PUBLIC TRANSPORT COUNCIL

Better Rides · Affordable Fares · Sustainable Public Transport

BETTER RIDES IN A CHANGING WORLD
TAKING SINGAPORE'S PUBLIC TRANSPORT
FORWARD

ANNUAL REPORT 2018/2019

VISION

A sustainable public transport system, the preferred choice for all.

MISSION

To work in collaboration with commuters, transport operators and Government agencies to improve our public transport system by:

- Keeping public transport fares affordable while ensuring the sustainability of the public transport system; and
- Providing objective, evidence-based advice to the Government to improve the service quality of public transport and commuters' travelling experience

CORE VALUES

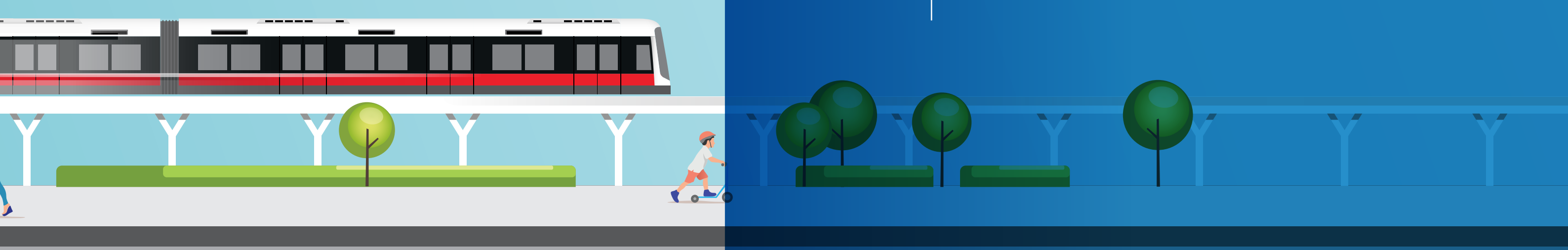
PROFESSIONALISM
Strive for service excellence in what we do and how we do it

INTEGRITY
Uphold high standards of moral and ethical principles

OBJECTIVITY
Be fair and open to differing views with the aim of achieving an optimal balance

INNOVATION
Seek new ways to improve public transport

CONTENTS



ABOUT PUBLIC TRANSPORT COUNCIL

THE PUBLIC TRANSPORT COUNCIL (PTC) REGULATES PUBLIC TRANSPORT FARES AND TICKET PAYMENT SERVICES. IT ALSO UNDERTAKES THE ROLE OF ADVISOR TO THE MINISTER FOR TRANSPORT ON PUBLIC TRANSPORT MATTERS. ESTABLISHED IN 1987 UNDER THE PUBLIC TRANSPORT COUNCIL ACT (CAP 259B), PTC OPERATES WITHIN THE SCOPE OF THIS ACT AND IN ACCORDANCE WITH OVERARCHING PUBLIC TRANSPORT POLICIES.

The 17-member Council has a broad and diverse representation from academia, labour union, transport industry and the people sector. Many of the Council members commute regularly by public transport for work and leisure. Through their experiences, they can better understand and empathise with commuters' concerns. PTC also proactively engages commuters and relevant stakeholders to solicit their views on public transport matters. The feedback enables PTC to consider and evaluate public transport issues holistically and make balanced recommendations to improve the public transport system.

The key statutory powers of PTC include:

Regulating bus and train fares	**Regulating ticket payment services for buses and trains**
Regulating penalty fees to deter fare evasion	**Advising the Minister for Transport on public transport matters**

PTC strives to keep public transport fares affordable for commuters while ensuring the sustainability of the public transport system. It also endeavours to enhance commuters' travel experience by providing objective, evidence-based advice to the Minister for Transport. PTC works closely with public transport industry players and government agencies such as the Ministry of Transport and the Land Transport Authority.

COUNCIL MEMBERS

1 **Mr Tan Kim Hong**
Chief Executive Officer, Public Transport Council

2 **Mr Richard Magnus**
Chairman, Public Transport Council

3 **Mr Fang Chin Poh**
General Secretary, National Transport Workers Union

4 **Mr Yeo Teck Guan**
Senior Group Director, Public Transport, Land Transport Authority

5 **Mr Lim Bok Ngam**
Former Deputy Chief Executive, Land Transport Authority

6 **Dr Lynette Cheah**
Assistant Professor, Engineering Systems, Singapore University of Technology and Design

7 **Mr Abdullah Shafiie Bin Mohamed Sidik**
Chairman, Siglap South Community Centre Management Committee
Vice-Chairman, Joo Chiat Community Club Management Committee

8 **Dr Kwoh Chee Keong**
Chairman, Keat Hong Citizens' Consultative Committee

9 **Associate Professor Patricia Tan Mui Siang**
Associate Professor, Accounting, Nanyang Business School, Nanyang Technological University

10 **Associate Professor Vincent Chua Cheng Huat**
Head, Research, Office of the President, Singapore University of Social Sciences

11 **Ms Anne Chua Tai Hua**
Head, Finance, CapitaLand Commercial Trust

12 **Ms Rahayu Mahzam**
Associate Director, Heng Leong & Srinivasan

COUNCIL MEMBERS

13 **Ms Chua Lee Hoong**
Senior Director, Resilience Policy and Research Centre
Senior Director, National Security Research Centre,
National Security Coordination Secretariat, Prime Minister's Office

14 **Mr Lim Boon Wee**
Deputy Secretary, Services, Ministry of Education

15 **Mr Adrian Chua**
Deputy Secretary, Administration, Ministry of Defence

16 **Ms Lee Huay Leng**
Head, Chinese Media Group, Singapore Press Holdings

17 **Mr Thuvinder Singh s/o Bachan Singh**
NTUC Central Committee Member
General Secretary, Union of Telecoms Employees of Singapore

PTC would like to place on record our appreciation to Mr Arasu Duraisamy, Mr Gopinath Menon, Mr Karmjit Singh, Mr Sng Chern Wei and Ms Tan Seow Peer for their invaluable contributions. They have stepped down from the Council, with effect from 1 May 2019.

ORGANISATION STRUCTURE

Richard Magnus
Chairman

Tan Kim Hong
Chief Executive

Cheryl Ng
Director
Corporate Services

Daniel Lau
Chief Transformation & Data Officer
Transformation & Research Analytics

Han Liang Yuan
Senior Director
Corporate Communications

Heng Ju-Li
Director
Insights & Advisory

Kok Tze Weng
Director
Policy & Regulation

Lee Kwok Ming
Director
Strategic Communications & Engagement

MOVE FORWARD WITH PURPOSE


CityCab

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE

Mr Richard Magnus
Chairman

Mr Tan Kim Hong
Chief Executive

LET'S GET THERE, TOGETHER

SINCE 2017, THE PUBLIC TRANSPORT COUNCIL (PTC) HAS BEEN CHAMPIONING THE CARING SG COMMUTERS MOVEMENT THROUGH OUR CO-CREATION INITIATIVES TO FOSTER A CARING COMMUTING CULTURE.

EVOLVING PUBLIC TRANSPORT LANDSCAPE

The public transport landscape is evolving relentlessly. Technology and demographics are driving unprecedented changes. New business models and mobility services have emerged, transforming travel patterns and redefining urban mobility.

Advances in digital technology, big data and artificial intelligence have enabled real-time analysis of commuter behaviour and travel patterns, opening up new possibilities for seamless and accessible public transport services. For example, mobile and smart technologies have made on-demand public transportation a reality.

Commuters' expectations also continue to rise, with increasing demand for higher service levels, on-demand transport services and seamless connectivity. The population is also ageing. As society evolves, its public transport system has to evolve as well. Today, flexible and accessible transportation options have been introduced to cater to vulnerable commuters with special mobility needs.

COMMUTER-CENTRIC PUBLIC TRANSPORT

Public transport seeks to serve commuters. Putting commuters first has always been at the core of our strategies and efforts, as we strive to build a commuter-centric public transport system. We engage commuters and take into account their views and feedback, as part of our approach to co-create solutions and co-produce positive outcomes for all stakeholders. We are gratified that the results of the 2018 Public Transport Customer Satisfaction Survey (PTCSS) have validated the efficacy of our approach. Customer satisfaction with public transport in 2018 has improved. The mean satisfaction score increased to 7.9 out of 10 in 2018, the highest in more than a decade, compared to 7.7 in 2017.

Harnessing digital technology is critical to raising our service standard to meet rising commuters' expectations and demand. It involves analytics work for us to understand commuters' expenditure, travel patterns, experience and perceptions. We also monitor industry changes to ensure commuter-centric initiatives.

NURTURING A CARING COMMUTING CULTURE

Since 2017, the Public Transport Council (PTC) has been championing the Caring SG Commuters movement through our co-creation initiatives to foster a caring commuting culture. The movement aligns with the "Transport For All" theme of the Land Transport Master Plan (LTMP) 2040. The LTMP 2040 envisions a public transport system that is anchored by a gracious and caring commuting culture.

