

Better Rides for All

Annual Report 2019/2020



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Introduction

I really like the express bus service!
It takes me directly to my workplace
in the CBD, which means less time
on the road. PTC makes sure that
the fare's reasonable too!



About PTC

The Public Transport Council (PTC), established in 1987 under the Public Transport Council Act (Cap 259B), regulates public transport fares and ticket payment services. We also undertake the role of advisor to the Minister for Transport on public transport matters.

The Council includes representatives from academia, labour union, industry and the people sector. The multiplicity of representation and experience of the Council members allows PTC to objectively and holistically weigh views and concerns from commuters, public agencies and public transport operators, to improve the public transport system.

The key statutory powers of PTC include:

Regulating fares for bus, train, and Point-to-Point (P2P) transport services

Regulating ticket payment services for buses and trains

Regulating penalty fees to deter fare evasion

Advising the Minister for Transport on public transport matters



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 Minister for Transport to improve the service quality of public transport and commuters' travel 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



At a Glance

Financial Year 2019 – 2020

JUN 2019



Received the International Association of Public Transport (UITP) Asia-Pacific Special Recognition Award at UITP Global Public Transport Summit in Stockholm

AUG 2019

Given statutory powers to regulate fares for Private Hire Cars (PHCs) under new Point-to-Point (P2P) Passenger Transport Industry Bill



JAN 2020

Won Minister's Innovation Award in the merit category for its co-creation efforts

FEB 2020



Continued high commuter satisfaction with public transport and P2P transport services based on PTC's surveys

JULY 2019

Submitted the *Fostering the Caring SG Commuters Movement* Report to then Coordinating Minister for Infrastructure and Minister for Transport, Mr Khaw Boon Wan

Opened nominations for inaugural Caring Commuter Award



SEPT 2019

Commenced 2019 Fare Review Exercise (FRE)



OCT 2019

Announced enhanced concessions for Polytechnic and other diploma students as part of 2019 FRE

Partnered Singapore Kindness Movement to recognise caring commuters with inaugural Caring Commuter Award at the 2019 Transport Gold Awards Ceremony

Signed MOU with Norwegian Transport Authority Ruter AS to exchange expertise and best practices in public transport



MAR 2020

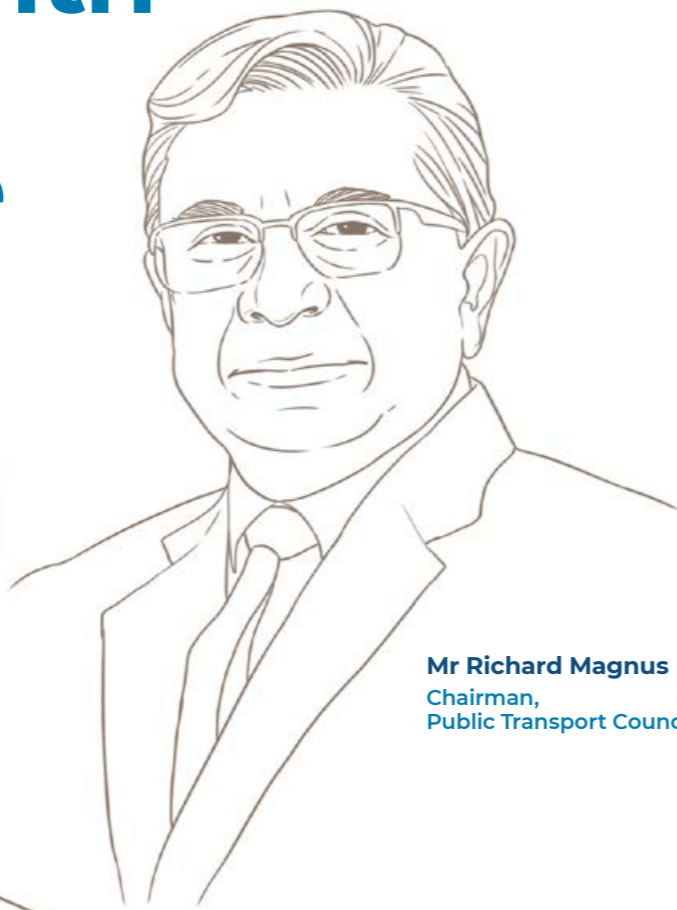
Announced the formation of the Caring SG Commuters Committee, to promote a caring commuting culture

