to thank all residents for your strong support which has made our work possible. We will continue to work hard for you and with you to make Nee Soon a place you can proudly call your Home With a Heart.

Our Members of Parliament

TERM OF OFFICE: 1 October 2019 to 30 July 2021



Mr K. Shanmugam

Minister for Home Affairs
Minister for Law
MP for Nee Soon GRC
Adviser to Nee Soon Town Council



Assoc Prof Muhammad Faishal Ibrahim

Senior Parliamentary Secretary
Ministry of Education
Ministry of Social and Family Development
MP for Nee Soon GRC
Adviser to Nee Soon Town Council



Mr Louis Ng Kok Kwang

MP for Nee Soon GRC
Chairman of Nee Soon Town Council



Er. Dr. Lee Bee Wah

MP for Nee Soon GRC
Vice-Chairperson of Nee Soon Town Council



Mr Kwek Hian Chuan Henry

MP for Nee Soon GRC
Vice-Chairperson of Nee Soon Town Council

Town Councillors

TERM OF OFFICE: 1 October 2019 to 30 July 2021

Audit Committee



Chairperson:

1. Mr Marcus Lam Hock Choon

Members:

2. Mr Adrian Koh Hian Yan
3. Mr Bernard Wong Yong Kiat
4. Mr Goh Hung Kwang, BBM
5. Mdm Heidi Wong Gue Kuew, BBM
6. Mr Henry Foo Chee Kiou, BBM
7. Mr Lawrence Koh Hock Siong, BBM
8. Mr Michael Tan Kok Siong, PBM
9. Dr Phua Tan Tee, BBM
10. Mr Wong Choon Weng

Investment & Finance Committee



Chairperson:

1. Mr Nicky Tan Ng Kuang

Members:

2. Mr Benny Lian Kiat Chye, PBM
3. Mr Elton Lim Seow Long
4. Mr Koh Aik Kuan
5. Mr Lim Ah Kum, PBM
6. Prof Liow Kim Hiang
7. Ms T Porchelvi, PBM
8. Mr Victor Ng Fook Ai, PBM
9. Mr Yek Boon Seng

Town Councillors

TERM OF OFFICE: 1 October 2019 to 30 July 2021

Legal & Contracts Committee



Chairperson:

1. Mr Alex Lee Ke Hoo, JP, PBM

Members:

2. Mr Andrew Ng Tok Yong, BBM
3. Mr Choo Hai Boon, PBM
4. Ms Chris Goh Poh Hwee, PBM
5. Ms Jennifer Yam Poh Choo
6. Mr Lai Wee Yeong
7. Mr Lee Sebastian
8. Ms Shailaja D/O Kamalasanan
9. Mr Toh Sze Wei, PBM

Maintenance & Customer Service Committee



Chairperson:

1. Mr Tan Meng, JP, BBM

Members:

2. Mr Eric Tan Kim Huat
3. Ms Gogiladevi D/O Meande
4. Ms Ip Kit Ling, PBM
5. Mr Ivan Yee Kum Hong
6. Mr Jackson Lam Weiliang
7. Ms Mabel Lai Me Poh
8. Mr Peuy Eng Gan, PBM
9. Mr Wong Teck Ling, PBM

Town Councillors

TERM OF OFFICE: 1 October 2019 to 30 July 2021

Mass Communications Committee



Chairperson:

1. Mr Quak Hiang Whai

Members:

2. Ms Evelyn Hung Suet Leng
3. Hj Mahmud Bin Hj Ali, BBM
4. Mr Jackson Tan Kun Seng, PBM
5. Mr Koh Boon Koon
6. Mr Ramlee Bin Kasiman, PBM
7. Mr Tan Jik Teck Johnny, PBM
8. Ms Teo Seok Ling

Projects & Development Committee



Chairperson:

1. Mr Wong Nam Sin

Members:

2. Mr Ho Toon Bah
3. Mr Jordan Lee Cheng Kok
4. Mr Kenny Pong Teck Koon
5. Mr Musa Bin Hamid
6. Mr Oliver Osman Junus, PBM
7. Mr Peh Eng Chee, PBM
8. Mr Philip Tan Seng Leong, BBM
9. Mr Png Hock Leng Peter
10. Mr Wilson Wong Leong Jiam, PBM

FY19/20

Highlights

Cleaners' Appreciation Day



Mayflower Mall Rejuvenation

Nee Soon South N8 Park Rejuvenation Dialogue



National Day Parade Live Screening Event



Nee Soon Central Tree Planting Day



Nee Soon South Zone D NRP Completion Ceremony



New Website went live

Nee Soon East Tree Planting Day



Nee Soon East's Seniors' Hub Opening



One Nee Soon Against COVID-19



2019 May

2019 June

2019 August

2019 Oct

2019 Nov

2019 Dec

2020 Jan

2020 Feb

2020 Mar

Nee Soon Central Precinct Park Opening @ Blk 624 Yishun Ring Road



Opening of Oasis Waterpark



Welcomed Horse Interaction Activities into Nee Soon East



Inaugural iNStawalk



NSTC Mini Christmas Snow Party



Nee Soon Town Council obtained Eco office certification

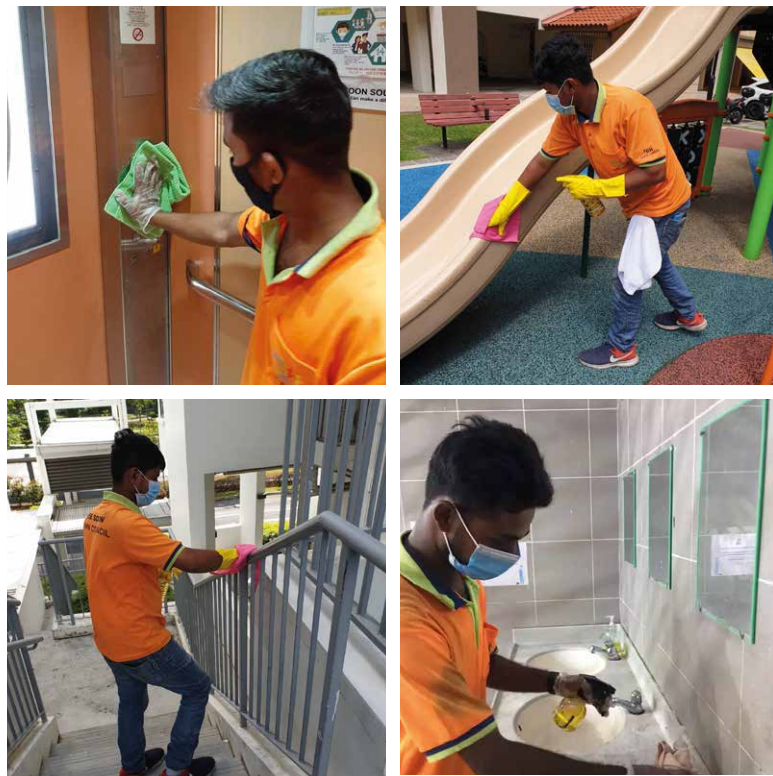


TCMR
all green
banding for
consecutively
six years

One Nee Soon

Against COVID-19

Our nation first experienced the impact of COVID-19 just a few weeks into 2020. Nee Soon Town Council took no delay in rolling out various measures to curb the spread in our community while continuing to offer support to the public.



Caring For Our Community

While uncertainties clouded when we were greeted with the virus in its initial phase, Nee Soon Town Council sprang into action by increasing efforts in cleaning and disinfecting. Common touch points within the estate such as lifts, children playgrounds, void deck seatings, letterboxes, fitness corners and public toilets at hawker centres and markets were cleaned and disinfected twice a day to minimise the transmission of virus.

The regular cleaning was coupled with the application of SDST, a powerful long-lasting self-disinfectant coating, to all our HDB lift buttons. Its needle-like structure ruptures the outer membrane of viruses, bacteria and fungi, reducing the ability of viruses to infect.

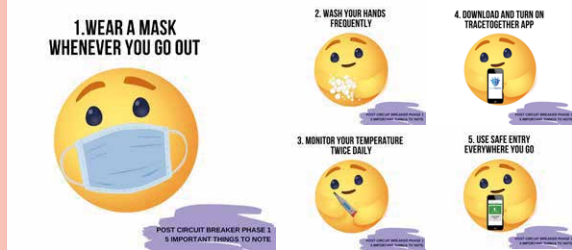
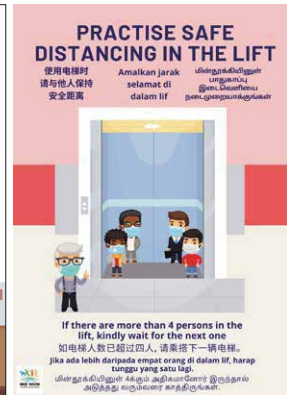




At the same time, we ensured measures such as contact tracing, temperature taking and safe distancing were put in place at our offices at all times to protect both our residents and our staff.

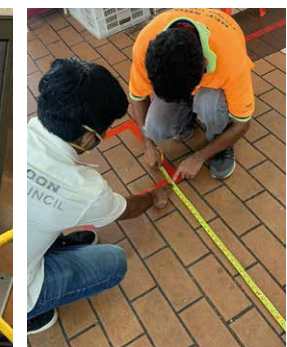
When met with the increase in community cases, the Town Council was quick to close off all estate facilities to deter residents from gathering at common areas where viruses could potentially spread through communal activities.

While we had to subsequently close our offices due to the escalating situation, we ensured that we were still made available to our residents by keeping our call centres open.



While this might have caused inconvenience to some of our residents, we tried to make the transition as smooth as possible by coming up with posters, notices and engaging in social media outreach to provide prompt updates to our residents.

Safe distancing measures were also extended to our markets with our Town Council officers doubling up as safe-distancing ambassadors to control crowds and maintain order.



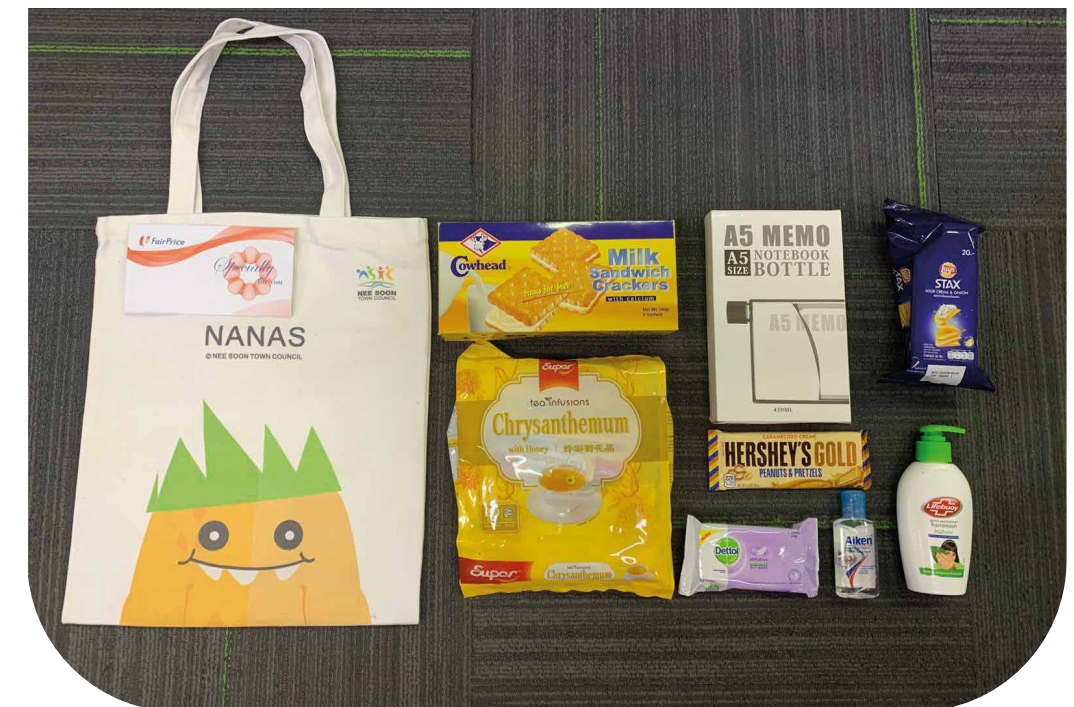


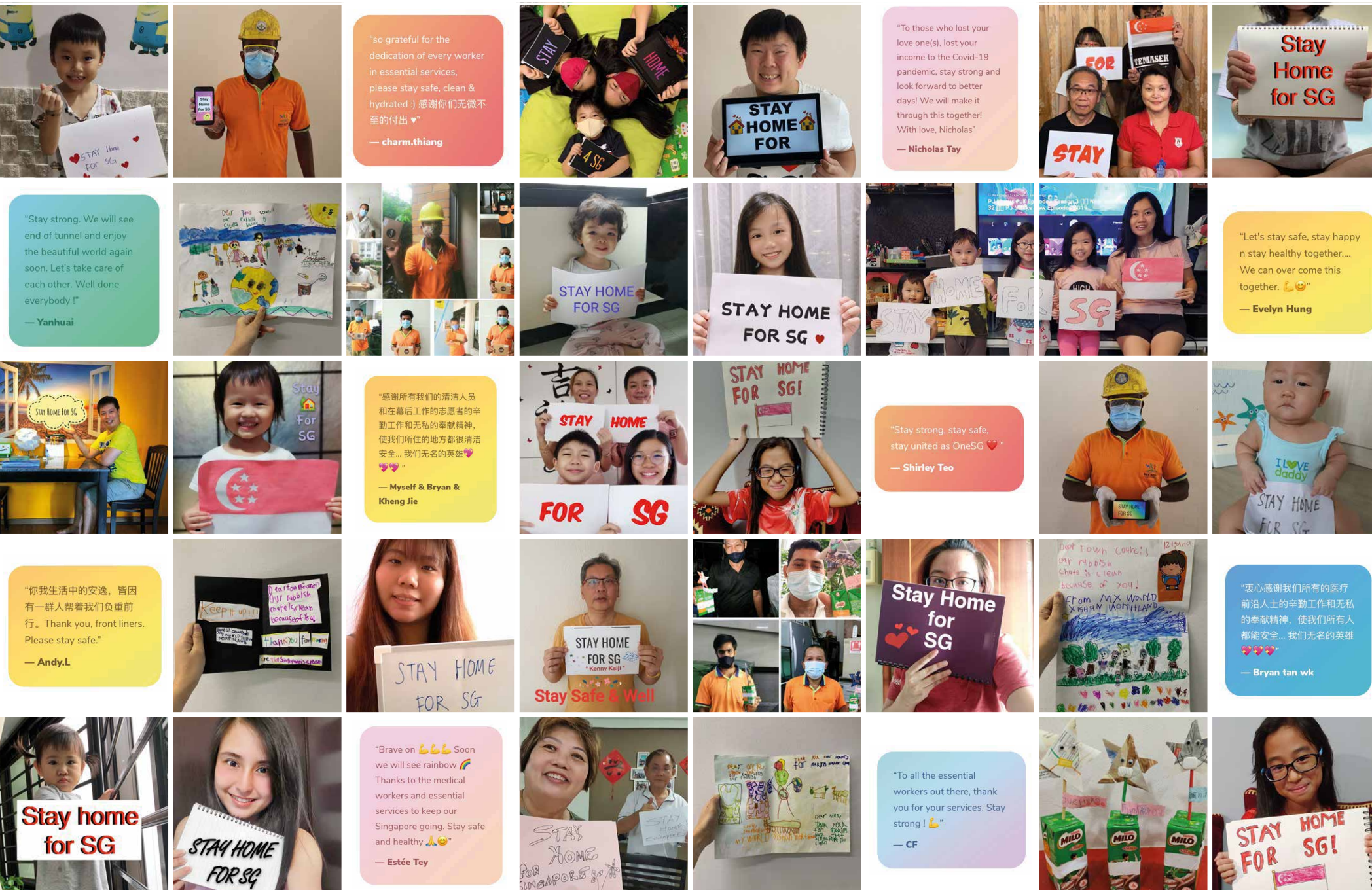
Caring For Our Workers

While most of us were working from home during the circuit breaker, many of our staff were out there risking their health for the rest. Our market safe distancing ambassadors, property officers, call centre operators, cleaners are essential workers and they continued to serve the public in such times of adversity.