Our efforts to foster a more inclusive and caring commuting culture received international recognition when PTC was awarded the International Association of Public Transport (UITP) Asia-Pacific Special Recognition Award for our Heart Zone and Heartwheels @ Linkway projects at the Global Public Transport Summit in Stockholm, Sweden in June 2019.

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE

WE ARE MINDFUL OF THE NEED TO BALANCE FARE AFFORDABILITY AND THE FINANCIAL SUSTAINABILITY OF OUR PUBLIC TRANSPORT SYSTEM.

PTC will adopt a design-thinking schema to integrate an inclusive public transport system and enhance travel experience for all commuters including those with special mobility needs. We have also embarked on intergenerational and constituency-based initiatives in FY2018/2019. Our CARE Ride @ South West (**C**aring commuters **A**ssist **R**eadily with **E**mpathy) intergenerational pilot and constituency-based CARE by Chung Cheng pilot involve collaboration with Fei Yue Community Services, a social service agency and schools respectively. These projects provide opportunities for younger commuters to better understand the travel needs of seniors, empower elderly commuters to travel more confidently on public transport and build understanding and care across different generations of commuters.

ENSURING FARES REMAIN AFFORDABLE AND SUSTAINABLE

PTC's mandate is to ensure that public transport fares are affordable. Over the years, we have been able to improve the overall fare affordability for commuters, based on our Public Transport Affordability Indicator (PTAI) which measures the percentage of family income spent on public transport. Since 2008, the PTAIs for the average commuters and lower income commuters have decreased from 2.7% to 1.7% and 4.1% to 2.5% respectively.

Beyond the PTAI, PTC also benchmarks against the public transport fare levels of other international cities. A PTC-commissioned study conducted by Nanyang Technological University in 2018 found that when compared against 11 major cities, Singapore ranked 2nd in terms of public transport fare affordability. A report published by independent management consultant, McKinsey and Company in June 2018, also ranked Singapore top for fare affordability in a study comparing 24 major cities around the world. One of the key policy changes made in FY2018/2019 was the Enhanced Transfer Rules, which took effect in December 2018. With the Enhanced Transfer Rules, commuters have the flexibility to make multiple rail transfers without incurring an additional boarding charge. As of today, about 6,000 daily journeys have already benefitted from lower fares or shorter travel times. Based on our analysis of daily travel patterns, around 67,000 journeys can potentially benefit from lower fares and/or shorter travel time if commuters adjust their current travel routes to take advantage of the Enhanced Transfer Rules.

We are mindful of the need to balance fare affordability and the financial sustainability of our public transport system. After three consecutive years of fare reductions, fare was adjusted by 4.3% from 29 December 2018. The financial landscape for the public transport industry remains challenging ahead; with a widening gap between fares and operating costs and increasing operating losses for both rail operators.

FOCUS ON TRANSFORMATION

The Transformation and Research Analytics division was established on 1 June 2018 to drive corporate transformation, digitalisation and strengthen in-house data analytics capability. We have built a team with a range of industry knowledge and domain expertise in areas like engineering, psychology, transportation, urban management and data science. The division conducts research on both local and international best practices and developments in public transport so as to gather more actionable insights to improve the commuters' travel experience, enhance strategic communications and strengthen public engagement. The division oversees surveys, research and benchmarking studies, engagement with academics and established international platforms, such as the Union Internationale des Transports Publics (UITP, International Association of Public Transport) based in Belgium.

APPRECIATION

As part of the Council's renewal process, we are pleased to welcome into the Council, Mr Lim Bok Ngam, former Deputy Chief Executive of Land Transport Authority, Mr Lim Boon Wee, Deputy Secretary (Services) at Ministry of Education, Ms Rahayu Mahzam, lawyer and Member of Parliament for Jurong Group Representation Constituency, Dr Lynette Cheah, Assistant Professor of Engineering Systems at the Singapore University of Technology and Design, and Mr Thuvinder Singh, General Secretary of the Union of Telecoms Employees of Singapore. We are confident that they have the right balance of skills and experience to take the Council forward, creating greater diversity of views and approaches. We would like to place on record our appreciation to Mr Arasu Duraisamy, Mr Gopinath Menon, Mr Karmjit Singh, Mr Sng Chern Wei and Ms Tan Seow Peer for their invaluable contributions; they have all stepped down from the Council.

We wish to thank the Council for their untiring efforts and hard work in contributing to the transformation of the public transport landscape and paving the way for the development of a future-ready transport system. We will continue to work with stakeholders and partners to deliver reliable, safe and affordable public transport services. We look forward to working with them to drive Singapore's public transport into the future.

Richard Magnus
Chairman, PTC

Tan Kim Hong
Chief Executive, PTC

AT A GLANCE

(1 April 2018 to 31 March 2019)

About

6,000

daily journeys benefitted from shorter travel times and/or lower fares with the Enhanced Transfer Rules

99.2%

of commuters happy with Point-to-Point services

97.9%

of commuters satisfied with public transport

12%
reduction in bus and train fare evasion cases

>17,000
commuters engaged through in-depth interviews, focus group discussion sessions, surveys and workshops

98%
daily trips on public transport are made using contactless cards

>336,000
commuters have benefitted daily from the morning pre-peak travel discounts since its introduction in December 2017

PUTTING COMMUTERS AT THE CENTRE OF EVERYTHING WE DO

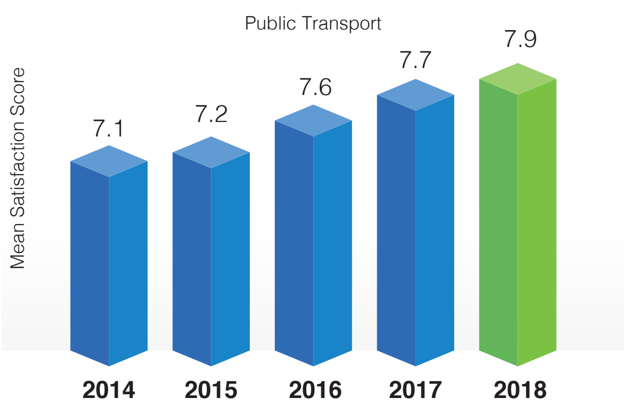

You
Care


MITSUBISHI
ELECTRIC

SAFEGUARDING COMMUTERS' INTEREST BY ENSURING AFFORDABLE AND SUSTAINABLE FARES

Public transport is all about the commuters. Their views and feedback are important to our efforts to improve public transport services. The results of the 2018 Public Transport Customer Satisfaction Survey conducted by the Public Transport Council (PTC) indicated that progress has been made to enhance commuters' travel experience. The survey showed that commuter satisfaction levels with public transport improved in 2018, with the mean satisfaction score rising to 7.9 out of 10 in 2018, the highest in more than a decade and up from 7.7 in 2017. PTC is encouraged by the positive results and will continue to work harder with our stakeholders to improve our public transport system for the benefit of our commuters.

COMMUTER SATISFACTION LEVELS WITH PUBLIC TRANSPORT IMPROVED OVER THE YEARS



PUBLIC TRANSPORT IS ALL ABOUT THE COMMUTERS. THEIR VIEWS AND FEEDBACK ARE IMPORTANT TO OUR EFFORTS TO IMPROVE PUBLIC TRANSPORT SERVICES.

Summary of 2018 Fare Review Exercise

The 2018 Fare Review Exercise was conducted based on the new fare formula applicable from 2018 to 2022. The Network Capacity Factor, which better reflects cost movements due to changes in public transport network capacity, was incorporated into the formula for the first time. Following three consecutive years of fare reductions totalling 8.3%, fare was adjusted by 4.3%. The decision took into consideration the delicate balance of fare affordability and the rising costs faced by public transport operators.

In recommending the fare adjustment, PTC tried its best to be fair and also balanced the impact for different commuter groups, particularly the disadvantaged groups. Adjustment was made to adult fares with minimal change to the concession fares for students, senior citizens, low-wage workers and persons with disabilities. The Government also gave out 300,000 Public Transport Vouchers, worth $30 each, to help lower income families cope with the fare adjustment.

Additionally, PTC has enhanced transfer rules to allow commuters to make multiple rail transfers without incurring an additional boarding charge. The new transfer rules give commuters more flexibility to optimise their public transport travel to save cost and/or time. About 6,000 daily journeys benefitted from these changes and this number is expected to increase as commuters adjust their travel patterns.

SAFEGUARDING COMMUTERS' INTEREST BY ENSURING AFFORDABLE AND SUSTAINABLE FARES

PUBLIC TRANSPORT AFFORDABILITY INDICATOR
(since 2008)

2.7% TO 1.7%
AVERAGE COMMUTERS

4.1% TO 2.5%
LOWER INCOME COMMUTERS

AFFORDABLE FARES

Over the past decade, public transport fares have become more affordable as indicated by the Public Transport Affordability Indicator (PTAI), which measures the percentage of monthly household income spent on public transport. Since 2008, the average commuters (second quintile income households) and lower income commuters (second decile income households) have seen their PTAI improved from 2.7% to 1.7% and 4.1% to 2.5% respectively.