Joint Message from the
Chairman and Chief Executive

Working With You for a Better Ride



Mr Tan Kim Hong
Chief Executive,
Public Transport Council



Mr Richard Magnus
Chairman,
Public Transport Council

Introduction

At the Public Transport Council (PTC), we aspire for our public transport system to provide better rides for all, one that is truly accessible to all commuters, regardless of who you are travelling with, or the mobility challenges that you may face.

To meet this aspiration, we must connect meaningfully with all of you – the commuters – to understand your needs and concerns, so that we can continually enhance your journey at every point.

Understanding Your Needs and Concerns

That is why we conduct the Public Transport Customer Satisfaction Survey (PTCSS) and Point-to-Point Customer Satisfaction Survey (PCSS) annually to understand our commuters' needs and concerns.

It is encouraging to know that commuters continue to be satisfied with our trains and buses. The 2019 PTCSS showed that the mean satisfaction score for public transport remained high at 7.8 (out of 10). It was 7.7 in 2017 and 7.9 in 2018.

Commuters also rated the Point-to-Point (P2P) services highly, as seen from the results of the 2019 PCSS. P2P services received a mean satisfaction score of 8.1, up from 7.9 in 2018.



IN FY2019

Mean satisfaction score
for public transport

7.8/10

from 7.9 in 2018

Mean satisfaction score
for P2P Services

8.1/10

from 7.9 in 2018



Besides helping us to better understand your concerns and needs, the results also provide strong encouragement to the public transport workers and P2P workers who have worked extremely hard over the years to improve the public transport services. We will continue to seek your views and feedback to co-create enhancements for all.

Navigating Through COVID-19

This year, Singapore is confronting an unprecedented crisis. The COVID-19 pandemic has challenged and disrupted the way we live, work and travel. As Singapore adapts to changes following the pandemic, many stayed at home during this period.

But our transport workers continued to provide public transport services. They not only ensured that commuters working in the other essential services can continue to get to their destinations during the pandemic, but also stepped up their cleaning regime to keep commuters safe.

For that, we would like to express our deepest gratitude to every single public transport worker.

Promoting a Caring Commuter Culture

In spite of the challenges, the COVID-19 situation also presented opportunities for commuters and volunteers to show their care and concern to fellow public transport users.

In particular, we were heartened by volunteers from Youth Corps Singapore and Stand Up For Our Singapore. They expressed their appreciation to frontline workers by setting up appreciation boards and distributing notes of encouragement to public transport workers at the Heart Zones at Outram Park MRT Station and Yishun Integrated Transport Hub.

These efforts are in line with the Caring SG Commuters Movement which was initiated in 2017. To carry on the spirit of the movement, we have set up a Caring SG Commuters Committee to work with community, government and industry partners to transform Singapore's public transport system into a more caring, welcoming and inclusive one.

This committee will facilitate co-creation and pull together multi-agency efforts in the ideation and implementation of initiatives to encourage more commuters to show care for one another.

To recognise commuters who have demonstrated acts of care to fellow commuters during their daily commute,

“...we must connect meaningfully with all of you – the commuters – to understand your needs and concerns, so that we can continually enhance your journey at every point.”

“...we believe in the need to ensure fare affordability and to minimise the impact on commuters.”

we worked with the Singapore Kindness Movement to launch the Caring Commuter Award in 2019.