To protect our staff, we made sure that they constantly have access to masks and sanitisers to ensure their safety while working at the frontline.

Prior to the tightening of the safety measures arising from the pandemic, our cleaners were invited to a Prata and Teh Tarik session with Advisers from the respective divisions for the Advisers to allay concerns that our workers have regarding the pandemic. At the event, the workers were also given care packages and vouchers which were kindly donated by the community.





From The Community, For The Community

During such times of adversity was also when we witnessed the beauty of humanity. Apart from the care packages put together for our cleaners by welfare organisations, many came forward to show care for our frontline workers.

From hand sewn masks donated by our residents to masks and sanitisers donated by vendors, these kind gestures of care and love motivated our frontline workers and strengthened their resilience to serve the public in such trying times.

Recognising that COVID-19 may take a toll on the emotional and psychological wellness of some, the Town Council launched the Encouragement Wall on the Town Council website to offer an outlet for people to spread some love and positivity.
<http://nstc.org.sg/encouragementwall/>

Nee Soon residents also participated in a video production themed #StayHomeForSG, showing support to one another and encouraging everyone to keep safe by staying home.

Journey towards

Effective Governance

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

Nee Soon Town Council quickly sprang into action to get ourselves prepared for the provision of the Code. Policies and processes were developed and implemented in line with guiding principles of the Code across four main domains - Council Effectiveness, Internal Controls & Processes, Financial Management and Vendor Management.

Council Effectiveness

Town Council Plan

As a forward looking Town Council, we conduct studies and work closely with our stakeholders to incorporate actionable, sustainable town improvements and financial strategies in our Town Council plan.

Nee Soon Town Council plan is developed based on the following guidelines:

1. Achieve sustainability through environment and financial management
2. Enhance residents' living experience by up-keeping and maintaining estate facilities
3. Identify risk considerations and put in place mitigating measures
4. Implement policies to maintain good corporate governance
5. Safeguard public through responsible practices



The Council

Our Council believes in providing effective leadership in executing its duties.

Six committees are put in place to provide an oversight to the key functions of Town Council work. The terms of reference for each committee are clearly set out, and appointed members of the committees are matched to their skillsets and expertise.

The Six Committees are:

1. Audit Committee
2. Investment & Finance Committee
3. Legal & Contracts Committee
4. Maintenance & Customer Service Committee
5. Mass Communications Committee
6. Projects & Development Committee

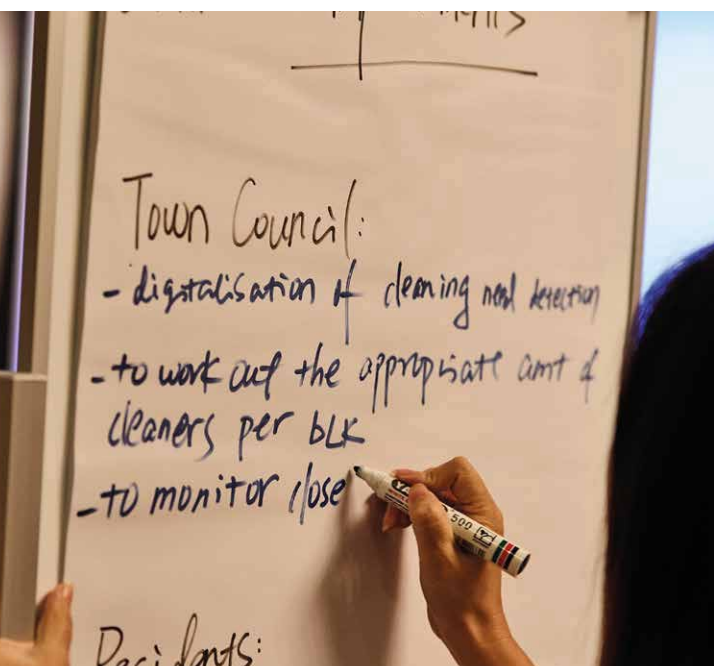


Selection, Appointment And Re-Appointment Process Of Town Councillors

The appointed Town Councillors act in good faith, integrity and honesty, and carry out their duties in the best interest of residents and are refreshed once every two years. Our selection process takes into consideration the composition of the Council and the relevant experience, skills and/or competencies of the members.

In selection, appointment and re-appointment process of Town Councillors:

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



5th Term Town Councillors

Last year, Nee Soon Town Council welcomed the 5th Term of council members on 1 October 2019.

We conducted a local retreat to familiarise the new councillors and refresh the incumbent councillors on the long-term goals of the Town Council to ensure that the Council is aligned with these future plans. The retreat also discussed on municipal issues and explored on ideas to effectively manage and communicate Town Council work.

Appointed Councillors are also aligned with Town Council's principle of transparency and accountability. All Councillors submitted their disclosure of interest to identify potential conflict of interest. Councillors also participate in quarterly committee and council meetings quarterly to discuss and make executive decision on Town Council matters.



Internal Controls and Processes

Enterprise Risk Management

Nee Soon Town Council manages risks effectively by providing a systematic framework - Enterprise Risk Management (ERM) to support management and managers in making informed strategic and operational decisions that would lead to the achievement of Town Council's objectives.

We commit ourselves to identifying potential key risks through structured risk assessment methodology across four main categories - Strategic, Operational, Financial and Compliance. 42 key risks were recorded. The Town Council conducted deep dive into the risk consequences and had in place effective actionable controls and supporting policies to address these risks adequately.



Internal Audit

Having established an in-house internal audit function, the Town Council could effectively review on the effectiveness of our internal controls and procedures. Our Internal Auditor conducts objective assessments and makes recommendations to better these processes. As an independent function, she reports directly to the Audit Committee.

Data Privacy and Protection

NSTC’s Personal Data Protection Act (PDPA) framework demonstrates accountability in data protection to safeguard public’s interest. The systematic framework helps to establish robust data protection policies and practices to suit our organisational needs. It covers management policies and processes for the handling of personal data as well as defines roles and responsibilities in relation to personal data protection.

Two executive staff members were also appointed as Data Protection Officers to oversee and ensure compliance of PDPA when developing and implementing policies and procedures for handling personal data. They are also responsible for alerting management to any risks that may arise with regards to personal data.



Record Keeping

As part of our efforts to ensure proper record keeping, we established an organised governance framework to ensure information and records are managed in accordance to relevant legislation, policies and guidelines. The framework covered both electronic and hard copy records across four broad categories.

- | | |
|------------------------------------|---------------------------|
| 1. General | 3. Access and security |
| 2. Creation and capture of records | 4. Retention and Disposal |

Stringent controls are also put in place for all record access.

IT Security Policy

While the opportunities which digitisation brings with it for increased productivity, efficiency in our daily work, Town Council acknowledges the importance to improve our IT security to prevent vulnerabilities from slipping through.

Our Information Technology security policy serves as a system of principles to guide decisions and achieve rational outcomes. It describes security considerations of information-sensitive applications used in the organisation.



Town Council Management system (TCMS)



Integrated Estate Management System (IEMS)



Emails



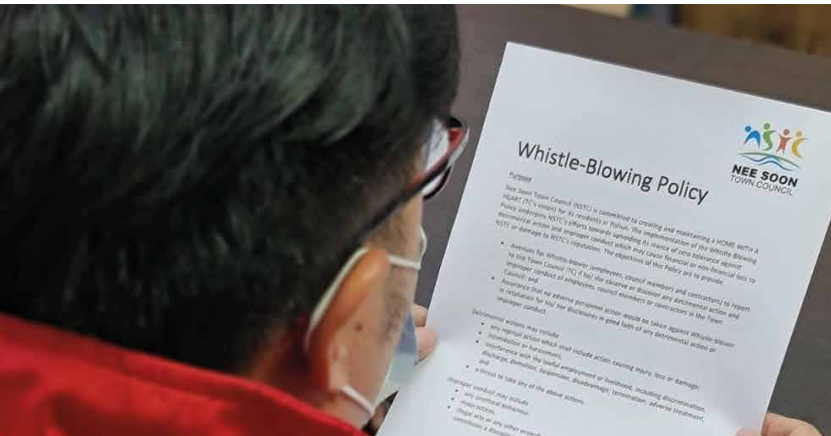
Computers



Mobile devices



Internet



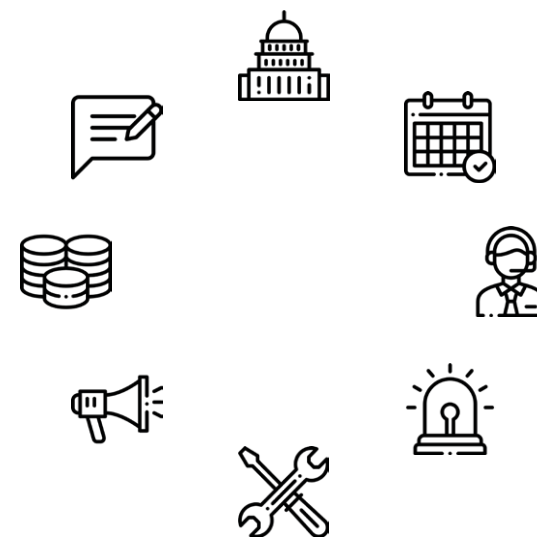
Whistle-Blowing Policy

Town Council undertakes our Whistle-blowing policy to investigate all complaints of suspected fraud and corruption in an objective manner. It underpins our zero-tolerance stance towards improper conduct which risks loss or damage to Town Council's reputation. The policy is publicly available and provides an avenue and well-defined channel for employees and external parties to report on improper conducts. On an ongoing basis, the whistle-blowing policy is covered during staff training and periodically communicated to all staff. All whistle-blower complaints are investigated independently by an investigation team appointed by the Town Council Chairman or Audit Committee

Streamlining Operational Procedures

Nee Soon Town Council currently has 89 standing Standard Operating Procedures (SOP) to guide the staff in Town Council operations. The SOPs aim to achieve efficiency, quality and uniformed performance while reducing miscommunications that may affect the effectiveness of the Town Council.

For every new policy or SOP implemented, trainings are conducted for staff to help them familiarise with its contents so that operations are streamlined and complied to all aspects of the recommended governance practices.



Vendor Management

The Town Council works with various business partners to ensure the needs of our diverse range of functions are met.

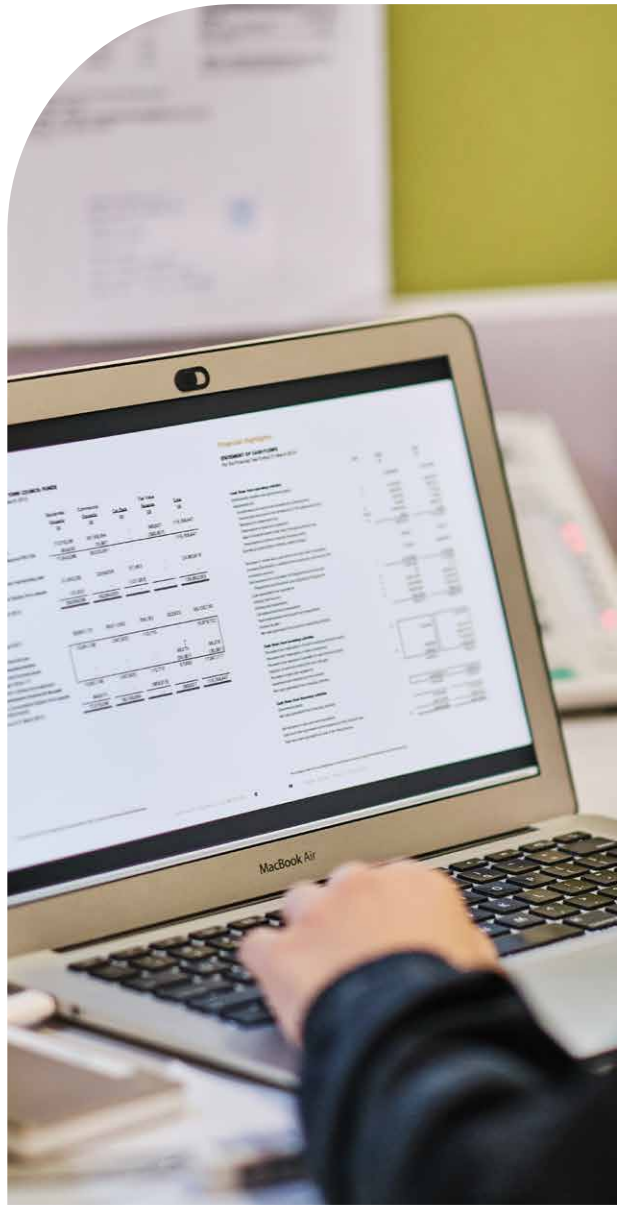
To ensure an effective selection, consideration and award of our vendors, we have transparent policies and procedures in place for the tender, quotation and appointment process. Invitations and results of our tender are made publicly available.

All procurement activities are conducted in a way that:

- Demonstrates value for money;
- Demonstrates appropriate use of Town Council funds;
- Complies with relevant regulatory requirements;
- Provides equitable consideration to all tenders and is aligned with the Town Council's goals and objectives.

We align the vendors by communicating their roles and responsibilities and Council's expectation of them prior to the award of any contract. Vendors' performances are evaluated based on pre-defined criteria in the award.