PTC is also monitoring fare affordability trends through international benchmarking studies. In a Nanyang Technological University study commissioned by the PTC, it was found that Singapore's senior citizen and student concessionary fares were among the lowest across the 12 cities compared. In fact, the eligibility age for seniors to enjoy senior citizen concessionary fares in Singapore, at 60 years old, is one of the lowest, allowing more commuters to benefit from the concessionary fares at an earlier age.

SINGAPORE'S CONCESSIONARY FARES

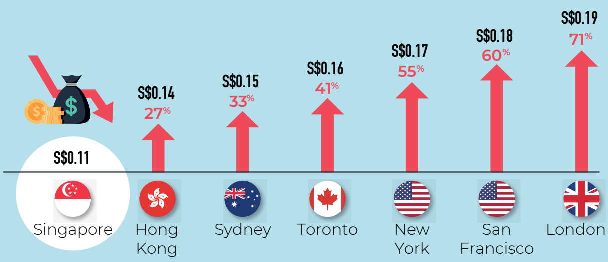
LOWEST
CONCESSIONARY FARES ACROSS THE 12 CITIES COMPARED

60 YEARS OLD
ELIGIBILITY AGE FOR SENIORS TO ENJOY CONCESSIONS

SINGAPORE'S PUBLIC TRANSPORT OPERATORS COLLECT THE LOWEST FARE REVENUE

FOR EVERY PASSENGER KILOMETRE

For example, for a trip of 10km, Londoners pay on average at least S$0.80 (71%) more than Singapore commuters



Passenger kilometre = total distance travelled by passengers within the public transport network.

** Based on statistics collected in 2016*

Another finding from the study was that in terms of fare revenue collected per passenger kilometre, Singapore was the lowest among Hong Kong, Sydney, Toronto, New York, San Francisco and London.

FARE STRUCTURE FOR OTHER MODES

Taxis and non-public buses

Today, commuters find it easier to compare fares across different taxi companies. This can be attributed to the standardised taxi fare structure that was implemented in 2015. With the structure, each taxi company has only one set of unit fares for its standard taxis and another set for its premium taxis. Additionally, each taxi company will also have just one set of standard taxi booking fee for peak-period, off-peak and advance bookings as well as another set for its premium taxis.

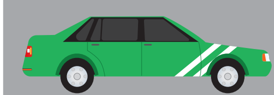
Commuters also have a choice between taking non-public buses and public transport. Always putting commuters at the centre of everything we do, PTC requires operators of non-public buses to submit their fare pricing policies for approval before implementation. This safeguards commuter interests. During the year in review, PTC approved 27 such applications on fare pricing.

Private Hire Cars

PTC commissioned the Point-to-Point Transport Services Customer Satisfaction Survey to measure user satisfaction for taxi and private hire car services and to understand the expectations of these users of both taxis and private hire cars. Results showed that 99.6% of respondents indicated they were satisfied with taxi service, while 98.8% were satisfied with private hire cars. This shows that a balance had been achieved between safeguarding commuter needs and encouraging the development of different transport service modes.

CUSTOMER SATISFACTION SURVEY RESULTS

99.6%
SATISFACTION IN TAXI SERVICES



98.8%
SATISFACTION IN PRIVATE HIRE SERVICES

PTC is currently working closely with the Land Transport Authority on the new regulatory framework for street-hail and ride-hail services that provide the same fundamental service of transporting commuters from point to point. We will extend today's taxi fare regulatory approach to private hire car fares. This will safeguard commuter and driver interests in the area of taxi and PHC fare transparency. The new regulatory framework will commence in June 2020.

SAFE AND CONVENIENT FARE PAYMENT SYSTEMS

Most of the daily public transport trips today are made using Contactless e-Purse Application Standard (CEPAS) compliant cards, which include EZ-Link and NETS FlashPay cards. All fees and charges related to these cards, including top-ups and refunds are regulated by the PTC.

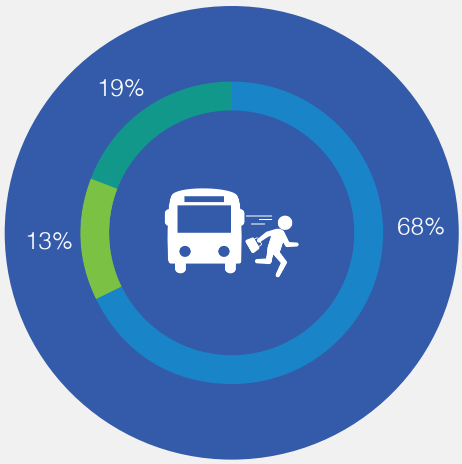
With more Singaporeans using various forms of payments for everyday transactions, it is also timely for the public transport system to adopt new payment technology for fare payments. The Land Transport Authority (LTA) has piloted SimplyGo since March 2017, enabling public transport fare payments with contactless cards, including MasterCard or Visa credit and debit cards.

Following a successful trial SimplyGo was launched officially on 4 April 2019. Commuters can now use contactless bank cards or mobile phones to pay for their travel on public transport and do not need to top up their fare cards.

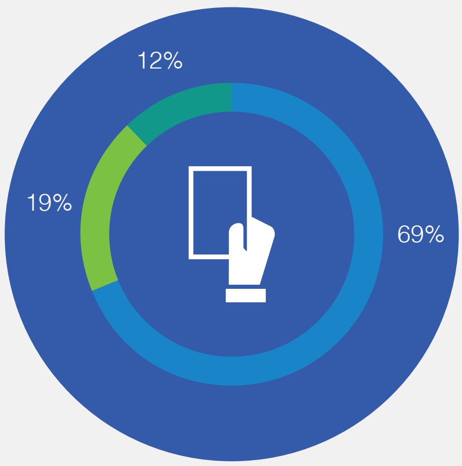
PTC has put in place an effective penalty fee regime to deter fare evasion on our bus and train systems. Public Transport Officials, identified by Authority Cards issued by PTC, inspect commuters' tickets for proper fare payment and undertake enforcement against those found evading fares. Such behaviour can possibly lead to significant losses that threaten the financial sustainability of the public transport system.

A total of 4,821 fare evasion cases were detected in FY2018/19. About 54% of the cases were settled by the fare evaders through payment of the penalty fee or composition sum. In the same period, 2,322 appeals were processed. There was a 12% reduction in bus and train fare evasion cases in FY 2018/19 compared to the 5,509 fare evasion cases detected in FY 2017/18. Meanwhile, 258 taxi fare evasion cases were referred to PTC/LTA for investigation. PTC will continue to work closely with LTA and the taxi operators to protect the livelihood of our taxi drivers.