The inaugural commendation award winner was presented to Mr Lester Wong, who, upon witnessing an old lady fall on the train, went out of his way to send her to the hospital and accompanied her until he was sure that she got the medical care and attention she needed.

Ensuring an Affordable and Sustainable Transport System

As the public transport fare regulator, we understand the importance of fare adjustments in safeguarding the financial sustainability of our public transport system. At the same time, we believe in the need to ensure fare affordability and also safeguard the interests of the more vulnerable commuter groups.

In 2019, while fares were raised to meet the increase in operating costs, we continued to protect the interests of concession groups by capping the increase at a smaller amount. We have also extended student concessionary fares to more than 80,000 polytechnic and other diploma students. Today, over 1 in 2 Singaporeans are eligible for concessionary fares on our bus and train system. The Government also provided more support to the lower-income commuters by making available more Public Transport Vouchers and increasing the value of each voucher.



IN FY2019



Substantial discounts between **25%–70%** (off adult fares) for concession card holders

To ensure that fares remain affordable for commuters, we track the Public Transport Affordability Indicator (PTAI) by monitoring the transport expenditures of the average and lower-income commuters in relation to their total household income.

Over the years, we have been able to improve the overall fare affordability for commuters. For the average (second quintile income households) and lower-income commuters (second decile income households), we have seen their PTAI improve from 2.7% to 1.7% and 4.1% to 2.5% respectively since 2009.



Besides bus and train fares, we also watched the point-to-point transport services industry very closely. A Bill was passed in Parliament last year to enhance the regulatory framework for point-to-point transport services. Under the new law, we will continue to safeguard passengers' interest by extending the regulatory framework for taxi fares to Private Hire Cars (PHCs).

Benchmarking and Improving Ourselves

On the global front, PTC has been working with the International Association of Public Transport (UITP) and other regional transport authorities, via the Asia-Pacific Organising Authorities Platform, on promoting the use of public transport, finding solutions in view of the rise of new mobility services (ride-hailing, car-sharing, bike-sharing, e-scooter, autonomous vehicles) and sharing data related to public transport.

PTC is also a member of the UITP Transport Economic Committee (TEC) and hosted a city visit for the TEC last December to exchange expertise and knowledge on fare regulation and financing matters. Such exchanges allow the PTC to stay abreast of emerging trends in the international public transport scene and identify areas of potential collaboration.

Back at home, we will be working with the Singapore University of Technology and Design (SUTD) to gather insights on the public's concerns on the use of Autonomous Vehicles (AVs) in public transport.

Singapore has been actively testing AV technology to tap on such technology to improve our land transport system, including public transport. While we are still some years away from deployment of these vehicles, it is important that we understand commuters' sentiments over this new technology. The findings from the PTC-SUTD study will allow the AV development teams to refine their projects for better public acceptance before rolling out the AVs on our roads.

Together as One

The way we commute has evolved with the current COVID-19 outbreak, but we have faith that this is a challenge that we can overcome

together as one. Pandemic or not, we will spare no effort towards meeting the travel needs of commuters. Let's work together to improve our public transport journey and make public transport a choice mode for all. Thank you.