Quotation documents and processes are periodically reviewed to tighten potential gaps. We possess a vendor tracking list to track vendors of different business functions and an enhanced approval for quotation documents to provide accountability for every step in the quotation process.



Financial Management

Despite the rising costs from utilities, cleaning, lift servicing and estate maintenance works, the Town Council continues to see a modest operating surplus of \$1 million owing to the efficiency and prudence in managing finances.

Our Town Council's Sinking Funds, Lift Replacement Funds, Town Improvement and Project Funds and Accumulated Surplus stood at \$95.6 million, \$33.4 million, \$4.4 million and \$9.7 million respectively.

Financial performance and accounting policies are reviewed periodically to allow the Council to make balanced and informed decisions in a timely manner. Working around the funds, the Town Council plans and prioritises projects that would best enhance the living conditions of our residents.

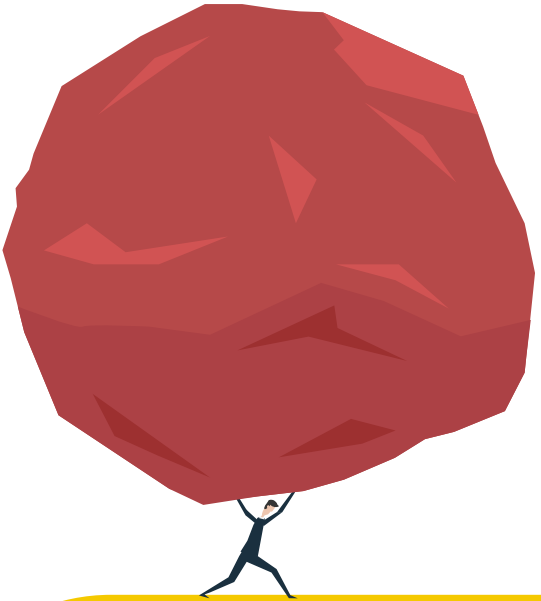
The Council also adopts a balanced and cautious investment strategy as part of our long-term financial planning. We focus on our core objective of capital preservation, while investing our surplus for a moderate return. We spread out the risks through diversified tenure in fixed deposits and placing the funds with appointed professional fund manager who are aligned with the Town Council's Financial Rules.

Returns of all invested funds are regularly reviewed at the Council meeting.

Investment Funds

- Fixed Deposit \$89 million
- Fund Managers \$31 million

Nee Soon Town Council also keeps arrears management in close view. We have maintained the arrears level in green banding for the 6th consecutive year.



The Council took steps to recover payment from accounts in arrears but remains sympathetic towards residents who genuinely face financial hardships by offering assistance. Our in-house Community Liaison Manager engages these families in hardship and links them up with social service providers in the community, hoping to alleviate their difficulties and making a difference in their lives.

Small Steps, Huge Impact towards

Sustainability

In our quest to build a safe, inclusive, sustainable and vibrant Town, we continue to implement sustainability strategies while charting the development and progress of our ongoing sustainability journey.



Reducing Environmental Footprint

We are committed to minimising our environmental impact and building operational resilience to the effects of climate change for our society. On top of the continued use of solar energy devices and LED lighting in our infrastructure to reduce carbon footprint, we have embarked on more sustainable ways in our daily operations.



Tree Planting Day

Among many things, tree planting supports reforestation efforts and improves our air quality. Every year, Nee Soon Town Council facilitates the Tree Planting Day of the different divisions and welcomes residents participation at all the tree planting events. This year, we helped organise two of such events and were heartened by the turn out which spoke volume of how much our residents value the environment. By meaningfully involving residents in tree planting efforts, we hope to see the residents come together with a common goal of building positive connections with Mother Nature and increased stewardship over their living environment.

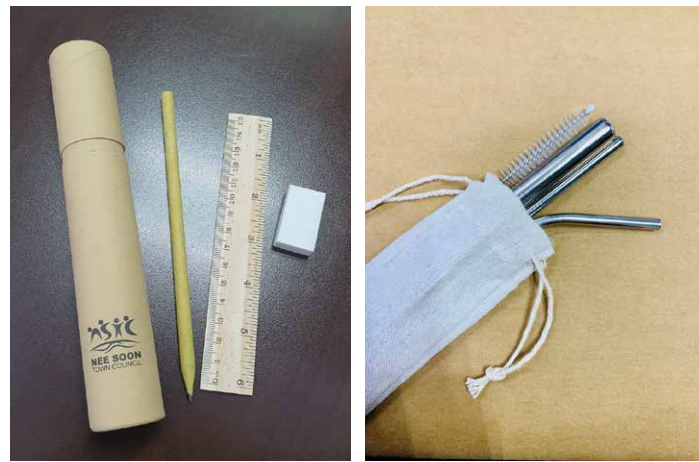
Sustainable Production Of Collaterals And Publication Materials.

While the Town Council is unable to fully eliminate the use of print materials in consideration of our audience, we are taking steps to make the production process of these materials environmentally friendly. Newsletters, posters, festive packets and other forms of print publications will progressively adopt the use of FSC paper and eco-friendly soy ink. Companies are required to submit the relevant certification in their quotation or tender documents to be considered for the projects.



Elimination Of Plastic Use And Switching To Environmentally Friendly Collaterals

Apart from upcycling, we also looked into more sustainable ways for the production of collaterals. We have eliminated the use of plastic in packaging our festive packets and moved away from individual packaging of our collaterals. To rouse environmental consciousness in our residents, we have switched to producing more environmentally friendly collaterals such as reusable straws, bamboo cutlery sets, eco-stationery sets and eco-friendly reusable shopping bags to give out to our residents during events and for contests.



Recycling Banners Into Useful Collaterals



In celebration of the festivals of the different racial and religious groups in Singapore, we continue to print posters to communicate our well wishes to our residents. Unlike before where the banners go to waste after every event, we have tied up with the Family Service Centre since August 2019 to give a second life to these banners by upcycling them into useful collaterals. We have since produced some 500 pencil cases from the recycled banners and look forward to sharing our new product with our residents through contests and events.

Eco-Certified Office Accreditation



At Nee Soon Town Council, we have an eco-office management plan that seeks to minimise environmental impact.

Our eco-office committee actively implements environmental initiatives together and monitors consumption rates for electricity, water and paper, which helps the office to identify and track whether the environmental guidelines put in place have been effective.

With the combined effort that our staff have taken in reducing environmental footprint, we are proud to announce that all four of our Nee Soon Town Council offices were awarded the Eco-Office certification for a period of two years from February 2020 for demonstrating excellence in accordance with SEC's Eco Office assessment framework.

Supporting Biodiversity

Biodiversity boosts ecosystem productivity, meaning each species, no matter how small, has an important role to play. Greater diversity in species ensures natural sustainability for all life forms and a healthy environment and ecosystem.



Relocation Of Bees

Bees are pollinators and the only insects that produce food for humans. While supporting biodiversity, it is important that Town Council takes a balanced approach to handling feedback on bees while ensuring safety of our residents. We continue to partner professional bee-keepers from BeeAmazed Garden to relocate bees in the estate. To date, we have relocated about 120 colonies into BeeAmazed Garden, also located in Nee Soon.

Planting To Support Wildlife

Town Council is also actively planting fruit trees in the estate for the consumption of our residents and to attract other forms of wildlife such as bats, birds, squirrels and other nectar-feeding or fruit-eating animals. Some of these fruit trees include the soursop tree and ambarella tree, which fruit is commonly known as buah long long. To prevent these wildlife from entering residents' homes, we have planted these fruit trees in the parks and open spaces of Nee Soon Town, away from the residential blocks.



Curating A Selection Of Plants To Attract Pollinators

Recognising the importance of biodiversity, our horticulture officers painstakingly curate a selection of plants to attract a wide variety of life forms into our estate. Brightly coloured plants such as the Pinwheel flower, Peacock flower, Ixora and Lanta are littered all around Nee Soon Town, beautifying the environment and at the same time, attracting pollinators such as the butterflies and the bees.



#DIDYOUKNOW A CATERPILLAR CAN GROW INTO A MOTH OR A BUTTERFLY.

A butterfly has clubbed antennae whereas moths do not. Moths' antennae range from feathery to curly, but definitely lack clubbed ends.

#DIDYOUKNOW MOSQUITOES ARE ONE OF DRAGONFLIES' FAVOURITE SNACK.

This dietary preference of the dragonfly helps the environment by killing two birds with one stone (metaphorically, of course).

1. Allow humans to reduce the use of pesticides to kill these insects.
2. Reduce the spread of mosquito-related diseases such as yellow fever, dengue and malaria.

#DIDYOUKNOW DRAGONFLIES INSPIRED MANY MODERN DAY TECHNOLOGIES

Owing to its wing design, dragonflies fly at an impossibly fast speed of up to 30miles per hour, and can even hover and fly backwards. They have 2 sets of wings that twist at various angles and flap themselves independently. Some of these technologies include helicopters, drones and wind turbines.

#DIDYOUKNOW DRAGONFLIES HAVE NEAR-360-DEGREE VISION.

With 30,000 lenses on their head, dragonflies can see nearly 360 degrees except for one area – directly behind them. Don't try to sneak up on an attack on them.

Education

To allay the concerns our residents have regarding wildlife in our estate, the Town Council regularly prepares materials to educate residents on the benefits these wildlife brings to our environment. Apart from periodical writeups in our newsletters, we have a "Did you know?" series on the Town Council's Facebook page where you can read up on the fun facts of the wildlife you can find within our estate.

Developing Capabilities

Nee Soon Town Council strongly believes in building the capability of our people by exposing them to a range of experiences for the benefit of individual and organisational learning. We do so by adopting a strong diversity and inclusion strategy with our people, to equip them with the capability to meet future challenges.

A Diverse Team

Our Council members and staff consist of different genders, age groups, races and backgrounds. Professionals in the field of financial, audit, construction and mass communications form our team of Council members and staff. To expand the horizon of our members and staff, we include and expose them to the different functions of the Town Council.

During our quarterly Council Meetings, Council members from all six committees come together to discuss and make decisions on Town Council matters. The meeting provides the members with an opportunity to be acquainted with the functions of the other committees.

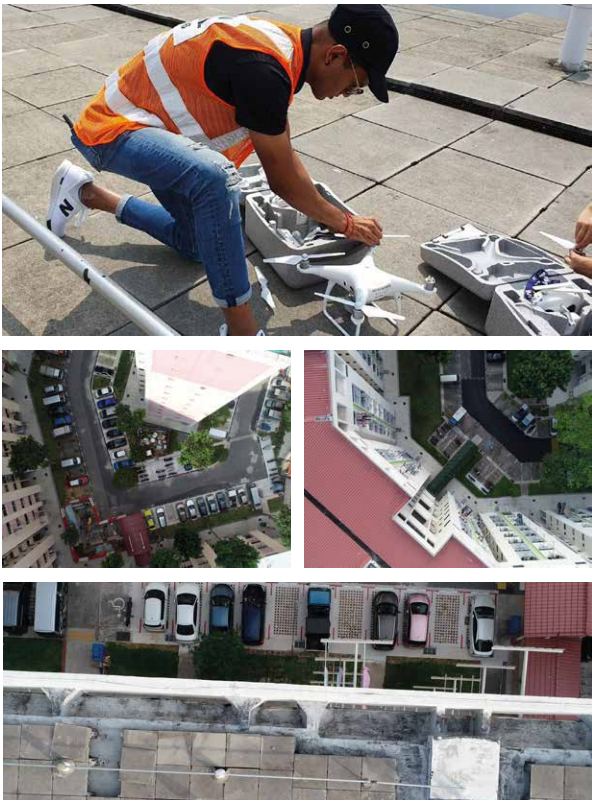
An Inclusive And Vibrant Culture



We encourage our staff to take on different roles outside of their regular job scope. In an effort to promote an inclusive and vibrant workplace, the Town Council has set up different office committees such as the housekeeping committee, eco-office committee and welfare committee for our staff to value-add. Management and non-management employees work together in these committees to heighten the working experience of all staff in the office.

Re-Designation For Better Job Fit

Last year, we implemented a new function - Resident Engagement team. Suitable Property Officers who possess relevant skill sets are identified and appointed as Resident Engagement Officers. Applying relevant experiences with their background as property officers, our staff are able to transfer their knowledge and skills into their new job. Not only does this validate the relevance of our employees in their job functions, it enables the Town Council to build capabilities for transformation that lasts.



Staying Relevant

To raise efficiency and improve safety procedures of our operations, we have constantly kept ourselves up to date with new market capabilities. Since its successful trial, we have continued to deploy unmanned aerial vehicles (UAVs, commonly known as drones) to assist officers with inspection of inaccessible areas like rooftops. Training on drone operation is also extended to all staff in phases to familiarise them with the device and to subsequently extend the usage of these devices in other areas of estate inspection and Town Council functions.

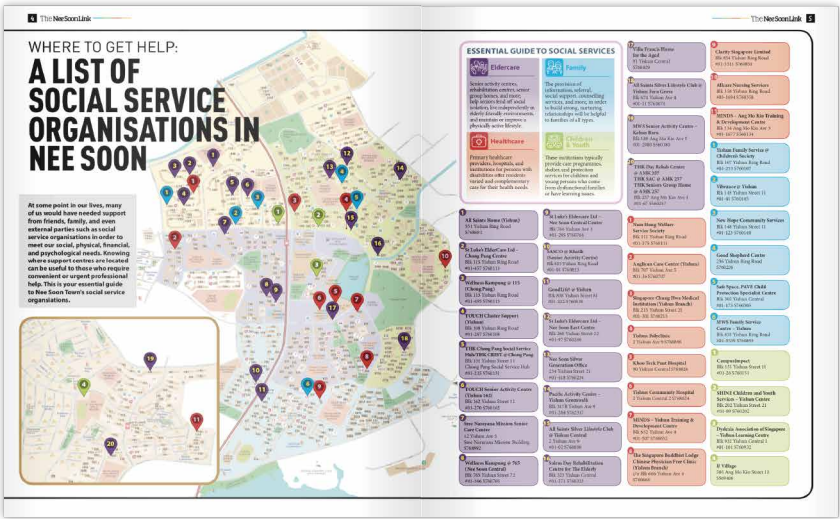


Supporting our Community

As an organisation with a people-oriented culture, we take responsibility in helping people from across the societal spectrum and constantly search for ways to better the lives of those who require more support. While we realise the difficulties of being able to successfully engage everyone in need, we make sure that resources are made available to them.

Social Services Guide

In one of our Nee Soon Link newsletters published last year, we pulled together an essential guide to social services in Nee Soon for our residents and made it available on our website for easy reference of our residents. At some point in our lives, many of us may need support from friends, family, and even external parties such as social service organisations to meet our social, physical, financial and psychological needs. Knowing where support centres are located can be useful to those who require convenient or urgent professional help.