BUS AND TRAIN FARE EVASION ACCORDING TO PENALTY TYPE
FY2018/2019



APPEALS ACCORDING TO PENALTY TYPE
FY2018/2019



- Non-payment
- Under-payment
- Misuse of concession & non-transferable ticket

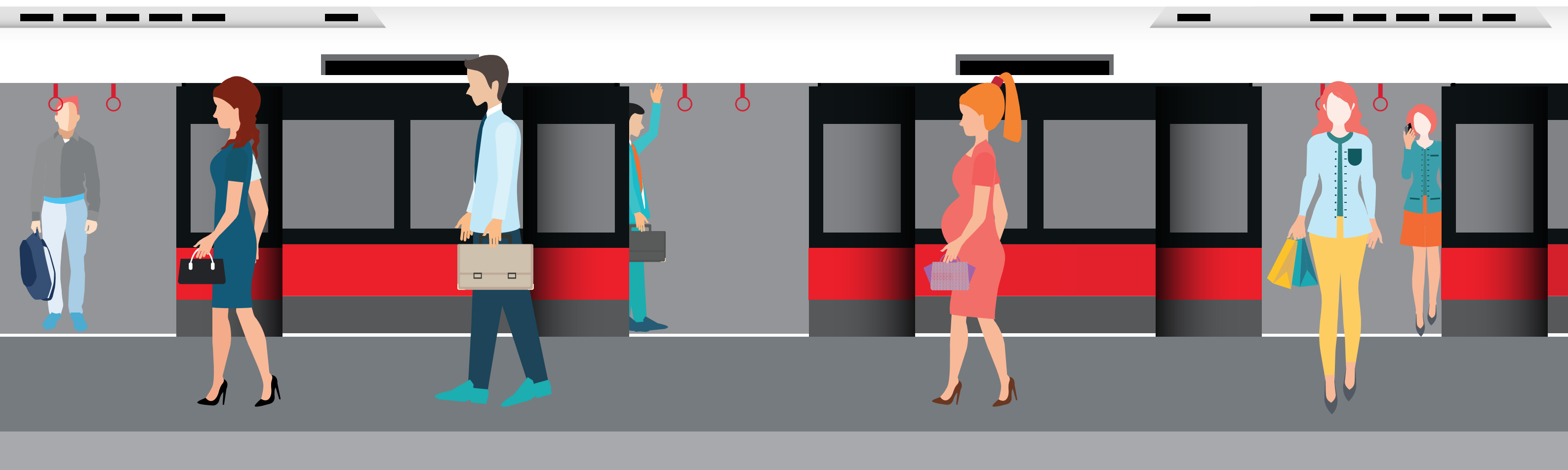
UNDERSTANDING COMMUTERS TO DELIVER A BETTER COMMUTING EXPERIENCE

PUBLIC ENGAGEMENT SURVEYS

- PUBLIC TRANSPORT CUSTOMER SATISFACTION SURVEY
- POINT-TO-POINT TRANSPORT SERVICES CUSTOMER SATISFACTION SURVEY

"Transport for All" is one of the themes under the Land Transport Master Plan (LTMP 2040). As part of its efforts to realise the vision of LTMP 2040, the Public Transport Council (PTC) strives to foster a progressive, inclusive and sustainable public transport system for Singapore. To this end, PTC has put in place many feedback mechanisms to engage various groups of commuters and stakeholders to gather their insights and views on how we can make our commuting culture more gracious and caring. These insights are very useful for PTC to shape and surface recommendations for improvement to the public transport system as an independent advisor to the Minister for Transport.

The insights which are obtained from our interactions with diverse groups of commuters through surveys, in-depth interviews, focus group discussions and workshops, support PTC's recommendations. In the year under review, PTC conducted 30 public engagement sessions and also conducted surveys, namely the Public Transport Customer Satisfaction Survey and the Point-to-Point Transport Services Customer Satisfaction Survey. In total, more than 17,000 commuters were engaged across a wide demographic spectrum to ensure diversity of views.



EVERY JOURNEY
MATTERS


REMOVES
TOUGH
STAINS
ELIMINATES
ODOURS
Advanced Anti-Bacterial

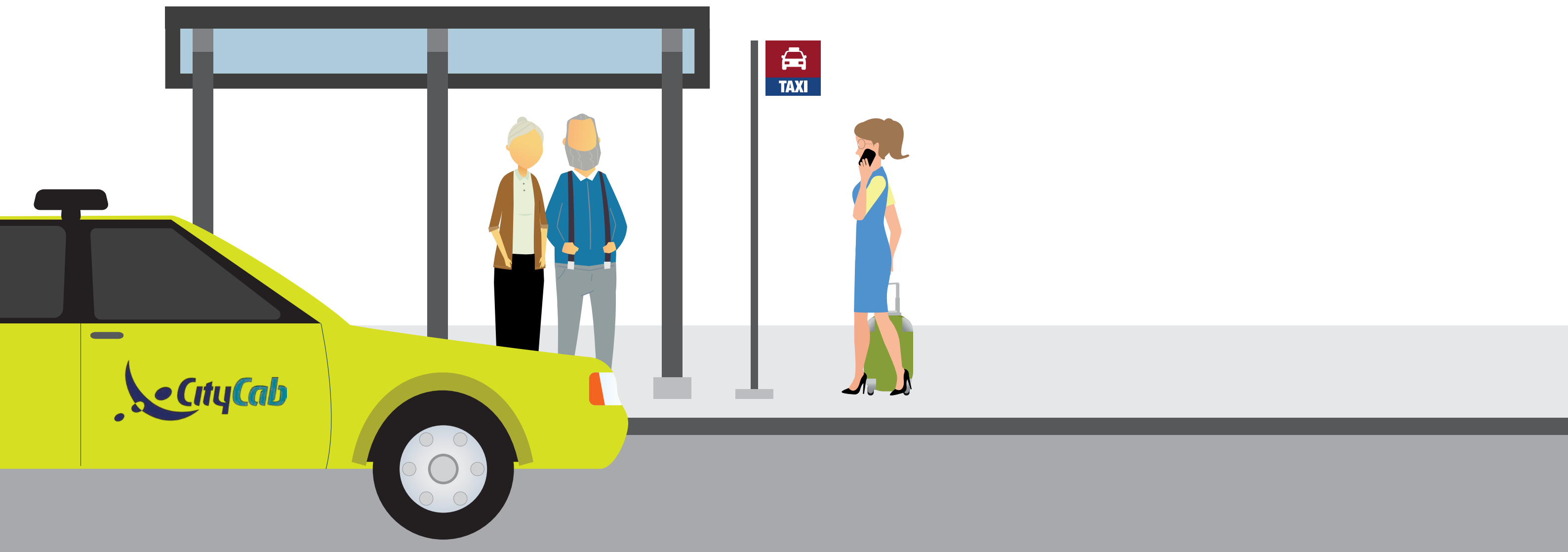

SG BUS

CO-CREATION INITIATIVES

CARING SG COMMUTERS

THE LAND TRANSPORT MASTER PLAN (LTMP) 2040 ENVISIONS AN INCLUSIVE PUBLIC TRANSPORT SYSTEM SUPPORTED BY A GRACIOUS AND CARING COMMUTING CULTURE. TO ACHIEVE THIS, THE PUBLIC TRANSPORT COUNCIL (PTC) HAS IMPLEMENTED A SERIES OF INITIATIVES WITH LIKE-MINDED PARTNERS TO FOSTER A CARING CULTURE AMONG COMMUTERS.

SINCE 2017, PTC HAS BEEN DRIVING THE CARING SG COMMUTERS MOVEMENT THROUGH CO-CREATION PILOTS WITH COMMUTERS AND STAKEHOLDERS. THE MOVEMENT AIMS TO ENHANCE SOCIAL COHESION AND ENRICH THE EXPERIENCE OF COMMUTERS BY PROVIDING OPPORTUNITIES AND PLATFORMS FOR THEM TO CARE FOR AND ASSIST ONE ANOTHER, ESPECIALLY THE VULNERABLE COMMUTERS, WHEN TAKING PUBLIC TRANSPORT.



Under the Caring SG Commuters movement, PTC has initiated co-creation pilots in three areas:

SECTORIAL CO-CREATION PILOTS

In our sectorial pilots, PTC collaborated with specific sectors, such as the medical institutions, to create opportunities for commuters to help one another at certain transport nodes. The Land Transport Authority (LTA) and SMRT Trains were also partners in these pilots.

Heart Zone @ Novena and Heart Zone @ Jurong East were launched in June 2018, in collaboration with Tan Tock Seng Hospital and Ng Teng Fong General Hospital respectively.

For Heart Zone @ Novena, Tan Tock Seng Hospital brought together six partners within HealthCity Novena including National Healthcare Group, National Skin Centre, Ren Ci Hospital, Lee Kong Chian School of Medicine, Dover Park Hospice and National Neuroscience Institute. This Heart Zone dovetailed with Tan Tock Seng Hospital's "Walk-with-Me" social movement to assist commuter-patients walking to the HealthCity Novena from Novena MRT Station.

CO-CREATION INITIATIVES

The Heart Zone @ Jurong East expanded on the patient-centric initiatives of Ng Teng Fong General Hospital and Jurong Community Hospital by providing a Heart Zone @ Jurong East MRT Station where the hospital wheelchairs can be parked. Commuters are encouraged to look out for those with mobility challenges, who may need help to be pushed on wheelchairs to their destination in the hospital.

Heart Zone @ Yishun, a collaboration with Khoo Teck Puat Hospital (KTPH), was launched in May 2019. The pilot provided clear directional signage from the Heart Zone to the shuttle bus pick-up point at Yishun MRT Station. In collaboration with Northpoint City, posters with information on the buses to KTPH and Yishun Community Hospital were also displayed at bus stops outside the shopping mall. Additionally, a Heart Zone was set up at the hospital premise. Commuters are encouraged to help and care for one another during their journeys to and from the hospitals.

INTERGENERATIONAL CO-CREATION PILOTS

Engaging commuters from a young age is important in building a sustainable caring commuting culture. Intergenerational co-creation pilots aim to encourage young commuters to interact and bond with seniors, so that they can be more mindful of the needs of the elderly and extend a hand of care to them on public transport. PTC and South West Community Development Council launched the inaugural CARE Ride @ South West (**C**aring commuters **A**ssist **R**eadily with **E**mpathy) in December 2018, where students from ITE College West and Pioneer Junior College interacted with elderly from Fei Yue Senior Activity Centre and Fei Yue Retirees Centre on a bus ride. CARE Ride @ South West also involved partners from the LTA and SMRT Buses.