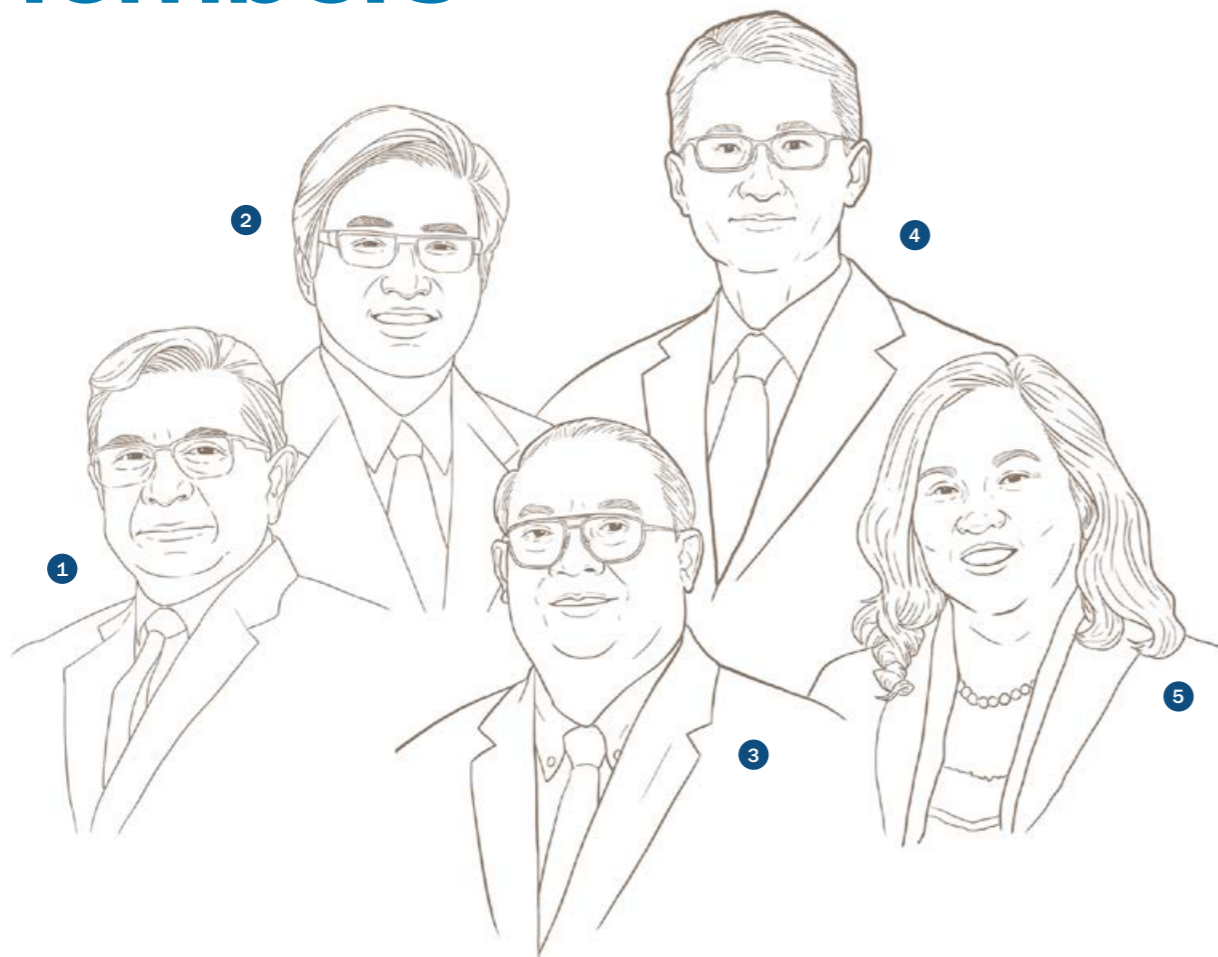
Mr Richard Magnus
Chairman,
Public Transport Council