Dementia-Friendly Zone

We are also proud to announce that Nee Soon Town is pioneering the pilot of Dementia-Friendly Zones at two high human traffic areas around Khatib Central and Chong Pang City. To support residents with dementia, we have zoned the area using contrasting primary colours and symbols in an attempt to jog the memories of our dementia patients and trigger a sense of familiarity. More resting facilities, such as benches with armrests, and cleared and levelled pathways, will also be built at these areas to cater to the needs of frail residents.



Wednesdays With Horses

Wednesdays With Horses is the first equine-assisted learning programme conducted within a Housing Board estate. As equine learning has proven beneficial in other countries, the programme was brought into our estate with confidence to help people with special needs come out of their shells.

The programme which launched in November 2019 aims to develop the social and emotional skills of people with special needs through their interaction with the rescued horses. In the comfort of your neighbourhood, residents will now be able to have fun and meaningful engagement with the horses by leading them, grooming them and learning about their behaviours, and develop skills such as empathy and communication.

Building your

Best Home

Improvement projects are prioritised according to what benefits our residents most. As part of our on-going efforts at building a safe, inclusive, sustainable and vibrant Town, the Town Council invested a total of \$43 million in FY19/20 on estate improvement work, such as Town Improvement Projects, Neighbourhood Renewal Programmes and Cyclical Works.



Town Improvement Projects (TIP)

The Town Council achieved a completion of 108 town improvement projects in the past year. The projects comprised the renewal of existing facilities and the construction of new amenities such as covered walkways, ramps and drop-off points to improve convenience and connectivity for our residents. We are also thrilled to unveil two new spots this year – the Nee Soon East Seniors Hub, a place where our seniors can relax and enjoy, and the Oasis Waterpark @ Nee Soon East, the largest community water park in the North where our kids can have and create beautiful childhood memories.



Covered Linkways



180 Ang Mo Kio Ave 5



165 Yishun Ring Road



618 Yishun Ring Road



153 Yishun St 11



803 Yishun Ring Road



644 Yishun St 61

Drop-off Points



752 Yishun St 72



625 Yishun St 61



269 Yishun Street 22



107 Yishun Ring Road

Ramps and Walkways



153 Yishun St 11



236 Yishun Ring Road



624 Yishun Ring Road

Neighbourhood Renewal Programmes (NRP)

We are glad to announce that we have completed 4 Neighbourhood Renewal Programmes (NRP) in the past year and another 3 NRPs in the pipeline. The Town Council is excited for our residents to enjoy the upgraded and new facilities in these revitalised Towns. Residents have been positive and supportive, which encourages us to work harder in building a better Town.



Playgrounds



737 Yishun St 72



173 Yishun Ave 7



645 Yishun St 61



153 Yishun St 11



166 Yishun Ring Road



624 Yishun Ring Road



155 Yishun St 11



290 Yishun St 22

Fitness Corners



102 Ang Mo Kio Ave 4



109 Ang Mo Kio Ave 4



290 Yishun St 22



624 Yishun Ring Road



158 Yishun St 11



153 Yishun St 11

Cyclical Works

Cyclical works are integral towards maintaining and extending the lifespan of our building and facilities. Last year the Council committed about \$25.02 million on cyclical works which include electrical rewiring, block repainting, re-roofing and repairs, replacement of lifts, water pumps, pipes and tanks. For the safety of our residents, we are also carrying out lift enhancement programmes to our lifts in phases.

Repainting



701 Yishun Ave 5



763 Yishun St 72



359 Yishun Ring Road



612 Yishun St 61



756 Yishun St 72



627 Yishun St 61

Lift Enhancement Works



Other Exciting Projects



Seniors Citizen Corner at 617 Yishun Ring Road



Family Hub at Nee Soon East



Nee Soon East Seniors' Hub



Residents' Corner at 812 Yishun Ring Road



Community Farming at 112 Ang Mo Kio Ave 4



Badminton Court at 624 Yishun Ring Road



Community Garden at 617 Yishun Ring Road



Upgrading of Kebun Baru Bird Singing Club

Bringing us

closer to you

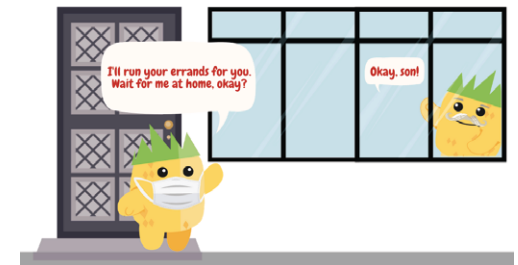
We recognise the importance of regular communications and value every opportunity we get to engage with our residents. As much as it is important to maintain traditional modes of engagement such as print communications and events, we have also incorporated various styles of digital communication to keep up with the changing times. By doing so, we hope to cover all bases and establish our commitment to our residents in building an inclusive and vibrant Town.



Our Branding Mascots

Nanas and Squish continue to be a hit amongst our residents since their debut in 2016. They have continued to engage and make positive impressions on our residents by making their appearance in our marketing collaterals, promotional posters, educational videos and motion graphics.

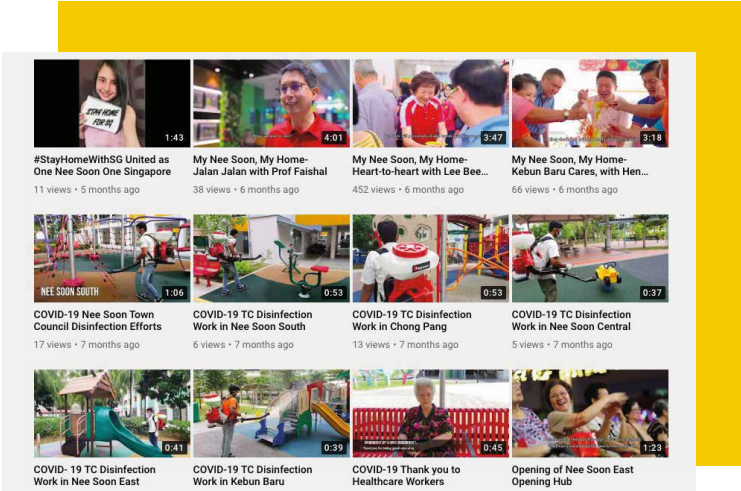
Recently, they have joined the COVID-19 taskforce and teach our residents how to be responsible and civic-minded citizens during such crucial times.



Video Productions

The Nee Soon Story series introduced in the previous year was heart-warming and brought across important messages on community bonding, family and friendship. The videos generated great response and we were motivated to create more of such content for our online audience.

In 2019, we pushed out new video genres, lifestyle and personality to further engage our audiences.



We worked with vendors for the lifestyle videos to fill you in on some fun facts you might not have known about Nee Soon. For the personality videos, you will see the respective MPs bringing you about their estate to showcase what and why they take pride in their estate as well as enjoyable and interesting activities in Nee Soon that can keep you engaged for a day.



NDP Live Screening 2019

One of our highlight events of the year would be the inaugural NDP Live Screening of our nation's 54th birthday at Nee Soon Central Hardcourt.

Over 2000 members of the public joined us in this open event. It was a free-for-all event with various fringe activities, light installations and food booths for our participants to busk in this joyous occasion of commemorating our nation's 54th year of independence.

Inaugural iNStawalk



Nee Soon Town Council held our first-ever instawalk event — iNSta Walk v.01 on 15 December 2019. For the first installation, participants were introduced to the edgy HDB estates, quirky architecture and serene nature escape in Nee Soon.

The participants were all pumped for the event and braved the morning showers to join in the walk. Tips and tricks on photo-taking and editing were shared with participants during the event to prepare them for the challenges set out for them in this walk. We gathered more than just the amazing shots captured for our participants bonded and made wonderful memories through this event.



NSTC Mini Christmas Snow Party



To celebrate the season of giving, we threw a mini snow party cum giveaway just outside the Nee Soon Town Council main office. The foam snow was accompanied with classic Christmas tunes and the giveaway of our very own NSTC mascot plushie that was well received by residents of all ages.

Town Council strives to have more of such little pop-up events to brighten up the days of our residents.



Customer Satisfaction



The Town Council continuously explores ways to provide excellent service for residents. By assessing our customers’ satisfaction levels, we are able to ascertain the confidence levels of our residents in the Town Council and identify areas where we can improve.

Resident Satisfaction Survey

The Customer Satisfaction Survey is a yearly exercise conducted by the Town Council with the objective of understanding the general residents’ satisfaction towards their estates, in terms of cleanliness, facilities, and maintenance, within the HDB precincts under Nee Soon Town Council (NSTC).

We surveyed a sample pool of 1000 residents over the period of one month at high traffic areas in Nee Soon. Out of these 1000 residents, 98% rated the overall performance of the Town Council as Good or Very Good rating. While we are heartened by the results, we are driven to work harder to raise our performance levels.



Customer Service Rating Solutions



Counter service rating tablets have also been installed to appraise our counter service quality and obtain feedback to enable us to serve our residents better. Feedback from the tablets are collected and reviewed daily.

Public Consultation and Consensus Gatherings



Neighbourhood Renewal Programmes (NRP) remains as one of the major functions of the Town Council. The NRP provides our residents with an upgraded living environment through the rejuvenation of mature estates with enhanced facilities. We value feedback from our residents, and these are gathered through public consultations and consensus gathering to find out the improvements our residents would like to see in their neighbourhood.



Newsletter



The increased frequency of newsletters, from four to six issues a year, generated a positive response from our residents. With the increased amount of issues, we were able to communicate news to our residents in a more timely manner.

While we continue to feature interviews of the vibrant personalities of Nee Soon, we have also included new themes on a rotational basis to keep our audience engaged. Themes we have experimented include food features and fun facts on lifeforms that can be commonly found in Nee Soon Town.

Digital Display Panels



Besides traditional modes of communication, we try to keep up with the times through new ways of communication. With the Digital Display Panels making their appearance at some of our estates in early 2020, it provided us with an additional channel to reach out to our audience.

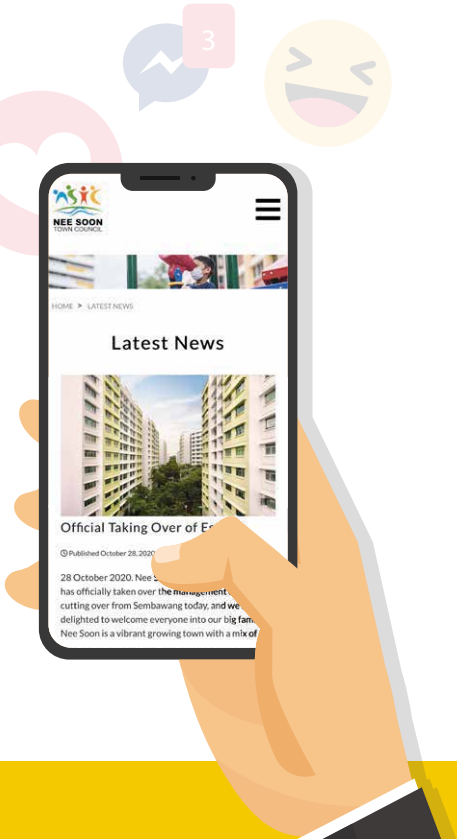
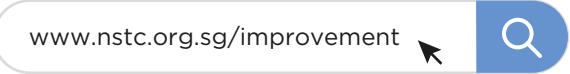
Collaborations with the relevant organisation is underway and residents can soon see Town Council content on these panels.

Website

Our new website was newly launched in January 2020. The website sports a new layout with improved functionality and navigation. You can now search for the facilities available around you for booking and make S&CC payments online. From Meet-the-people session details to contact information, the new feature - the MP directory - provides residents with these details in just one click.



The Town Council launched another interactive site that hosted information on the different places of interest in Nee Soon. In the website, you find short write ups, photos and videos of each place, with a caricature MP “speaking” to you to introduce these new spots.



Social Media

We are leveraging on social media to effectively convey and communicate with our residents. Giveaways are often held on our social media pages as a form of appreciation to our online audience and also as an outlet to distribute our green collaterals to drive environmental consciousness amongst our residents. As at 31st March 2020, our Facebook and Instagram follower counts rank the highest among all Town Councils in Singapore.



#HomeWithAHeart, #OneNeeSoon and #NeeSoonCares are some of our longstanding hashtags used to foster a strong and tight-knit online community. We are heartened by the continuous support and encouragement of our followers which motivate us to do better.



Annual Financial Statements



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INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF NEE SOON TOWN COUNCIL

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nee Soon Town Council (the “Town Council”), which comprise the statement of financial position of the Town Council as at 31 March 2020, the income and expenditure statement, statement of comprehensive income, statement of changes in Town Council funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 46.

In our opinion, the accompanying financial statements of the Town Council are properly drawn up in accordance with the provisions of the Town Councils Act, Cap. 329A (the “Act”) and Financial Reporting Standards in Singapore (“FRSs”) so as to present fairly, in all material respects, the financial position of the Town Council as at 31 March 2020 and of the financial performance, changes in Town Council funds and cash flows of the Town Council for the financial year ended on that date.