CONSTITUENCY-BASED CO-CREATION PILOTS

Constituency-based pilots refer to partnership projects with community organisations. To meet the needs of Yishun's elderly residents who travel by public transport, PTC, in collaboration with Chung Cheng High School Yishun (CCHSY), launched the CARE by Chung Cheng in March 2019, in conjunction with the school's 80th anniversary celebrations. It involved 1,350 participants, including 1,200 students, and another 150 teachers, staff, parents and alumni volunteers. The students assisted elderly commuters to carry their heavy groceries and bags or help them with their trolleys on their last-mile travel. The goal was for students to have first-hand experience interacting with the elderly and developing empathy and awareness of their needs. Students also wore "Caring SG Commuters" wristbands to signal their desire to help. Over time, the elderly residents can learn to identify the wristbands and feel more comfortable asking for help.

INTERNATIONAL RECOGNITION

PTC's co-creation projects have received international recognition for their unique contribution to the commuting culture. PTC was awarded the UITP (International Association of Public Transport) Asia-Pacific Special Recognition Award for the Heart Zone and Heartwheels @ Linkway projects at the UITP Global Public Transport Summit held in Stockholm, Sweden on 10 June 2019.

FUTURE FORWARD

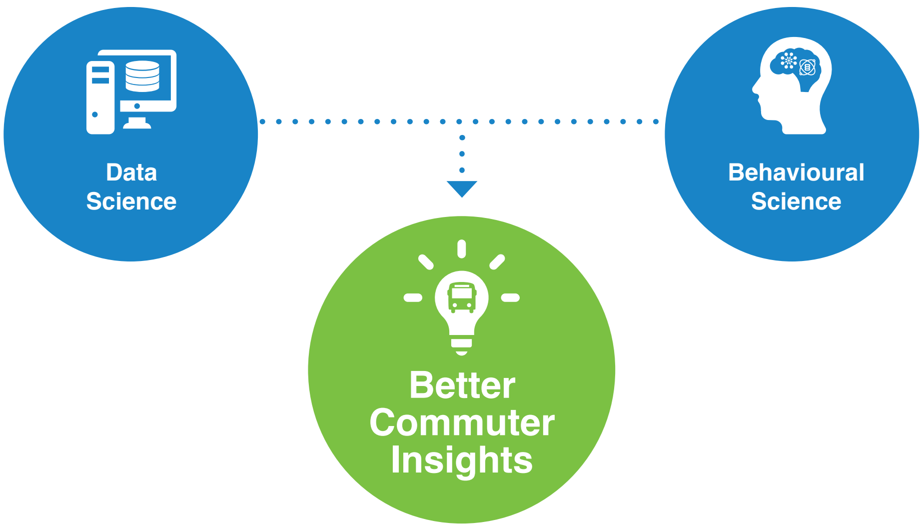

Top up


HOTEL
PIZZA

DATA AND BEHAVIOURAL SCIENCES: DEEPER INSIGHTS, POWERING NEW POSSIBILITIES

THE TRANSFORMATION AND RESEARCH ANALYTICS (TRA) DIVISION WAS ESTABLISHED ON 1 JUNE 2018 TO DRIVE CORPORATE TRANSFORMATION AND PLANNING AS WELL AS TO PROVIDE A CENTRALISED RESEARCH AND DATA ANALYTICS SUPPORT WITHIN THE PUBLIC TRANSPORT COUNCIL (PTC). THE DIVISION FACILITATES THE DEVELOPMENT OF STRATEGIC CAPABILITIES TO IMPROVE INTERNAL OPERATIONAL EFFICIENCY AND DEEPEN UNDERSTANDING OF COMMUTERS' NEEDS AND PREFERENCES, LEADING TO ENHANCED COMMUTERS' EXPERIENCE AND COMMUTING CULTURE.

EXPLORING NEW WAYS TO UNDERSTAND AND ENGAGE OUR COMMUTERS

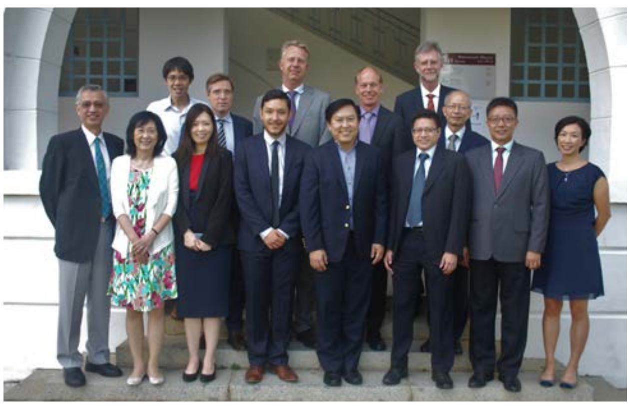


Through data analytics, TRA aims to understand commuter expenditure and travel patterns to support development of fare policies such as the enhanced rail transfer rules which was implemented in December 2018. Data analytics also enable formulation of policies to nudge commuters towards more optimal travel and better utilisation of our public transport services. In addition, TRA conducts social media sentiments analyses to better understand commuters' experience and perception of public transport. The division works with key stakeholders in the public transport industry to gather actionable insights for policy implementation, strategic communications and public engagement.

TRA is also responsible for commuter surveys, research and benchmarking studies. It engages the academia and participates in established international platforms such as the Union Internationale des Transports Publics (UITP, International Association of Public Transport) based in Belgium.

In line with our mission to be future-ready in a data-driven and customer-centric era, PTC will continue to deepen its capabilities in data sciences. In parallel, it will also seed new efforts in behavioural sciences so as to build up our capability to understand and predict human behaviour.

With better insight generation and sense-making, this will ultimately result in better fare policies, public commuting experience and culture.



FINANCIAL STATEMENTS

STATEMENT BY THE MEMBERS OF PUBLIC TRANSPORT COUNCIL ("COUNCIL")

For the financial year ended 31 March 2019

In our opinion,

(a) the accompanying financial statements of the Public Transport Council (hereafter to be called "Council") as set out on pages 39 to 72 are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), the Public Transport Council Act, Chapter 259B (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRSs"), so as to present fairly, in all material respects, the financial position of the Council as at 31 March 2019 and of the results, changes in equity and cash flows of the Council for the financial year then ended;

(b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Council during the year have been, in all material respects, in accordance with the provisions of the Act; and

(c) proper accounting and other records have been kept, including records of all assets of the Council whether purchased, donated or otherwise.

On behalf of the Council,

Richard Magnus
Chairman

Tan Kim Hong
Chief Executive

Singapore

Date: 28 June 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PUBLIC TRANSPORT COUNCIL

(Constituted under the Public Transport Council Act, Chapter 259B)
For the financial year ended 31 March 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the Public Transport Council (the "Council") which comprise the statement of financial position as at **31 March 2019**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), the Public Transport Council Act, Chapter 259B (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRSs") so as to present fairly, in all material respects, the state of affairs of the Council as at **31 March 2019** and the results, changes in equity and cash flows of the Council for the 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 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 other information. The other information comprises the Statement by the Members of Public Transport Council set out on page 38.

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 Public Sector (Governance) Act, the Act and Statutory Board Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the 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 Council or for the Council to cease operations.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PUBLIC TRANSPORT COUNCIL

(Constituted under the Public Transport Council Act, Chapter 259B)
For the financial year ended 31 March 2019

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PUBLIC TRANSPORT COUNCIL

(Constituted under the Public Transport Council Act, Chapter 259B)
For the financial year ended 31 March 2019

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Council during the year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Council; and

(b) proper accounting and other records have been kept, including records of all assets of the 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 Council in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditor's Responsibilities for the Compliance Audit

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

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

Assurance Partners LLP
Public Accountants and Chartered Accountants

Singapore

Date: 28 June 2019

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	2018/2019 S$	2017/2018 S$
Revenue			
Penalty fee		**112,100**	123,970
Others		**623**	581
	(4)	**112,723**	124,551
Less: Expenditure			
Council members' allowance		**107,269**	107,663
Depreciation of plant and equipment		**71,255**	64,611
Entertainment and refreshments		**8,383**	10,460
General administration		**28,762**	33,998
IT expenditure/maintenance		**864,736**	691,968
Loss on disposal of plant and equipment		**-**	2,469
Others		**58,185**	52,827
Penalty fee scheme		**423,840**	435,959
Publicity		**61,893**	56,877
Professional fees		**102,110**	23,367
Rental of office		**259,532**	258,515
Staff costs			
- Salaries, allowances and benefits		**3,595,429**	3,266,125
- Central Provident Fund contributions		**453,323**	448,697
Staff training		**93,527**	101,067
Survey and research fee		**1,085,322**	690,904
Transport		**12,669**	11,626
Total operating expenses		**7,226,235**	6,257,133
Operating deficit before government grants and contributions to consolidated fund		**(7,113,512)**	(6,132,582)
Government grants			
Operating grants	(7)	**8,021,553**	6,346,812
Deferred capital grants amortised	(11)	**41,831**	43,356
Surplus before contributions to consolidated fund		**949,872**	257,586
Less: Contributions to consolidated fund			
Current year's contribution	(10)	**(121,178)**	(43,790)
Surplus for the financial year, representing to total comprehensive income for the financial year		**828,694**	213,796

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	2018/2019 S$	2017/2018 S$
Non-current assets			
Plant and equipment	(5)	**147,463**	200,428
Current assets			
Prepayments		**49,114**	2,237
Other receivables	(6)	**71,856**	114,559
Grant receivables	(7)	**266,396**	363,449
Cash and cash equivalents	(8)	**1,824,960**	552,207
		2,212,326	1,032,452
Less:			
Current liabilities			
Other payables	(9)	**752,389**	541,502
Contributions to consolidated fund	(10)	**121,178**	43,790
		873,567	585,292
Net current assets		**1,338,759**	447,160
Non-current liabilities			
Deferred capital grants	(11)	**(52,133)**	(79,983)
NET ASSETS		**1,434,089**	567,605
EQUITY			
Share capital	(12)	**232,418**	194,628
Accumulated surplus	(13)	**1,201,671**	372,977
		1,434,089	567,605

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

	Note	Share capital S$	Accumulated surplus S$	Total S$
2018				
Balance as at 1 April 2018		194,628	372,977	567,605
Surplus for the financial year, representing to total comprehensive income for the financial year		–	828,694	828,694
Capital injection for the financial year	(12)	37,790	–	37,790
Balance as at 31 March 2019	(12), (13)	**232,418**	**1,201,671**	**1,434,089**
2017				
Balance as at 1 April 2017		–	159,181	159,181
Surplus for the financial year, representing to total comprehensive income for the financial year		–	213,796	213,796
Capital injection for the financial year	(12)	194,628	–	194,628
Balance as at 31 March 2018	(12), (13)	**194,628**	**372,977**	**567,605**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	Note	2018/2019 S$	2017/2018 S$
Cash flows from operating activities			
Operating deficit before government grants and contributions to consolidated fund		**(7,113,512)**	(6,132,582)
Adjustments for:			
Depreciation of plant and equipment	(5)	**71,255**	64,611
IT expenditure/maintenance reimbursed by government grants		**153,542**	151,275
Loss on disposal of plant and equipment		**–**	2,469
Operating deficit before working capital changes		**(6,888,715)**	(5,914,227)
Change in operating assets and liabilities:			
Prepayments		**(46,877)**	4,335
Other receivables		**42,703**	(35,037)
Other payables		**210,887**	(471,330)
Cash flows used in operation		**(6,682,002)**	(6,416,259)
Contributions to consolidated fund		**(43,790)**	–
Net cash used in operating activities		**(6,725,792)**	(6,416,259)
Cash flows from investing activities			
Purchase of plant and equipment	A	**(18,290)**	(149,605)
Cash received on sale of plant and equipment		**–**	240
Net cash used in investing activities		**(18,290)**	(149,365)
Cash flows from financing activities			
Additions to share capital	(12)	**37,790**	194,628
Operating grants received		**7,979,045**	6,633,239
Net cash generated from financing activities		**8,016,835**	6,827,867
Net increase in cash and cash equivalents		**1,272,753**	262,243
Cash and cash equivalents at beginning of the year		**552,207**	289,964
Cash and cash equivalents at end of the year	(8)	**1,824,960**	552,207

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

Note to the statement of cash flows

A. Purchase of plant and equipment

	2018/2019	2017/2018
	S$	S$
Aggregate cost of plant and equipment acquired (Note 5)	**18,290**	149,605
Accrued expenses	**–**	-
Purchase of plant and equipment	**18,290**	149,605
Capital injection received to acquire plant and equipment	**4,309**	144,408
Cash payment made to acquire plant and equipment	**13,981**	5,197
Purchase of plant and equipment	**18,290**	149,605

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

1. GENERAL

The Public Transport Council (the "Council") was constituted under the Public Transport Council Act, Chapter 259B.

The Council's principal place of operations is located at 510 Thomson Road, #12-03, SLF Building, Singapore 298135.

The principal activities of the Council under the Public Transport Council Act, Chapter 259B are:

(a) to set or approve fares and fare pricing policies for bus services, train services and taxi services in Singapore;

(b) to promote and facilitate the integration of bus fares and train fares to ensure the provision of efficient public passenger transport services and facilities;

(c) to evaluate and recommend to the Government improvements to, or otherwise advise the Government in respect of, bus services, train services and taxi services in Singapore so that they —

   (i) may satisfy all reasonable passenger demands in Singapore for bus services, train services and taxi services;

   (ii) may offer an attractive alternative to private motor vehicle transport, and the extent of such travel, in Singapore;

   (iii) are effectively and efficiently integrated so as to facilitate seamless travel for passengers within and between different modes of land transport and greater mobility within communities in Singapore; and

   (iv) provide viable public passenger transport services at a reasonable cost to the community and the Government;

(d) to undertake surveys or other arrangements to obtain public feedback on any matter relating to the provision of bus services, train services and taxi services in Singapore;

(e) to exercise licensing and regulatory functions in respect of the provision of ticket payment services in Singapore; and

(f) to perform such functions as the Minister may, by order published in the Gazette, assign.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the Act and Statutory Board Singapore Financial Reporting Standards ("SB-FRS") including related interpretations ("INT SB-FRS") and Guidance Notes. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

(b) Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period except that in the current financial year, the Council has adopted all the new and amended standards which are relevant to the Council and are effective for annual financial periods beginning on or after 1 April 2018. Except for the adoption of SB-FRS 109 Financial Instruments described below, the adoption of these standards did not have any material effect on the financial performance or position of the Council.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Adoption of new and amended standards and interpretations (continued)

SB-FRS 109 *Financial Instruments*

SB-FRS 109 replaces SB-FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Council applied SB-FRS 109 retrospectively, with an initial application date of 1 April 2018. The Council has not restated comparative information which continues to be reported under SB-FRS 39 and the disclosure requirements of SB-FRS 107 Financial Instruments: Disclosures relating to items within the scope of SB-FRS 39.

(i) Classification and measurement

Under SB-FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Council's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Council's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of SB-FRS 109 did not have a significant impact to the Council. The following are the changes in the classification and measurement of the Council's financial assets:

- Other receivables and grant receivables classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 April 2018.

The Council has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Council's financial liabilities.

In summary, upon the adoption of SB-FRS 109, the Council had the following required or elected reclassification as at 1 April 2018:

		SB-FRS 109 measurement category		
		FVPL	FVOCI	Amortised cost
SB-FRS 39 measurement category	S$	S$	S$	S$
Loans and receivables				
Other receivables	114,559	–	–	114,559
Grant receivables	363,449	–	–	363,449
Cash and cash equivalents	552,207	–	–	552,207
	1,030,215			**1,030,215**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Adoption of new and amended standards and interpretations (continued)

SB-FRS 109 *Financial Instruments* (continued)

(ii) Impairment

The adoption of SB-FRS 109 has fundamentally changed the Council's accounting for impairment losses for financial assets by replacing SB-FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. SB-FRS 109 requires the Council to recognise an allowance for ECLs for all debt instruments not held at FVPL.

Upon adoption of SB-FRS 109, the Council did not recognise additional impairment on the Council's other receivables and grant receivables as at 1 April 2018.

(c) Standard issued but not yet effective

The Council has not adopted the following standards applicable to the Council that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
SB-FRS 116 *Leases*	1 January 2019

The nature of the impending changes in accounting policy on adoption of SB-FRS 116 are described below.

SB-FRS 116 *Leases*

SB-FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SB-FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Council plans to adopt SB-FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the government grant received in advance at the date of initial application, 1 April 2019.

On the adoption of SB-FRS 116, the Council expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if SB-FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 April 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Standard issued but not yet effective (continued)

SB-FRS 116 *Leases* (continued)

In addition, the Council plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SB-FRS 116 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Council has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Council adopts SB-FRS 116 in 2019.

On the adoption of SB-FRS 116, the Council expects to recognise right-of-use assets of S$429,505 and lease liabilities of S$483,817 for its leases previously classified as operating leases, with a corresponding decrease in the opening accumulated surplus of S$54,312.

(d) Revenue recognition

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

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

The following specific recognition criteria must also be met before revenue is recognised:

(i) Penalty fee

Penalty fee is recognised at the point of collection of the settlement.

(ii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants to meet the current period's operating expenses are recognised as income in the financial period in which the operating expenses are incurred.

Grants received from the Ministry of Transport for capital expenditure are taken to the deferred capital grants account upon the utilisation of the grants for purchase of plant and equipment, which are capitalised, or to income or expenditure for purchase of plant and equipment which are written off in the year of purchase.

Deferred capital grants are recognised as income over the periods necessary to match the depreciation, amortisation, write-off and/or impairment loss of the plant and equipment purchased with the related grants. Upon the amortisation or disposal of plant and equipment, the balance of the related deferred capital grants is recognised as income to match the carrying amount of the plant and equipment disposed of.