Basis for opinion

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

Other Information

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

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF NEE SOON TOWN COUNCIL

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

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

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

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

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

A town council is constituted based on its Act and its dissolution requires Parliament’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 NEE SOON TOWN COUNCIL

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

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

Basis for opinion

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

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF NEE SOON TOWN COUNCIL

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

Responsibilities of Management for compliance with legal and regulatory requirements

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

Auditor’s responsibilities for the Compliance Audit

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

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



Ecovis Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

27 November 2020

STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	2020 S\$	2019 S\$
TOWN COUNCIL FUNDS			
Residential Property			
Accumulated Surplus	3	6,638,025	6,542,685
Sinking Fund	4	64,118,851	62,737,440
Lift Replacement Fund	5	27,488,612	24,572,022
Town Improvement and Project Fund	6	4,282,921	5,715,911
		102,528,409	99,568,058
Commercial Property			
Accumulated Surplus	3	3,092,037	2,718,140
Sinking Fund	4	31,451,618	31,041,435
Lift Replacement Fund	5	5,889,283	5,971,275
Town Improvement and Project Fund	6	83,858	553,355
		40,516,796	40,284,205
Car Park			
Accumulated Surplus	3	-	-
		143,045,205	139,852,263
Represented by:			
Non-Current Assets			
Plant and equipment	8	2,802,835	343,513
Current Assets			
Financial assets at fair value through profit or loss	10	28,944,981	29,971,115
Debt investments at amortised cost	11	-	1,789,600
Conservancy and service fee receivables	12	1,551,639	1,531,064
Other receivables	13	12,340,138	6,978,912
Interest receivables		704,980	564,363
Receivables for Neighbourhood Renewal Programme, Electrical Load Upgrading Programme and Sport in Precint	7	3,034,604	1,534,026
Cash and cash equivalents	14	109,569,999	107,779,166
		156,146,341	150,148,246
Total Assets		158,949,176	150,491,759
Non-Current Liabilities			
Lease liabilities	16	1,783,902	-
Current Liabilities			
Payables and accrued expenses	15	11,397,121	8,799,900
Conservancy and service fee received in advance		863,952	803,919
Lease liabilities	16	666,437	-
Provision for taxation		1,192,559	1,035,677
		14,120,069	10,639,496
Net assets		143,045,205	139,852,263

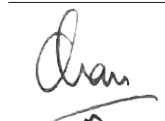
Net assets



Mr Ng Kok Kwang, Louis
Chairman

27 November 2020

NEE SOON TOWN COUNCIL (Established under Town Councils Act, Cap 329A)



Mr Terence Chan
Secretary

INCOME AND EXPENDITURE STATEMENT

For the Financial Year Ended 31 March 2020

	Note	2020 S\$	2019 S\$
Operating Income			
Conservancy and Service Fees	3	45,343,630	45,001,606
Operating transfer to Sinking Fund (minimum required by law)	3,4	(11,789,344)	(11,700,420)
Operating transfer to Lift Replacement Fund (minimum required by law)	3,5	(6,348,108)	(6,300,224)
		27,206,178	27,000,962
Operating Expenditure			
Cleaning Works		(7,091,832)	(7,156,083)
Managing Agent Fees	18	(5,803,571)	(5,680,687)
Lift Maintenance		(6,944,376)	(6,577,723)
Other Works and Maintenance		(5,217,296)	(4,069,983)
Water and Electricity		(8,962,722)	(8,484,961)
General and Administrative Expenditure	21(a)	(3,868,712)	(3,137,460)
		(37,888,509)	(35,106,897)
Operating Deficit		(4,809,842)	(2,195,147)
Non-Operating Income			
Interest Income		317,620	211,151
Deficit before taxation and government grants		(4,492,222)	(1,983,996)
Taxation	22	(290,750)	(248,978)
Deficit after taxation but before government grants		(4,782,972)	(2,232,974)
Government Grants			
Government Grants	3,24	21,706,017	16,184,674
Transfer to Sinking Fund	3,4,24	(2,492,627)	(2,473,557)
Transfer to Lift Replacement Fund	3,5,24	(5,191,346)	(5,160,728)
Transfer to Town Improvement and Project Fund	3,6,24	(8,269,835)	(2,842,189)
		5,752,209	5,708,200
Surplus for the financial year		969,237	3,475,226
Accumulated surplus as at 1 April		9,260,825	10,213,599
Transfer to Town Improvement and Project Fund	6	(500,000)	(4,428,000)
Accumulated surplus as at 31 March	3	9,730,062	9,260,825

NEE SOON TOWN COUNCIL (Established under Town Councils Act, Cap 329A)

STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2020

	<u>Note</u>	<u>2020</u> S\$	<u>2019</u> S\$
Surplus/(deficit) for the financial year			
Accumulated Surplus	3	969,237	3,475,226
Sinking Fund	4	1,791,594	11,543,469
Lift Replacement Fund	5	2,834,598	9,228,372
Town Improvement and Project Fund	6	(2,402,487)	(563,251)
		<u>3,192,942</u>	<u>23,683,816</u>
Total comprehensive income for the year attributable to Town Council Funds		<u><u>3,192,942</u></u>	<u><u>23,683,816</u></u>

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

STATEMENT OF CHANGES IN TOWN COUNCIL FUNDS

For the Financial Year Ended 31 March 2020

	<u>Residential Property S\$</u>	<u>Commercial Property S\$</u>	<u>Car Park S\$</u>	<u>Fair Value Reserve S\$</u>	<u>Total S\$</u>
2020					
Balance as at 1 April 2019	99,568,058	40,284,205	-	-	139,852,263
Surplus for the financial year representing total comprehensive income	2,950,258	232,591	10,093	-	3,192,942
Transfer to Accumulated Surplus from carpark to residential property (Note 3)	10,093	-	(10,093)	-	-
Balance as at 31 March 2020	<u>102,528,409</u>	<u>40,516,796</u>	<u>-</u>	<u>-</u>	<u>143,045,205</u>
2019					
Balance as at 31 March 2018	77,378,236	38,199,384	-	590,827	116,168,447
Reclassification of Fair Value Reserve under FRS 109	564,830	25,997	-	(590,827)	-
Balance at 1 April 2018	<u>77,943,066</u>	<u>38,225,381</u>	<u>-</u>	<u>-</u>	<u>116,168,447</u>
Surplus for the financial year representing total comprehensive income	21,493,339	2,058,824	131,653	-	23,683,816
Transfer to Accumulated Surplus from carpark to residential property (Note 3)	131,653	-	(131,653)	-	-
Balance as at 31 March 2019	<u>99,568,058</u>	<u>40,284,205</u>	<u>-</u>	<u>-</u>	<u>139,852,263</u>

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 March 2020

	<u>Note</u>	<u>2020</u> S\$	<u>2019</u> S\$
Cash flows from operating activities			
Deficit before taxation and government grants		(4,492,222)	(1,983,996)
Adjustments for:			
Conservancy and service fee transferred to Sinking fund	3	11,789,344	11,700,420
Conservancy and service fee transferred to Lift replacement fund	3	6,348,108	6,300,224
Movement in impairment loss on conservancy and service fees	12	380	(24,128)
Provision for impairment loss on other receivable	13	100,774	-
Depreciation of plant and equipment	8	153,435	152,681
Depreciation of ROU assets	8	324,748	-
Loss/(Gain) in financial assets at fair value through profit and loss	19(a)	85,970	(1,200,544)
Lease interest expense	21(a)	28,731	-
Amortisation of held-to-maturity financial assets	11	2,100	4,676
Operating surplus before working capital changes		14,341,368	14,949,333
 (Increase)/Decrease in conservancy and service fee and other receivables		(2,470,603)	729,681
Increase/(Decrease) in creditors and conservancy and service fee received in advance		2,657,253	512,248
Net movement in receivables for Neighbourhood Renewal Programme and Electrical Load Upgrading Programme	7	(1,500,578)	(1,109,995)
Cash generated from operations		13,027,440	15,081,267
 Sinking fund other income	4	2,123	514
Sinking fund expenditure	4	(13,247,920)	(4,521,793)
Lift replacement fund expenditure	5	(11,773,171)	(2,544,993)
Town improvement and project fund expenditure	6	(10,672,322)	(3,405,440)
Income tax paid		(460,030)	(590,784)
Net cash (used in)/generated from operating activities		(23,123,880)	4,018,771
 Cash flows from investing activities			
Proceeds from redemption of debt investments	11	1,787,500	1,742,000
Purchase of plant and equipment	8	(93,160)	(92,068)
Investment and interest income received		1,482,301	1,998,881
Net cash generated from investing activities		3,176,641	3,648,813
 Cash flows from financing activities			
Government grants		21,298,482	14,236,008
Payment of lease liabilities		(422,737)	-
Net cash generated from financing activities		20,875,745	14,236,008
 Net increase in cash and cash equivalents		928,506	21,903,592
Cash and cash equivalents at the beginning of the financial year		106,679,358	84,775,766
Cash and cash equivalents at end of the financial year	14	107,607,864	106,679,358

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020

1 GENERAL INFORMATION

Nee Soon Town Council (“Town Council”) was formed on 1 April 2013 under the Town Councils Act (Chapter 329A) following the restructuring of Sembawang-Nee Soon Town Council into two separate entities – Sembawang Group Representation Constituency (“GRC”), now known as Sembawang Town Council and Nee Soon GRC, now known as Nee Soon Town Council.

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

The Town Council is made up of Nee Soon GRC which comprises the Chong Pang Division, Kebun Baru Division, Nee Soon Central Division, Nee Soon East Division and Nee Soon South Division.

The financial statements of the Town Council for the financial year ended 31 March 2020 were authorised for issue by the members of Town Council on 27 November 2020.

The head office of the Town Council is situated at Block 290 Yishun Street 22, Singapore 760290.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore (“FRSs”) as issued by the Accounting Standards Council Singapore as well as all related interpretations to FRS (“INT FRS”) and the Town Councils Act, Cap. 329A. The financial statements are prepared on a going concern basis under the historical cost convention, except where an FRS requires an alternative treatment (such as fair values), as disclosed where appropriate in these financial statements.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Town Council takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, leasing transactions that are within the scope of FRS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net reliable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

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

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the end of each reporting period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Apart from those involving estimations, management has made judgements in the process of applying the Town Council's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in Note 2.23.

2.3 ADOPTION OF NEW AND AMENDMENT STANDARDS AND INTERPRETATIONS

Interpretations and amendments to published standards

The Town Council has adopted the new or revised FRSs and INT FRS that are mandatory for application on 1 April 2019. The adoption of these new or revised FRSs and INT FRS did not result in substantial changes to the Town Council's accounting policies and had no material effects on the financial statements for the current or prior years except as disclosed below.

FRS 116 Leases

FRS 116 Leases was issued in June 2016 and it will supersede FRS 17 Leases and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

The Town Council has adopted FRS 116 using the modified retrospective method of adoption under which the amount of right-of-use asset recognised is equal to the lease liability as at 1 April 2019. Accordingly, the comparative information presented year ended 31 March 2019 is not restated – i.e. it is presented, as previously reported, under the principles of FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements under the principles of FRS 116 have not generally been applied to comparative information.

When the Town Council is the lessee

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 ADOPTION OF NEW AND AMENDMENT STANDARDS AND INTERPRETATIONS (CONT'D)

The Town Council's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2.16.

On initial application of FRS 116, the Town Council has elected to apply the following practical expedients:

- (i) For all contracts entered into before 1 April 2019 and that were previously identified as leases under FRS 17 Lease and INT FRS 104 Determining whether an Arrangement contains a Leases, the Town Council has not reassessed if such contracts contain leases under FRS 116; and
- (ii) On a lease-by-lease basis, the Town Council has:
 - (a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
 - (b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
 - (c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
 - (d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
 - (e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 April 2019.

For leases previously classified as operating leases on 1 April 2019, the Town Council has applied the following transition provisions:

- (i) On a lease-by-lease basis, the Town Council chose to measure its ROU assets at amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application (i.e. 1 April 2019).
- (ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 April 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

Financial impact on initial application of FRS 116

The following table shows the operating lease commitments disclosed applying FRS 17 at 31 March 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	<u>2019</u> S\$
Operating lease commitments at 31 March 2019	865,504
Less: Short-term leases and leases of low value assets	<u>(352,471)</u>
	513,033
Less: Incremental borrowing rate as at 1 April 2019	<u>5%</u>
Lease liabilities recognised as at 1 April 2019	<u><u>486,009</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 ADOPTION OF NEW AND AMENDMENT STANDARDS AND INTERPRETATIONS (CONT'D)

Financial impact on initial application of FRS 116

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

2.4 TOWN COUNCIL FUNDS

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

- Residential property
- Commercial property
- Carparks are managed by the Town Council for the HDB on an agency basis

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

All monies 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.

ORDINARY SINKING FUND

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

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

With effect from 1 April 2017, the minimum amounts to be paid into the Sinking Fund are revised to 26% of service and conservancy charges and grants-in-aid, excluding the Lift Replacement Fund ("LRF") matching grant-in-aid for Residential Property and Commercial Property.

These contributions are treated as operating transfers and deducted from the gross conservancy and service fees and government grants in the Income and Expenditure Statement.

The Sinking Funds are utilised for major cyclical works such as repairs and redecoration, re-roofing, rewiring and replacement of pumps, water tanks and water pipes and contributions to the HDB in respect of general upgrading works carried out on the common property under the Housing and Development Act.

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 TOWN COUNCIL FUNDS (CONT'D)

LIFT REPLACEMENT FUND

In accordance with Section 33(4A) of the Town Councils Act, a separate Lift Replacement Fund is established to meet the cost of any capital expenditure related to the replacement of lifts or lift upgrading works on Residential Property and Commercial Property.

To assist Town Councils in building up the LRF, MND will provide a 50% matching grant to the following contributions Town Councils make to the LRF:

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

Under the Town Councils Act, the Minister for National Development may, from time to time, prescribe the minimum amount of service and conservancy charges and grants-in-aid to be paid into the Lift Replacement Fund. These lift replacement fund are maintained as part of the Town Council funds.

The minimum amounts to be paid into the Lift Replacement Fund is 14% of service and conservancy charges and grants-in-aid, excluding the LRF matching grant-in-aid for Residential Property and Commercial Property.

This minimum contribution is treated as operating transfers and netted off against the service and conservancy charges and government grants in the Income and Expenditure Statement.

Selective Lift Replacement Programme

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 TOWN COUNCIL FUNDS (CONT'D)

TOWN IMPROVEMENT AND PROJECT FUND

Town Improvement and Project Fund is established and maintained as part of the Town Council Funds. These Funds are utilised for improvement and development works in the Town.

These funds are set up by transfer from the Accumulated Surplus based on specific projects to be carried out. In addition, the Town Council receives payments from Citizens' Consultative Committees for approved projects.

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

2.5 ALLOCATION OF GENERAL OVERHEADS

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

<u>Property Type</u>	<u>Equivalent Dwelling Unit(s)</u>
1 residential property unit	1
1 commercial property unit	2
6 car lots or 36 motor cycle lots or 4 lorry lots	1

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

2.6 GOVERNMENT GRANTS

The Town Council receives five types of grants from the Government, namely, Service and Conservancy Charge Grant, payments from Citizens' Consultative Committees, GST Subvention Grant, Lift Maintenance Grant and LRF Matching Grant.

- (i) Service and Conservancy Charge Grants are given to meet the current year's operating expenditure and are taken to the Income and Expenditure Statement.
- (ii) Payments from Citizen's Consultative Committees are given as reimbursement claims under the Community Improvement Projects Committee ("CIPC") scheme.
- (iii) The GST subvention grant is given as a grants-in-aid and is granted to Town Councils for absorbing the GST increases in service and conservancy charge for HDB residential flats.
- (iv) The Lift Maintenance Grant helps Town Councils cope with the higher lift-related servicing and maintenance costs.
- (v) The LRF Matching Grant is to assist Town Councils in building up the LRF.

Government grants are recognised at their fair values where there is reasonable assurance that the grants will be received and all required conditions will be complied with. Grants to meet the current year's operating expenditure are taken to the Income and Expenditure Statement.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 PLANT AND EQUIPMENT

Depreciation is computed on a straight-line basis over their estimated useful lives as follows:

Office equipment	2 to 3 years
Data processing equipment	3 years
Furniture, fixtures and fittings	5 years
Right-of-use assets	Over the lease period

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost less accumulated depreciation and impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in the Income and Expenditure Statement. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income and Expenditure Statement when they are incurred.