(f) Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of the Council are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Singapore Dollar, which is the Council's functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Council and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of comprehensive income.

(g) Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Plant and equipment (continued)

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Renovation	5 years
Furniture and fittings	5 years
Computer equipment	3 years
Computer software	5 years
Office equipment	5 years

Plant and equipment costing below $1,000 per item are charged to the statement of comprehensive income during the financial year.

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in statement of comprehensive income in the year the asset is derecognised.

(h) Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group 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.

Impairment losses are recognised in statement of comprehensive income.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments

<u>These accounting policies are applied on and after the initial application date of SB-FRS 109, 1 April 2018:</u>

(i) Financial assets

Initial recognition and measurement

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

At initial recognition, the 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. Transaction costs of financial assets carried at FVPL are expensed in statement of comprehensive income.

Subsequent measurement

- Investment in debt instruments

  Subsequent measurement of debt instruments depends on the Council's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Council only has debt instruments at amortised cost.

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

Derecognition

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

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Council becomes a party to the contractual provisions of the financial instrument. The 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 FVPL, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

<u>These accounting policies are applied on and after the initial application date of SB-FRS 109, 1 April 2018: (continued)</u>

(ii) Financial liabilities (continued)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in statement of comprehensive income.

(iii) Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

(a) currently has a legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

<u>These accounting policies are applied before the initial application date of SB-FRS 109, 1 April 2018:</u>

(i) Financial assets

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at FVPL, directly attributable transaction costs.

Subsequent measurement

- Loans and receivables

  Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

  Loans and receivables comprise other receivables, grant receivables and cash and cash equivalents.

  Cash and cash equivalents comprise cash at bank and cash deposits with Accountant General's Department.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

These accounting policies are applied before the initial application date of SB-FRS 109, 1 April 2018: (continued)

(i) Financial assets (continued)

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in statement of comprehensive income.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Council becomes a party to the contractual provisions of the financial instrument. The 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 FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of comprehensive income.

(j) Impairment of financial assets

These accounting policies are applied on and after the initial application date of SB-FRS 109, 1 April 2018:

The Council recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the 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 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Impairment of financial assets (continued)

These accounting policies are applied on and after the initial application date of SB-FRS 109, 1 April 2018: (continued)

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

The Council considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Council may also consider a financial asset to be in default when internal or external information indicates that the Council is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Council. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

These accounting policies are applied before the initial application date of SB-FRS 109, 1 April 2018:

The Council assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Council first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Council determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in statement of comprehensive income.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Council considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These accounting policies are applied before the initial application date of SB-FRS 109, 1 April 2018: (continued)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and cash deposits with the Accountant General's Department (AGD) which are subject to an insignificant risk of changes in value.

(l) Provisions

Provisions are recognised when the 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.

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.

(m) Employee benefits

(i) Defined contribution plans

The Council makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) Short-term employee benefits

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

(n) Leases

The Council as lessee

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(p) Related parties

A related party is defined as follows:

A. A person or a close member of that person's family is related to the Council if that person:

(i) has control or joint control of the Council;

(ii) has significant influence over the Council; or

(iii) is a member of the key management personnel of the Council or of a parent of the Council.

B. An entity is related to the Council if any of the following conditions applies:

(i) The entity and the Council are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Council or an entity related to the Council. If the Council is itself such a plan, the sponsoring employers are also related to the Council.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Council or to the parent of the Council.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Share capital

Under the Minister of Finance's Capital Management Framework for Statutory Boards (Finance Circular Minutes No. M26/2008), proceeds received from Minister of Finance are capital injections recognised as share capital in equity.

(r) Contribution to consolidated fund

The contribution to the consolidated fund is required under Section 3(a) of the Statutory Corporations (Contribution to Consolidated Fund) Act, Chapter 319A. The contribution is pegged at the prevailing statutory income tax rate for corporate bodies. Accounting surplus would be used for the purpose of computing the contribution and this is accounted for on an accrual basis.

(s) Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or

(ii) a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

Contingent liabilities and assets are not recognised on the statement of financial position of the Council, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Council's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.1 Judgements made in applying accounting policies

Management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Council based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Council. Such changes are reflected in the assumptions when they occur.

(a) Provision for expected credit losses (ECLs) of other receivables and grant receivables

The Council uses a probability of default method to calculate ECLs for other receivables and grant receivables. The probability of default is based on probability of default events that are possible within the next 12-months (a 12-month ECL) for other receivables and grant receivables which there has not been a significant increase in credit risk since initial recognition or probability of default events that are possible over the remaining life of the exposure (a lifetime ECL) for other receivables and grant receivables which there has been a significant increase in credit risk since initial recognition.

The probability of default is initially based on the Council's historical observed default rates. The Council will calibrate the probability to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Council's historical credit loss experience and forecast of economic conditions may also not be representative of debtor's actual default in the future. The information about the ECLs on the Council's other receivables and grant receivables are disclosed in Note 18(a) to the financial statements.

The carrying amount of the Council's other receivables and grant receivables as at 31 March 2019 are disclosed in Note 6 and Note 7 to the financial statements respectively.

(b) Impairment of plant and equipment

Plant and equipment is reviewed for impairment whenever there is an indication that these assets may be impaired. The Council considers the guidance of SB-FRS 36 in assessing whether there is any indication that an item of the above assets may be impaired. This assessment requires significant judgement.

If any such indication exists, the recoverable amount of the assets is estimated to ascertain the amount of impairment loss. The recoverable amount is defined as the higher of the fair value less cost to sell and value-in-use.

In determining the value-in-use of assets, the Council applies a discounted cash flow model where the future cash flows derived from such assets are discounted at an appropriate rate. Forecasts of future cash flow are estimated based on financial budgets and forecasts approved by the management.

The carrying amount of the Council's plant and equipment as at 31 March 2019 is disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (continued)

(c) Estimated useful lives and residual value of plant and equipment

The cost of plant and equipment less residual value is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. The estimated useful life and residual value reflects the Council's estimate of the periods that the Council intends to derive future economic benefits from the use of the plant and equipment and residual value that the Council's estimated to recover at the end of the useful life.

The carrying amount of the Council's plant and equipment as at 31 March 2019 is disclosed in Note 5 to the financial statements.

4. REVENUE

	2018/2019 S$	2017/2018 S$
Type of services		
Penalty fee	**112,100**	123,970
Others	**623**	581
	112,723	124,551
Timing of transfer of services		
At a point in time	**112,723**	124,551

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

5. PLANT AND EQUIPMENT

	Renovation S$	Furniture and fittings S$	Computer equipment/ software S$	Office equipment S$	Total S$
Cost					
At 1 April 2017	120,946	32,598	39,094	7,130	199,768
Additions	139,938	8,982	–	686	149,606
Disposals	–	(10,639)	(1,133)	–	(11,772)
At 31 March 2018 and 1 April 2018	260,884	30,941	37,961	7,816	337,602
Additions	–	–	16,097	2,193	18,290
At 31 March 2019	**260,884**	**30,941**	**54,058**	**10,009**	**355,892**
Accumulated depreciation					
At 1 April 2017	54,304	19,637	2,313	5,372	81,626
Depreciation charge	47,441	4,776	11,892	502	64,611
Disposals	–	(7,930)	(1,133)	–	(9,063)
At 31 March 2018 and 1 April 2018	101,745	16,483	13,072	5,874	137,174
Depreciation charge	52,177	5,120	13,326	632	71,255
At 31 March 2019	**153,922**	**21,603**	**26,398**	**6,506**	**208,429**
Carrying amount					
At 31 March 2019	**106,962**	**9,338**	**27,660**	**3,503**	**147,463**
At 31 March 2018	159,139	14,458	24,889	1,942	200,428

6. OTHER RECEIVABLES

	2018/2019 S$	2017/2018 S$
Accrued income	**11,250**	53,953
Deposits	**60,606**	60,606
	71,856	114,559

Other receivables are denominated in Singapore Dollar.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

7. GRANT RECEIVABLES

	2018/2019 S$	2017/2018 S$
At the beginning of the financial year	**363,449**	795,954
Amount taken to statement of comprehensive income (Note 2(e))	**8,021,553**	6,346,812
Transfer to deferred capital grants (Note 11)	**13,981**	5,197
Operating grants received during the year	**(7,979,045)**	(6,633,239)
Reimbursements of Agency Facility Management Services (Note 20)	**(153,542)**	(151,275)
At the end of the financial year	**266,396**	363,449
Government grant representing:		
Grant receivables	**266,396**	363,449

Grant receivables are denominated in Singapore Dollar.

8. CASH AND CASH EQUIVALENTS

	2018/2019 S$	2017/2018 S$
Cash at bank	**1,172,697**	552,207
Cash deposits with AGD	**652,263**	-
	1,824,960	552,207

Cash deposits with AGD comprises bank balances held by Accountant-General’s Department (“AGD”).

Cash and cash equivalents are denominated in Singapore Dollar.