2.8 FINANCIAL ASSETS

(a) Classification

The Town Council classifies its financial assets in the following measurement categories: (1) Amortised cost; and (2) Fair value through profit or loss (FVPL).

The classification depends on the Town Council's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Town Council reclassifies debt instruments when and only when its business model for managing those assets changes.

(b) Initial recognition

At initial recognition, the Town Council measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets

(c) Subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise bank balances, conservancy and service fees receivables, debt investments and other receivables.

There are three prescribed subsequent measurement categories, depending on the Town Council's business model in managing the assets and the cash flow characteristic of the assets:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Income and Expenditure Statement or the respective funds when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in Income and Expenditure Statement or the respective funds. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from fair value reserve to Income and Expenditure Statement or the respective funds. Interest income from these financial assets is recognised using the effective interest rate method and presented under "Investment and interest income" in Sinking funds.
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in Income and Expenditure Statement or the respective funds in the period in which it arises.

Amortised cost and effective interest method

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

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

(c) Subsequent measurement (cont'd)

(i) Debt instruments (cont'd)

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

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

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

(ii) Equity investments

The Town Council subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in "Investment and interest income" under sinking fund in the period in which the changes arise. Dividends from equity investments are also recognised under "Investment and interest income" under sinking fund.

(d) Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

(d) Impairment of financial assets (cont'd)

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

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

	<u>Rate of Provision</u>
Accounts with arrears in excess of 12 months but less than 24 months	50%
Accounts with arrears in excess of 24 months	100%

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

For all other financial instruments (including cash at banks, other receivables, receivables for NRP, interest receivables) the Town Council recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instruments since inception, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

For debt instruments carried at amortised cost, the Town Council applies the low credit risk simplification. At every reporting date, the Town Council evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Town Council reassesses for any deterioration in the credit ratings of the debt instrument.

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

(e) Derecognition of financial assets

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

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

2.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances, call deposits and fixed deposits, less cash and fixed deposits with fund managers, that are readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

2.11 RECEIVABLES/ADVANCES RECEIVED FOR NEIGHBOURHOOD RENEWAL PROGRAMME

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

The funding for the programme belongs to the government which is for the specific use of projects under the programme. The Town Council receives a funding of S\$3,400 per dwelling unit to cover NRP construction costs, professional and consultancy fees. In addition, the Town Council shall be entitled to a sum of S\$150 per dwelling unit or S\$125,000, whichever is higher, to cover miscellaneous costs relating to the NRP project. However, if the cost of project works incurred exceeds the funding provided, the Town Council has to bear the cost of excess expenditure.

2.12 RECEIVABLES/ADVANCES RECEIVED FOR ELECTRICAL LOAD UPGRADING PROGRAMME

The Electrical Load Upgrading Programme (ELU) was introduced to upgrade the incoming electrical supply for HDB apartment blocks with a 40amps main switch instead of 30amps.

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

2.13 PROVISION

Provisions are recognised when the Town Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 PROVISION (CONT'D)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 FINANCIAL LIABILITIES

(i) *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.

(ii) *Subsequent measurement*

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

(iii) *De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in Income and Expenditure Statement or the respective funds.

2.15 DERIVATIVE FINANCIAL INSTRUMENTS

The Town Council enters into exchange trade derivatives to manage its exposure to fair value changes to its equity investment. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair values as at each reporting date. The resulting gain or loss is recognised in Income and Expenditure Statement or the respective funds.

2.16 LEASE

The accounting policy for leases before 1 April 2019 are as follows:

Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 LEASE (CONT'D)

The accounting policy for leases after 1 April 2019 are as follows:

When the Town Council is the lessee

At the inception of the contract, the Town Council assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Town Council recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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

- Lease liabilities

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Town Council's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short-term and low-value leases

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

- Variable lease payments

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 REVENUE RECOGNITION

Conservancy and service fees is charged on a monthly to the lessees and tenants of the Housing and Development Board (HDB) flats, shops/offices and market/food stalls towards the maintenance and upkeep of the common property under the Town Council. Conservancy and service fees are allocated between operating income, sinking fund and Lift Replacement Fund in accordance with the Town Councils Act, Cap. 329A. Conservancy and service fees are recognised as a performance obligation over time.

Agency fees received for routine maintenance of HDB's car parks and common property within the town is recognised as a performance obligation over time.

Investment income from financial assets designated at fair value through profit or loss is recognised as income, in the respective funds, when right to receive the income is established, unless such income clearly represent a recovery of part of the cost of the investment.

Investment income from other financial assets at amortised costs is recognised in the respective funds, on a time proportion basis using the effective interest method.

2.18 INCOME TAX

Tax is provided on the following income:

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

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

Income tax expense comprises current tax. Current tax is recognised in the Income and Expenditure Statement or the respective funds except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2.19 EMPLOYEE BENEFITS

Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Town Council pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Town Council has no further payment obligations once the contributions have been paid. The expenses are disclosed under manpower cost and general administrative expenditure accordingly.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 FAIR VALUE ESTIMATION

The carrying amount of current financial assets and liabilities with a maturity of less than one year, are assumed to approximate their fair values due to their short-term nature.

The fair value of financial assets traded in active markets (such as exchanged-traded and over-the-counter securities) are based on quoted market bid-prices at the end of the reporting period.

2.21 FUNCTIONAL CURRENCY

The functional currency of the Town Council is Singapore dollar as it reflects the primary economic environment in which the entity operates.

2.22 INTER FUND TRANSFER

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

2.23 CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

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

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

- (a) Impairment of conservancy and services fees receivables

Upon adoption of FRS 109 Financial Instruments, the Town Council measures impairment loss based on an expected credit loss (ECL) on conservancy and service debts and related interest charged for late payment. When measuring ECL, the Town Council uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The gross amount of conservancy and service fee and related ECL are disclosed in Note 12.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)

(b) Income tax

Significant judgement is required in determining the deductibility of certain expenses during the estimation of the provision for income tax. There are also claims for which the ultimate tax determination is uncertain during the ordinary course of operation. 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.

(c) 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 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 and is subject to the final review and approval by the Ministry of National Development.

(d) Critical judgement over the lease terms

As at 31 March 2020, the Town Council lease liabilities, which are measured with reference to an estimate of the lease term, amounted to S\$2,450,339. Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

3 ACCUMULATED SURPLUS

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

	Note	Total		Residential Property		Commercial Property		Carparks	
		2020	2019	2020	2019	2020	2019	2020	2019
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Operating Income									
Conservancy and service fees		45,343,630	45,001,606	42,112,564	41,759,056	3,231,066	3,242,550	-	-
Operating transfer to Sinking Fund (minimum required by law)	4	(11,789,344)	(11,700,420)	(10,949,267)	(10,857,356)	(840,077)	(843,064)	-	-
Operating transfer to Lift Replacement Fund (minimum required by law)	5	(6,348,108)	(6,300,224)	(5,895,759)	(5,846,265)	(452,349)	(453,959)	-	-
		27,206,178	27,000,962	25,267,538	25,055,435	1,938,640	1,945,527	-	-
Agency Fees	17(a)	2,670,431	2,733,472	-	-	-	-	2,670,431	2,733,472
Other Income	17(b)	3,202,058	3,177,316	2,522,243	2,560,082	611,734	560,103	68,081	57,131
		33,078,667	32,911,750	27,789,781	27,615,517	2,550,374	2,505,630	2,738,512	2,790,603
Operating expenditure		(37,888,509)	(35,106,897)	(33,478,508)	(30,868,549)	(1,679,352)	(1,582,415)	(2,730,649)	(2,655,933)
Operating (deficit)/surplus		(4,809,842)	(2,195,147)	(5,688,727)	(3,253,032)	871,022	923,215	7,863	134,670
Non-operating income		317,620	211,151	279,336	185,624	12,863	8,556	25,421	16,971
(Deficit)/surplus before taxation and government grants		(4,492,222)	(1,983,996)	(5,409,391)	(3,067,408)	883,885	931,771	33,284	151,641
Taxation	22	(290,750)	(248,978)	(255,771)	(218,909)	(11,788)	(10,081)	(23,191)	(19,988)
(Deficit)/surplus after taxation but before government grants		(4,782,972)	(2,232,974)	(5,665,162)	(3,286,317)	872,097	921,690	10,093	131,653
Government Grants	24	21,706,017	16,184,674	21,471,092	15,851,106	234,925	333,568	-	-
Transfer to Sinking Fund	4,24	(2,492,627)	(2,473,557)	(2,491,847)	(2,472,933)	(780)	(624)	-	-
Transfer to Lift Replacement Fund	5,24	(5,191,346)	(5,160,728)	(4,963,319)	(4,929,754)	(228,027)	(230,974)	-	-
Transfer to Town Improvement and Project Fund	6,24	(8,269,835)	(2,842,189)	(8,265,517)	(2,741,659)	(4,318)	(100,530)	-	-
		5,752,209	5,708,200	5,750,409	5,706,760	1,800	1,440	-	-
Surplus for the year		969,237	3,475,226	85,247	2,420,443	873,897	923,130	10,093	131,653
Accumulated surplus at the beginning of year		9,260,825	10,213,599	6,542,685	8,248,269	2,718,140	1,965,330	-	-
Transfer to Town Improvement and Project Fund	6	(500,000)	(4,428,000)	-	(4,257,680)	(500,000)	(170,320)	-	-
Transfer to Accumulated Surplus from carpark to residential property”		-	-	10,093	131,653	-	-	(10,093)	(131,653)
Accumulated surplus at end of year		9,730,062	9,260,825	6,638,025	6,542,685	3,092,037	2,718,140	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

4 SINKING FUND

Note	Total		Residential Property		Commercial Property	
	2020	2019	2020	2019	2020	2019
	S\$	S\$	S\$	S\$	S\$	S\$
Balance at beginning of year	93,778,875	81,644,579	62,737,440	51,325,128	31,041,435	30,319,451
Add:						
Reclassification of Fair Value Reserve under FRS 109	-	590,827		564,830		25,997
	93,778,875	82,235,406	62,737,440	51,889,958	31,041,435	30,345,448
Add:						
Investment and interest income	19 (a) 986,334	2,073,723	942,889	1,982,414	43,445	91,309
Other income	2,123	514	2,120	514	3	-
Operating transfer from conservancy and service fees (Minimum required by law)	3 11,789,344	11,700,420	10,949,267	10,857,356	840,077	843,064
Government grants	3,24 2,492,627	2,473,557	2,491,847	2,472,933	780	624
	15,270,428	16,248,214	14,386,123	15,313,217	884,305	934,997
Expenditure	19 (b) (13,247,920)	(4,521,793)	(12,783,972)	(4,290,838)	(463,948)	(230,955)
Surplus before tax	2,022,508	11,726,421	1,602,151	11,022,379	420,357	704,042
Taxation	22 (230,914)	(182,952)	(220,740)	(174,897)	(10,174)	(8,055)
Surplus for the financial year	1,791,594	11,543,469	1,381,411	10,847,482	410,183	695,987
Balance at end of year	95,570,469	93,778,875	64,118,851	62,737,440	31,451,618	31,041,435
Represented by:						
Current Assets						
Financial assets at fair value through profit or loss	10 28,944,981	29,971,115				
Held-to-maturity financial assets	11 -	1,789,600				
Conservancy and service fee receivables	346,927	386,689				
Other receivables	343,129	232,940				
Interest receivable	438,536	326,690				
Amount due from accumulated surplus	2,846,583	2,180,033				
Cash and cash equivalents	63,991,448	61,040,975				
Total assets	96,911,604	95,928,042				
Less: Current Liabilities						
Payables and accrued expenses	910,875	1,776,208				
Provision for taxation	430,260	372,959				
Total liabilities	1,341,135	2,149,167				
Net Assets	95,570,469	93,778,875				

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

5 LIFT REPLACEMENT FUND

Note	Total		Residential Property		Commercial Property	
	2020	2019	2020	2019	2020	2019
	S\$	S\$	S\$	S\$	S\$	S\$
Balance at beginning of year	30,543,297	21,314,925	24,572,022	15,900,798	5,971,275	5,414,127
Add:						
Interest income	566,437	376,099	541,486	359,528	24,951	16,571
Operating transfer from conservancy and service fees (Minimum required by law)	3 6,348,108	6,300,224	5,895,759	5,846,265	452,349	453,959
Funding for Selective Lift Replacement Programme and Lift Enhancement Programme	2,597,126	-	2,597,126	-	-	-
Transfer from Government Grants						
- LRF Matching Grant	3,849,164	3,828,816	3,621,557	3,598,178	227,607	230,638
- Other government grants	1,342,182	1,331,912	1,341,762	1,331,576	420	336
	3,24 5,191,346	5,160,728	4,963,319	4,929,754	228,027	230,974
Less:						
Expenditure	20 (11,773,171)	(2,544,993)	(10,990,048)	(2,403,441)	(783,123)	(141,552)
Surplus before tax	2,929,846	9,292,058	3,007,642	8,732,106	(77,796)	559,952
Taxation	22 (95,248)	(63,686)	(91,052)	(60,882)	(4,196)	(2,804)
Surplus for the financial year	2,834,598	9,228,372	2,916,590	8,671,224	(81,992)	557,148
Balance at end of year	33,377,895	30,543,297	27,488,612	24,572,022	5,889,283	5,971,275
Represented by:						
Current Assets						
Conservancy and service fee receivables	186,312	208,217				
Other receivables	2,379,064	955,293				
Interest receivable	223,725	221,497				
Amount due from accumulated surplus	983,316	861,871				
Cash and cash equivalents	33,347,485	29,251,615				
Total assets	37,119,902	31,498,493				
Less: Current Liabilities						
Payables and accrued expenses	3,583,052	868,375				
Provision for taxation	158,955	86,821				
Total liabilities	3,742,007	955,196				
Net Assets	33,377,895	30,543,297				

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

6 TOWN IMPROVEMENT AND PROJECT FUND

		Total		Residential Property		Commercial Property	
	<u>Note</u>	<u>2020</u> S\$	<u>2019</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$	<u>2020</u> S\$	<u>2019</u> S\$
Balance at beginning of year		6,269,266	2,404,517	5,715,911	1,904,041	553,355	500,476
Government grants	24	8,269,835	2,842,189	8,265,517	2,741,659	4,318	100,530
Expenditure		(10,672,322)	(3,405,440)	(9,698,507)	(3,187,469)	(973,815)	(217,971)
Deficit for the financial year		(2,402,487)	(563,251)	(1,432,990)	(445,810)	(969,497)	(117,441)
Transfer from Accumulated Surplus	3	500,000	4,428,000	-	4,257,680	500,000	170,320
Balance at end of year		<u>4,366,779</u>	<u>6,269,266</u>	<u>4,282,921</u>	<u>5,715,911</u>	<u>83,858</u>	<u>553,355</u>

Represented by:

Current Assets		
Other receivables	8,134,881	4,689,051
Amount (due to) due from accumulated surplus	(1,824,591)	2,281,524
Total assets	6,310,290	6,970,575

Less:

Current Liabilities		
Payables and accrued expenses	1,943,511	701,309

Net Assets	<u>4,366,779</u>	<u>6,269,266</u>
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NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

7 RECEIVABLES FOR NEIGHBOURHOOD RENEWAL PROGRAMME, ELECTRICAL LOAD UPGRADING PROGRAMME AND SPORT IN PRECINCT

	<u>2020</u> S\$	<u>2019</u> S\$
Balance at beginning of year	1,534,026	424,031
Funding from Government - NRP	(3,585,026)	(4,689,990)
Reimbursement from HDB for Electrical Load Upgrading programme	(2,605,809)	(1,365,053)
Others	(4,500)	-
Expenditure incurred	7,695,913	7,165,038
Movements during the year	1,500,578	1,109,995
Balance at end of year	<u>3,034,604</u>	<u>1,534,026</u>

8 PLANT AND EQUIPMENT

2020

Cost:

Balance as at 31 March 2019	364,558	153,434	1,131,642	-	1,649,634
Effect of adopting FRS 116	-	-	-	486,009	486,009
Balance at 1 April 2019	364,558	153,434	1,131,642	486,009	2,135,643
Additions	18,247	6,918	67,995	2,358,336	2,451,496
Disposals	-	-	(2,761)	(47,466)	(50,227)
Balance as at 31 March 2020	<u>382,805</u>	<u>160,352</u>	<u>1,196,876</u>	<u>2,796,879</u>	<u>4,536,912</u>

Accumulated depreciation:

Balance as at 31 March 2019	283,112	141,231	881,778	-	1,306,121
Charge for the financial year	48,348	10,455	94,632	324,748	478,183
Disposals	-	-	(2,761)	(47,466)	(50,227)
Balance as at 31 March 2020	<u>331,460</u>	<u>151,686</u>	<u>973,649</u>	<u>277,282</u>	<u>1,734,077</u>

Net book value:

Balance as at 31 March 2020	<u>51,345</u>	<u>8,666</u>	<u>223,227</u>	<u>2,519,597</u>	<u>2,802,835</u>
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NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

8 PLANT AND EQUIPMENT

	Office Equipment S\$	Data Processing Equipment S\$	Furniture Fixtures and Fittings S\$	Total S\$
2019				
Cost:				
Balance as at 1 April 2018	347,923	149,256	1,062,043	1,559,222
Additions	16,635	4,178	71,255	92,068
Disposals	-	-	(1,656)	(1,656)
Balance as at 31 March 2019	<u>364,558</u>	<u>153,434</u>	<u>1,131,642</u>	<u>1,649,634</u>
Accumulated depreciation:				
Balance as at 1 April 2018	235,279	123,562	796,255	1,155,096
Charge for the financial year	47,833	17,669	87,179	152,681
Disposals	-	-	(1,656)	(1,656)
Balance as at 31 March 2019	<u>283,112</u>	<u>141,231</u>	<u>881,778</u>	<u>1,306,121</u>
Net book value:				
Balance as at 31 March 2019	<u>81,446</u>	<u>12,203</u>	<u>249,864</u>	<u>343,513</u>

Details of Right-of-use assets acquired under leasing arrangements are disclosed as below.

Right-of-use assets classified within plant and equipment

	<u>2020</u> S\$	<u>2019</u> S\$
(a) Carrying amounts		
Computer system	1,991,313	-
Office premises	<u>528,284</u>	<u>-</u>
	<u>2,519,597</u>	<u>-</u>
(b) Depreciation charge during the year		
Computer system	-	-
Office rental	<u>324,748</u>	<u>-</u>
	<u>324,748</u>	<u>-</u>
Computer system has not been depreciated as it has not been brought into use during the financial year.		
(c) Interest expense		
Interest expense on lease liabilities	<u>28,731</u>	<u>-</u>
(d) Lease expense not capitalised in lease liabilities		
Small value lease expense	<u>6,960</u>	<u>-</u>
(e) Total cash outflow for all leases in financial year ended 31 March 2020 was S\$422,737.		
(f) Addition of ROU assets during the financial year ended 31 March 2020 was S\$2,358,336.		

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

9 FUNDS WITH FUND MANAGERS

Funds with fund managers comprised the following:

	<u>Note</u>	<u>2020</u> S\$	<u>2019</u> S\$
Financial assets at fair value through profit or loss	10	28,944,981	29,971,115
Accrued interest	13	68,608	67,510
Cash and fixed deposits	14	1,962,135	1,099,808
Other payable	15	-	(76,969)
Management fees payable to fund managers	15	<u>(11,762)</u>	<u>(11,532)</u>
		<u>30,963,962</u>	<u>31,049,932</u>

At the date of initial application of FRS 109 on 1 April 2018, the Town Council's available-for-sale financial assets under FRS 39 amounted to \$2,159,205 were reclassified from AFS to financial assets at FVTPL. The fair value gain of \$590,827 relating to those investments previously carried at fair value were transferred from fair value reserve to the respective funds.

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2020</u> S\$	<u>2019</u> S\$
Taken up in sinking funds and comprised of the following:		
-Equities - quoted	4,073,280	5,986,941
-Bonds - quoted	24,852,695	23,984,174
-Exchange-traded Derivative	<u>19,006</u>	<u>-</u>
	<u>28,944,981</u>	<u>29,971,115</u>

As part of the mandate with a fund manager, the manager is allowed to enter into exchange trade derivatives to hedge certain equity investment. The notional amount of the investment is S\$1,032,046.

11 DEBT INVESTMENTS

	<u>2020</u> S\$	<u>2019</u> S\$
Taken up in sinking fund:		
Amortised costs of quoted bonds with fixed interest ranging from 2020: \$Nil (2019: 1.52% to 2.5%) p.a. and maturity date ranging from 1 June to 18 June 2019	<u>-</u>	<u>1,789,600</u>
	<u>2020</u> S\$	<u>2019</u> S\$
Movements during the year - at amortised cost:		
At beginning of year	1,789,600	3,536,276
Redemption	(1,787,500)	(1,742,000)
Amortisation	(2,100)	(4,676)
At end of year	<u>-</u>	<u>1,789,600</u>

The fair values of the debt investment at the end of the financial year is as follows:

Quoted bonds with fixed interest	<u>-</u>	<u>1,787,226</u>
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Debt investments were fully redeemed at maturity date.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

12 CONSERVANCY AND SERVICE FEE RECEIVABLES

	<u>2020</u> S\$	<u>2019</u> S\$
Conservancy and service fee receivables	1,969,855	1,949,797
Interest receivable on late payment	321,500	320,603
Impairment loss provision	<u>(739,716)</u>	<u>(739,336)</u>
	<u>1,551,639</u>	<u>1,531,064</u>
Movement in impairment loss during the year		
Balance at beginning of year	739,336	763,464
Provision for/(Reversal of) impairment loss	<u>380</u>	<u>(24,128)</u>
Balance as at 31 March	<u>739,716</u>	<u>739,336</u>

Town Council holds SC/CC collections that do not have a significant financing component. In order to determine the amount of ECL to be recognised in the financial statements, it has set up a provision matrix based on its historical observed default rates which is adjusted for forward-looking estimates and establishes that ECL should be calculated as:

	<u>SC/CC Debtors</u> S\$	<u>Amount to be provided</u> S\$
2020		
Arrears in excess of 12 months but less than 24 months @ 50%	400,888	200,444
Arrears in excess of 24 months @ 100%	539,272	<u>539,272</u>
Expected Credit loss as at 31 March 2020		<u>739,716</u>
2019		
Arrears in excess of 12 months but less than 24 months @ 50%	315,410	157,705
Arrears in excess of 24 months @ 100%	581,631	<u>581,631</u>
Expected Credit loss as at 31 March 2019		<u>739,336</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
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13 OTHER RECEIVABLES

	<u>2020</u> S\$	<u>2019</u> S\$
Other receivables from third parties	352,538	141,809
Impairment loss provision	<u>(100,774)</u>	<u>-</u>
	251,764	141,809
Recoverable from HDB	1,902,925	193,671
Citizens' Consultative Committee grant receivable	7,650,227	4,646,459
Prepayments	212,754	157,788
Accrued interest (Note 9)	68,608	67,510
Conservancy and service grant receivable	(1,003)	(3,427)
GST subvention grant receivable	408,664	409,185
LRF Matching Grant Receivable	823,018	821,604
Amount due from Sembawang Town Council	-	132,685
Deposits Paid	262,325	343,052
Goods & Services Tax	<u>760,856</u>	<u>68,576</u>
	<u>12,340,138</u>	<u>6,978,912</u>
Movement in impairment loss during the year		
Balance at beginning of year	-	-
Provision for impairment loss	<u>100,774</u>	<u>-</u>
Balance as at 31 March	<u>100,774</u>	<u>-</u>

The Town Council believes that no impairment allowance is necessary in respect of other receivables beyond what has been provided for.

14 CASH AND CASH EQUIVALENTS

	<u>2020</u> S\$	<u>2019</u> S\$
Cash in hand and bank balances	18,596,150	21,402,918
Cash and fixed deposits held in trust by fund managers (Note 9)	1,962,135	1,099,808
Fixed deposits	<u>89,011,714</u>	<u>85,276,440</u>
	<u>109,569,999</u>	<u>107,779,166</u>

At the year end, the carrying amounts of cash and cash equivalents approximate their fair values.

The fixed deposits are with 3 (2019: 5) financial institutions. The fixed deposits mature between one month to twelve months (2019: one week to twelve months) after the financial year end. The interest rate as at 31 March 2020 was between 0.60% and 2.02% (2019: 0.65% and 2.01%) per annum.

For the purposes of statement of cash flows, the cash and cash equivalents comprised the following:

	<u>2020</u> S\$	<u>2019</u> S\$
Cash and cash equivalents	109,569,999	107,779,166
Cash and fixed deposits held in trust by fund managers (Note 9)	<u>(1,962,135)</u>	<u>(1,099,808)</u>
Cash and cash equivalents per statement of cash flows	<u>107,607,864</u>	<u>106,679,358</u>

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15 PAYABLES AND ACCRUED EXPENSES

	<u>2020</u> S\$	<u>2019</u> S\$
Work order accruals	3,185,234	1,369,793
Trade payables	2,782,849	5,162,722
Water and electricity payables	422,825	522,802
Accrued operating expenses	4,416,044	1,203,689
Sundry deposits	169,648	182,751
SLRP Grant Received in advance	311,598	105,925
Other payable to fund managers (Note 9)	-	76,969
Management fee payable to fund managers (Note 9)	11,762	11,532
Other payables	12,651	163,717
Amount due to Sembawang Town Council	84,510	-
	<u>11,397,121</u>	<u>8,799,900</u>

The contractual undiscounted cash outflows on payables and accrued expenses are expected to approximate their carrying amounts and settled within one year.

16 LEASE LIABILITIES

	<u>2020</u> S\$	<u>2019</u> S\$
<u>Lease liabilities</u>	666,437	-
Current	<u>1,783,902</u>	-
Non-current	<u>2,450,339</u>	-
Total		
<u>Lease liabilities</u>	694,457	-
Within 1 year	1,588,692	-
Between two and five years	<u>506,473</u>	-
More than five years	<u>2,789,622</u>	-
	<u>(339,283)</u>	-
Less: Future interest expense	<u>2,450,339</u>	-
Present value of lease liabilities		

17(a) AGENCY FEES

Agency fees are for routine maintenance of HDB's car parks and common property within the Town.

17(b) OTHER INCOME

	<u>2020</u> S\$	<u>2019</u> S\$
	186,552	205,132
Late payment penalty	243,975	204,850
Liquidated damages	1,772,478	1,971,374
Temporary occupational licence income	22,420	27,960
Use of common property	34,770	39,710
Use of void decks	566,155	409,115
Use of water and electricity at void decks	<u>375,708</u>	<u>319,175</u>
Others	<u>3,202,058</u>	<u>3,177,316</u>

NOTES TO THE FINANCIAL STATEMENTS
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NEE SOON TOWN COUNCIL
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18 MANAGING AGENT FEES

The Town Council daily operations have been outsourced to a managing agent for a fee of S\$5,803,571 (2019 : S\$5,680,687) for the financial year ended 31 March 2020.

19(a) INVESTMENT AND INTEREST INCOME ON SINKING FUND

	<u>2020</u> S\$	<u>2019</u> S\$
Income - Bonds and other investments	6,864	53,425
Interest Income - fixed bank deposits	1,065,440	819,754
Fair value (loss)/gain from financial assets carried at fair value through profit or loss	<u>(85,970)</u>	<u>1,200,544</u>
	<u>986,334</u>	<u>2,073,723</u>

19(b) SINKING FUND EXPENDITURE

	<u>2020</u> S\$	<u>2019</u> S\$
Re-Roofing Works	-	347,192
Electrical Rewiring	1,266,649	391,756
Replacement of Water & Booster Pump	-	239,313
Repairs & Redecoration	11,329,561	3,140,369
Consultancy fee and other charges	465,247	160,309
Goods and services tax (Note 23)	186,463	91,654
Replacement of Refuse Chute	-	151,200
	<u>13,247,920</u>	<u>4,521,793</u>

20 LIFT REPLACEMENT FUND EXPENDITURE

	<u>2020</u> S\$	<u>2019</u> S\$
Replacement of Main Sheaves and Ropes	2,132,683	1,604,732
Replacement of ARD Battery	235,455	172,438
Replacement of EBOPS Battery	264,343	123,116
Lift overhauls and replacement works	1,334,589	13,191
Replacement of Lift Position Display Panel	2,431,815	135,689
Replacement of Inverter Units	2,705,214	354,600
Lift Enhancement Programme	2,061,183	-
Consultancy fee and other charges	372,957	94,809
Goods and services tax (Note 23)	<u>234,932</u>	<u>46,418</u>
	<u>11,773,171</u>	<u>2,544,993</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
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21(a) GENERAL AND ADMINISTRATIVE EXPENDITURE

The general and administrative expenditure comprised the following:

	<u>2020</u> S\$	<u>2019</u> S\$
Advertising and public relations	1,192,197	887,857
Provision/(Reversal) for doubtful debts	380	(24,128)
Provision for doubtful debts - others	94,181	-
Bad debts written back	(24,156)	(17,860)
Computing services	198,796	178,021
Depreciation of plant and equipment (Note 8)	153,435	152,681
Depreciation of ROU assets (Note 8)	324,748	-
Office rental and upkeep expenditure	250,495	531,097
Office supplies and stationery	102,539	108,202
Postage / Telephone	216,686	191,051
Town Councillors' allowance	215,714	208,368
Insurance premium	21,709	20,209
Goods and services tax (Note 23)	320,543	157,585
Legal fee	72,777	26,225
Property tax	162,350	207,921
Lease interest expense	28,731	-
Others *	537,587	510,231
	<u>3,868,712</u>	<u>3,137,460</u>

* Includes manpower costs of S\$83,164 (2019: S\$72,345) (Note 21(b)).