9. OTHER PAYABLES

	2018/2019 S$	2017/2018 S$
Other payables	**262,072**	112,060
Security deposits	**31,500**	12,000
Accrued expenses	**458,817**	417,442
	752,389	541,502

Other payables are denominated in the Singapore Dollar.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

10. CONTRIBUTIONS TO CONSOLIDATED FUND

Under Section 13(1)(e) and the First Schedule of the Singapore Income Tax Act, Chapter 134, the income of the Council is exempt from income tax.

In lieu of income tax, the Council is required to make contribution to the Government Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. The provision is based on the guidelines specified by the Ministry of Finance and is computed based on the net surplus of the Council for each of the financial year at the prevailing corporate tax rate for the Year of Assessment.

	2018/2019	2017/2018
	S$	S$
Provision for current year contributions	**121,178**	43,790
Reconciliation of effective tax rate:		
Surplus before contributions to consolidated fund	**949,872**	257,586
Tax at statutory rate of 17% (2017/2018: 17%)	**161,478**	43,790
Effect of:		
- Utilisation of deferred tax assets not recognised previously	**(40,300)**	–
Contributions to consolidated fund recognised in statement of comprehensive income	**121,178**	43,790

11. DEFERRED CAPITAL GRANTS

	2018/2019	2017/2018
	S$	S$
At the beginning of the financial year	**79,983**	118,142
Transfer from operating grants (Note 7)	**13,981**	5,197
Amount taken to statement of comprehensive income (Note 2 (e))	**(41,831)**	(43,356)
At the end of the financial year	**52,133**	79,983

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

12. SHARE CAPITAL

	2018/2019	2017/2018	2018/2019	2017/2018
	Number of shares		S$	S$
Issued and fully paid up ordinary shares:				
At the beginning of the financial year	**194,628**	–	**194,628**	-
Equity injection	**37,790**	194,628	**37,790**	194,628
At the end of the financial year	**232,418**	194,628	**232,418**	194,628

During the financial year, the Council received additional proceeds from equity financing of S$37,790 (2017/2018: S$194,628) from the Ministry of Finance. 37,790 (2017/2018: 194,628) ordinary shares issued during the financial year were held by the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act (Chapter 183) in its capacity as shareholder under the Capital Management Framework for statutory boards. The holder of these shares, which has no par value, is entitled to receive dividends.

13. ACCUMULATED SURPLUS

The balance represents unutilised surplus of the Council.

14. LICENCE FEES

All licence fees received by the Council are taken into the Consolidated Fund and bank account maintained by the Accountant General's Department in accordance with Section 26B(2) of the Public Transport Council Act, Chapter 259B. The following licence fees received during the financial year are therefore not included in the statement of comprehensive income or statement of financial position of the Council.

	2018/2019 S$	2017/2018 S$
Ticket payment service licence fees	**32,700**	26,700

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

Purchase of services

For the purpose of these financial statements, parties are considered to be related to the Council if the Council has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Council and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. Under SB-FRS 24, the parent Ministry and other government agencies are deemed as related parties.

Other than disclosed elsewhere in the financial statements, the transactions with related parties based on agreed terms are as follows:

	2018/2019 S$	2017/2018 S$
Ministries		
Manpower-related services	**59,240**	-
Support services	**347,823**	42,373
Statutory Boards		
Manpower-related services	**759,768**	1,364,669
Support services	**107,586**	102,854

Compensation of key management personnel

	2018/2019 S$	2017/2018 S$
Salaries, allowances and benefits	**1,471,155**	1,345,421
Employer's contribution to Central Provident Fund	**83,918**	86,700
	1,555,073	1,432,121

The above includes Council Members' allowance of S$107,269 (2017/2018: S$107,663).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

16. COMMITMENTS

The Council has entered into lease agreement for its office premises and office equipment. These leases have an average tenure of between 3 and 5 years with an option to renew the lease after that date or contingent rent provision included in the contracts.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting year are as follows:

	2018/2019 S$	2017/2018 S$
Not later than one year	**295,294**	285,098
Later than one year and not later than five years	**160,464**	407,977
	455,758	693,075

Minimum lease payments recognised as an expense in statement of comprehensive income for the financial year ended 31 March 2019 amounted to S$291,249 (2017/2018: S$288,294).

17. FAIR VALUE OF ASSETS AND LIABILITIES

Assets and liabilities not measured at fair value

Other receivables, grant receivables, cash and cash equivalents and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

18. FINANCIAL RISK MANAGEMENT

The Council's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The Council does not have a formal overall risk management programme but reviews the overall risk on an informal basis. Risk management is determined and carried out by the Council's Management.

The following sections provide details regarding the Council's exposure to the above- mentioned financial risks and the objectives and processes for the management of these risks.

There has been no change to the Council's exposure to these financial risks or the manner in which it manages and measures the risks.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Council. The Council's exposure to credit risk arises primarily from other receivables and grant receivables. For other financial assets (including cash and cash equivalents), the Council minimises credit risk by dealing exclusively with high credit rating counterparties.

The Council has adopted a policy of only dealing with creditworthy counterparties. The Council performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Council considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Council has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Council has developed and maintained the Council's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Council's own trading records to rate its major customers and other debtors. The Council considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Council determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Council categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

The Council's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is > 60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit- impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Council's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount S$	Loss allowance S$	Net carrying amount S$
31 March 2019						
Other receivables	6	I	12-month ECL	71,856	–	71,856
Grants receivables	7	I	12-month ECL	266,396	–	266,396
					–	
1 April 2018						
Other receivables	6	I	12-month ECL	114,559	–	114,559
Grants receivable	7	I	12-month ECL	363,449	–	363,449
					–	

<u>Other receivables and grant receivables</u>

The Council assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Council measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

Liquidity risk refers to the risk that the Council will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Council's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles.

The Council manages liquidity risk by maintaining sufficient funding from the Government to finance its operations. The Council exercises prudent liquidity and cash flow risk management policies and aims at maintaining high level of liquidity and cash flow at all times.

All financial assets and liabilities are repayable on demand or due within 1 year from the end of the reporting period.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Council's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Council's financial instruments will fluctuate because of changes in market interest rates.

At the end of the reporting period, the Council has limited exposure to interest rate risk.

(ii) Foreign currency risk

The Council's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Council does not have any formal policy for hedging against currency risk. The Council ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

At the end of the reporting period, the Council does not have any significant foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

19. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	Note	2018/2019 S$	2017/2018 S$
Financial assets measured at amortised cost			
Other receivables	6	**71,856**	114,559
Grant receivables	7	**266,396**	363,449
Cash and cash equivalents	8	**1,824,960**	552,207
Total financial assets measured at amortised cost		**2,163,212**	1,030,215
Financial liabilities measured at amortised cost			
Other payables	9	**752,389**	541,502
Total financial liabilities measured at amortised cost		**752,389**	541,502

20. AGENCY FACILITY MANAGEMENT SERVICES GRANT

The Council incurred S$153,542 (2017/2018: S$151,275) for the Agency Facility Management services, which encompass helpdesk, onsite engineers support and network support. The amount was funded via operating grants retained and disbursed by the Ministry of Transport.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

21. COMPARATIVE FIGURES - RECLASSIFICATION

Certain reclassifications have been made to the prior financial year's financial statements to enhance comparability with current financial year's financial statements. As a result, certain line items have been amended on the face of statement of comprehensive income, statement of financial position and the related notes to the financial statements.

The items reclassified were as follows:

	Previously reported S$	Reclassification S$	After reclassification S$
Statement of Comprehensive Income			
General administration	71,436	(37,438)	33,998
Others	23,529	29,298	52,827
Professional fees	–	23,367	23,367
Staff costs			
- Salaries, allowances and benefits	3,246,589	19,536	3,266,125
Staff training	116,294	(15,227)	101,067
Transport	31,162	(19,536)	11,626
Statement of Financial Position			
Prepayments	–	2,237	2,237
Other receivables	116,796	(2,237)	114,559
Bank balances	552,207	(552,207)	–
Cash and cash equivalents	–	552,207	552,207
Other payables	3,000	538,502	541,502
Security deposits	12,000	(12,000)	–
Accrued operating expenses	526,502	(526,502)	–

22. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Council on 28 June 2019.

GENERAL INFORMATION

For the financial year ended 31 March 2019

COUNCIL MEMBERS

Mr. Richard Magnus
Mr. Tan Kim Hong
Mr. Abdullah Shafiie Bin Md Sidik
Mr. Adrian Chua Tsen Leong
Ms. Anne Chua Tai Hua
Mr. Arasu s/o Duraisamy
Ms. Chua Lee Hoong
Mr. Fang Chin Poh
Mr. Gopinath Menon
Mr. Karmjit Singh
Dr. Kwoh Chee Keong
Ms. Lee Huay Leng
Associate Professor Patricia Tan Mui Siang
Mr. Sng Chern Wei
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