21(b) MANPOWER COST

General administrative expenditure included cost of manpower as follows:-

	<u>2020</u> S\$	<u>2019</u> S\$
Staff salaries and related costs	75,756	65,438
CPF contribution	7,408	6,907
	<u>83,164</u>	<u>72,345</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

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22 INCOME TAX

Taken up in:

	<u>Income and Expenditure Statement</u> S\$	<u>Sinking Fund Statement</u> S\$	<u>Lift Replacement Fund Statement</u> S\$	<u>Total</u> S\$
Current income tax provision	293,456	231,787	95,396	620,639
Over in prior year	(2,706)	(873)	(148)	(3,727)
	<u>290,750</u>	<u>230,914</u>	<u>95,248</u>	<u>616,912</u>

	<u>Income and Expenditure Statement</u> S\$	<u>Sinking Fund Statement</u> S\$	<u>Lift Replacement Fund Statement</u> S\$	<u>Total</u> S\$
Current income tax provision	298,131	185,840	63,653	547,624
(Over)/Under provision in prior year	(49,153)	(2,888)	33	(52,008)
	<u>248,978</u>	<u>182,952</u>	<u>63,686</u>	<u>495,616</u>

The tax expense on surplus differs from the amount that would arise using the Singapore statutory rate of income tax as explained below:

	<u>2020</u> S\$	<u>2019</u> S\$
Interest income received	2,284,105	1,460,429
Dividend income	19,472	46,098
Government Grant	7,086,092	14,843,726
Other income	1,597,029	2,079,053
Allowable expenses	(172,283)	(212,192)
	<u>10,814,415</u>	<u>18,217,114</u>
Tax calculated at a tax rate of 17%	1,838,451	3,096,909
Tax exempt income	(17,425)	(17,425)
Tax effect of certain income taxed at concessionary tax rate	(7,280)	(22,884)
Tax remission of government grants under Section 92(2) of Singapore Income Tax	(1,193,107)	(2,508,976)
Overprovision in prior year	(3,727)	(52,008)
	<u>616,912</u>	<u>495,616</u>

23 GOODS AND SERVICES TAX

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore. The unclaimed portion is charged to the sinking fund expenditure (Note 19(b)), lift replacement fund expenditure (Note 20) and general and administrative expenditure (Note 21(a)).

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

24 GOVERNMENT GRANTS

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

	Total		Conservancy and Service Grant		Payment from Citizens' Consultative Committee		GST Subvention Grant		Lift Maintenance Grant		LRF Matching Grant	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Government Grants received/ receivable during the year	21,706,017	16,184,674	7,085,090	7,024,979	8,269,835	2,842,189	1,633,728	1,621,690	868,200	867,000	3,849,164	3,828,816
Transfer to -												
Sinking Funds	(2,492,627)	(2,473,557)	(1,842,123)	(1,826,495)	-	-	(424,772)	(421,642)	(225,732)	(225,420)	-	-
Lift Replacement Funds	(5,191,346)	(5,160,728)	(991,913)	(983,497)	-	-	(228,721)	(227,035)	(121,548)	(121,380)	(3,849,164)	(3,828,816)
Town Improvement and Project Fund	(8,269,835)	(2,842,189)	-	-	(8,269,835)	(2,842,189)	-	-	-	-	-	-
	<u>5,752,209</u>	<u>5,708,200</u>	<u>4,251,054</u>	<u>4,214,987</u>	<u>-</u>	<u>-</u>	<u>980,235</u>	<u>973,013</u>	<u>520,920</u>	<u>520,200</u>	<u>-</u>	<u>-</u>

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Balance at 1 April	78,899,672	62,714,998
Add : Grants received/ receivable during the year	21,706,017	16,184,674
Balance at 31 March	<u>100,605,689</u>	<u>78,899,672</u>

NOTES TO THE FINANCIAL STATEMENTS
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NEE SOON TOWN COUNCIL
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25 OPERATING LEASE PAYMENT COMMITMENTS

At 31 March 2019, the future minimum lease payments payable under non-cancellable operating leases contracted for at the reporting date but not recognised as payables, are as follows:

	<u>2019</u>
	S\$
Not later than one year	482,936
Later than one year but not later than five years	<u>382,568</u>
	<u>865,504</u>

As at 31 March 2020, Town Council is committed to S\$284,794 short term lease.

Town Council has extended the maintenance agreement for computer system to 31 March 2021 on which maintenance cost are payable for S\$284,794. Agreement renewed for one year basis hence it qualified as short term lease therefore exempted from FRS 116.

26 CAPITAL COMMITMENTS

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Amount approved and contracted for	12,730,939	23,668,763
Amount approved but not contracted for	<u>31,142,391</u>	<u>40,145,163</u>
	<u>43,873,330</u>	<u>63,813,926</u>

27 RELATED PARTY TRANSACTIONS AND BALANCES

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

(a) The following significant transactions took place between the Town Council and its managing agent at terms agreed between the parties:

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Managing Agent's Fees	5,803,571	5,680,687
Contract for services and works*	40,311	37,866
Energy saving costs **	1,638,784	1,010,191
Project management fee	1,166,596	676,581
Repairs and maintenance	<u>1,732,425</u>	<u>896,587</u>

*Contract for services and works include mainly construction of playgrounds and electrical licensing fees.

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

The balances due to managing agent as at 31 March 2020 was S\$1,301,559 (2019: S\$480,491).

(b) During the financial year, town councillors allowances amounted to S\$215,714 (2019: S\$208,368).

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020

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28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

General Risk Management Principles

The Town Council's financial instruments comprise cash and liquid resources, investments in financial assets carried at fair value through profit or loss, conservancy and services fee receivables and other receivables, payables and accrued expenses. The main risks arising from the Town Council's financial instruments are credit risk, market risk and liquidity risk. The Town Council reviews and monitors policies for managing each of these risks and they are summarised below:

Credit Risk

Credit risk is the risk that counterparty to a financial asset fail to discharge an obligation or commitment entered into with the Town Council.

For conservancy and service receivables, at the end of the reporting period, there were no significant concentrations of credit risk. Investment in fixed deposits are with 3 (2019: 5) banks holding banking licences issued by the Monetary Authority of Singapore.

The Town Council's conservancy and service receivables has no significant concentration of credit risk with any single resident or category of resident. The credit risk for SC/CC receivable arise mainly from residents who are facing significant financial hardships and have difficulties paying their SC/CC fees despite letter of demand sent. Procedures are in place for collecting the outstanding SC/CCs. The Town Council measures loss allowance using simplified approach at an amount equal to lifetime expected credit losses ("ECL"), which is calculated using a provision matrix. As the Town Council's historical credit loss experience does not indicate significantly different loss patterns for different residential property room type and commercial property, the loss allowance based on past due status is not further disaggregated.

Credit risk on investments is managed through the setting of guidelines. The guidelines are reviewed and approved by the Investment & Finance Committee. Ongoing monitoring is undertaken by management to ensure that all investment activities are in compliance with the guidelines.

The ageing analysis of conservancy and service fee receivable past due and information on the impairment allowance are as follows:

	Gross 2020 S\$	Gross 2019 S\$	Impairment 2020 S\$	Impairment 2019 S\$
Past due <3 months	772,222	384,757	-	-
Past due 3 to 6 months	261,713	584,903	-	-
Past due 6 to 12 months	317,260	403,699	-	-
Past due 12 to 24 months	400,888	315,410	200,444	157,705
Past due > 24 months	539,272	581,631	539,272	581,631
	<u>2,291,355</u>	<u>2,270,400</u>	<u>739,716</u>	<u>739,336</u>

NOTES TO THE FINANCIAL STATEMENTS
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28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

Other receivables as at 31 March 2020 are not past due or impaired as at 31 March 2020. These comprised mainly recoverable from statutory boards and government agencies.

Debt instruments (Note 10) comprise of notes issued by government agencies and investment grade notes. Accordingly, credit risk is considered to be low.

The Town Council's maximum exposure to credit risk arising from cash and cash equivalents, conservancy and service fee receivables, other receivables and other financial assets as at 31 March 2020 is equal to the carrying amount of these financial assets in the statement of financial position.

Market risk

Market risk is the risk of potential adverse changes to the value of the financial instruments because of changes in market conditions such as interest and volatility in security prices.

(i) Price risk

The Town Council is exposed to securities price risk from financial assets which are classified on the statement of financial position at fair value through profit or loss. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the financial assets and the market conditions. Our investment portfolio with fund managers and debt investments are monitored by the fund managers, on a regular basis, so as to assess changes in fundamentals and valuation. Guidelines have been set by the Finance and Investment Committee to manage the exposure of our investment portfolio so as to reduce our exposures to market volatility by diversifying the investment portfolio into equities, bonds and other financial assets.

Sensitivity analysis

The table below summarises the impact to the Town Council's financial assets at fair value through profit or loss as a result of a 10% increase /decrease in the fair value of funds with all other variable held constant:

	Increase / (Decrease)			
	Net Assets		Sinking Fund	
	10% increase S\$	10% decrease S\$	10% increase S\$	10% decrease S\$
31 March 2020 Financial assets at fair value through profit or loss	2,894,498	(2,894,498)	2,894,498	(2,894,498)
31 March 2019 Financial assets at fair value through profit or loss	<u>2,997,112</u>	<u>(2,997,112)</u>	<u>2,997,112</u>	<u>(2,997,112)</u>

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28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Fair value interest rate risk is the risk that the value of financial instrument will fluctuate because of changes in market interest rates.

The Town Council has interest-bearing fixed deposits with financial institutions and debt investments. The interest rates are disclosed in Notes 11 and 14 to the financial statements. The interest-bearing fixed deposits and debt investments are at fixed rates at the reporting date.

If the interest rates from the Town Council's fixed deposits with banks had been 25 basis points lower/higher, with all other variables held constant, the Town Council's deficit before government grants for the year would have been S\$222,529 (2019: S\$213,191) higher/lower.

(iii) Currency risk

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

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

Liquidity risk

The Town Council manages its liquidity risk by maintaining sufficient cash and cash equivalents to meet its routine, sinking fund expenditure, lift replacement expenditure and town improvement project expenditure. This is managed via the regular monitoring of the Town Council's operating cash flow requirements and the budget set for capital expenditure.

The financial assets and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations have a maturity of less than one year other than lease liabilities as disclosed in Note 16.

Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	<u>Note</u>	<u>2020</u> S\$	<u>2019</u> S\$
Financial assets at fair value through profit or loss	10	28,944,981	29,971,115
Financial assets at amortised cost		126,726,281	119,676,291
Less: financial liabilities at amortised cost		(13,847,460)	(8,799,900)
		<u>141,823,802</u>	<u>140,847,506</u>

NOTES TO THE FINANCIAL STATEMENTS
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NEE SOON TOWN COUNCIL
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29 MANAGEMENT OF TOWN COUNCIL'S FUNDS

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

- (a) To safeguard the Town Council's ability to continue as a going concern;
- (b) To support the Town Council's stability and growth; and
- (c) To provide funds for the purpose of strengthening the Town Council's risk management capability.

The Town Council actively and regularly reviews and manages its fund structure to ensure optimal structure, taking into consideration the future funds requirements of the Town Council and fund efficiency, prevailing and projected service and conservancy charges, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Town Council is not subject to externally imposed capital requirements. As at end of the reporting date, the Town Council's total funds amounted to S\$143,045,205 (2019: S\$139,852,263).

30 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values

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

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

(a) Assets measured at fair value

The following table shows an analysis of each class of measured at fair value at 31 March 2020.

	<u>Level 1</u> S\$	<u>Level 2</u> S\$	<u>Level 3</u> S\$	<u>Total</u> S\$
<u>Recurring fair value measurements</u>				
31 March 2020				
Financial assets at fair value through profit or loss (Note 10)	28,944,981	-	-	28,944,981
31 March 2019				
Financial assets at fair value through profit or loss (Note 10)	29,971,115	-	-	29,971,115

NOTES TO THE FINANCIAL STATEMENTS
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30 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair values (cont'd)

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

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

	<u>Level 1</u> S\$	<u>Level 2</u> S\$	<u>Level 3</u> S\$	<u>Total</u> S\$
31 March 2020				
Debt Investments (Note 11)	-	-	-	-
31 March 2019				
Debt Investments (Note 11)	1,787,226	-	-	1,787,226

The carrying value of Debt Investments as at 31 March 2020 was S\$Nil (2019: S\$1,789,600).

31 SUBSEQUENT EVENTS

Changes in electoral boundaries

By virtue of the writ of election issued on 23 June 2020, a general election was called for on 10 July 2020. As a result of the redrawing of the electoral boundaries after the general elections, there have been changes of Nee Soon Town Council boundaries caused the Town Council to handover Kebun Baru Division to Ang Mo Kio Town Council. The affected units comprised 7,799 residential units, 281 commercial units and 4,919 parking lots. Nee Soon Town Council will also be taking over from Sembawang Town Council, 11,906 residential units, 121 commercial units and 7,932 parking lots. Subsequent to the handing and taking over of boundaries, the total EDU managed by the Town Council will increase by approximately 6%.

Further, as the members elected for the constituency stood in elections for the same political party, hence there will be a transfer of 80% surpluses as at 31 March 2019 after Parliamentary election to the ordinary Sinking Funds and Lift Replacement Funds of the Town Council, in accordance with Town Council Act, Cap 329A. The surpluses as at 31 March 2019 would be reduced by approximately S\$5 million for transfer to ordinary Sinking Funds and Lift Replacement Funds after taking into consideration of capital commitments of Town Improvement works and capital expenditures as at 22 June 2020, the day before the writ of election.

Impact from Novel-Coronavirus (Covid-19)

The outbreak of Covid-19 has affected businesses and economic activities to varying extents. The credit risk on conservancy and service fee receivables may increase due to these unprecedented circumstances.

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NEE SOON TOWN COUNCIL
(Established under Town Councils Act, Cap 329A)

31 SUBSEQUENT EVENTS (CONT'D)

Impact from Novel-Coronavirus (Covid-19) (cont'd)

The Town Council applies the fair value model to measure its financial assets at fair value through profit or loss. As at 31 March 2020, fair values of the Town Council's investments amounted to \$28,944,981 (refer Note 10). Subsequent to the Town Council's statement of financial position date, the credit risk and fair values of the Town Council's investments may be subject to fluctuation due to the financial and economic effects brought about by the COVID-19 outbreak.

The quantitative impact on the Town Council's financial position and results for the coming financial year cannot be reasonably estimated as at reporting date as the evolution of the COVID-19 outbreak situation is unpredictable.

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