Mr Tan Kim Hong
Chief Executive,
Public Transport Council



Council Members



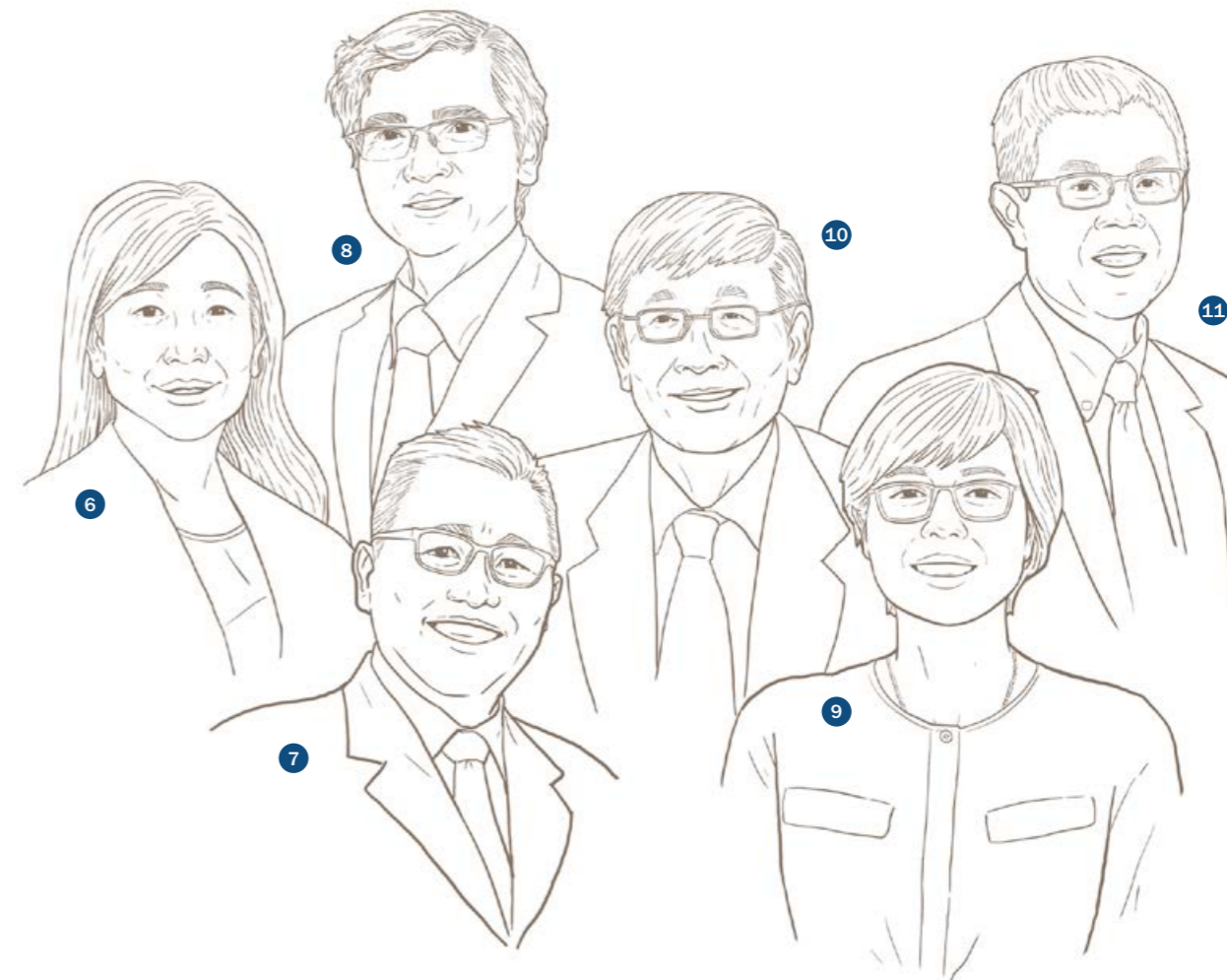
1 Mr Richard Magnus
→ Chairman,
Public Transport Council

2 Mr Tan Kim Hong
→ Chief Executive,
Public Transport Council

3 Mr Abdullah Shafiie Bin Mohamed Sidik
→ Honorary Chairman,
Siglap South Community Centre
→ District Councillor,
South East Community
Development Council

4 Mr Adrian Chua
→ Deputy Secretary (Industry),
Ministry of Trade and Industry

5 Ms Anne Chua Tai Hua
→ Head of Finance,
Capitaland Commercial Trust
Management Ltd



6 Ms Chua Lee Hoong
→ Senior Director,
Resilience Policy and
Research Centre
→ Senior Director,
National Security Research Centre,
Prime Minister's Office

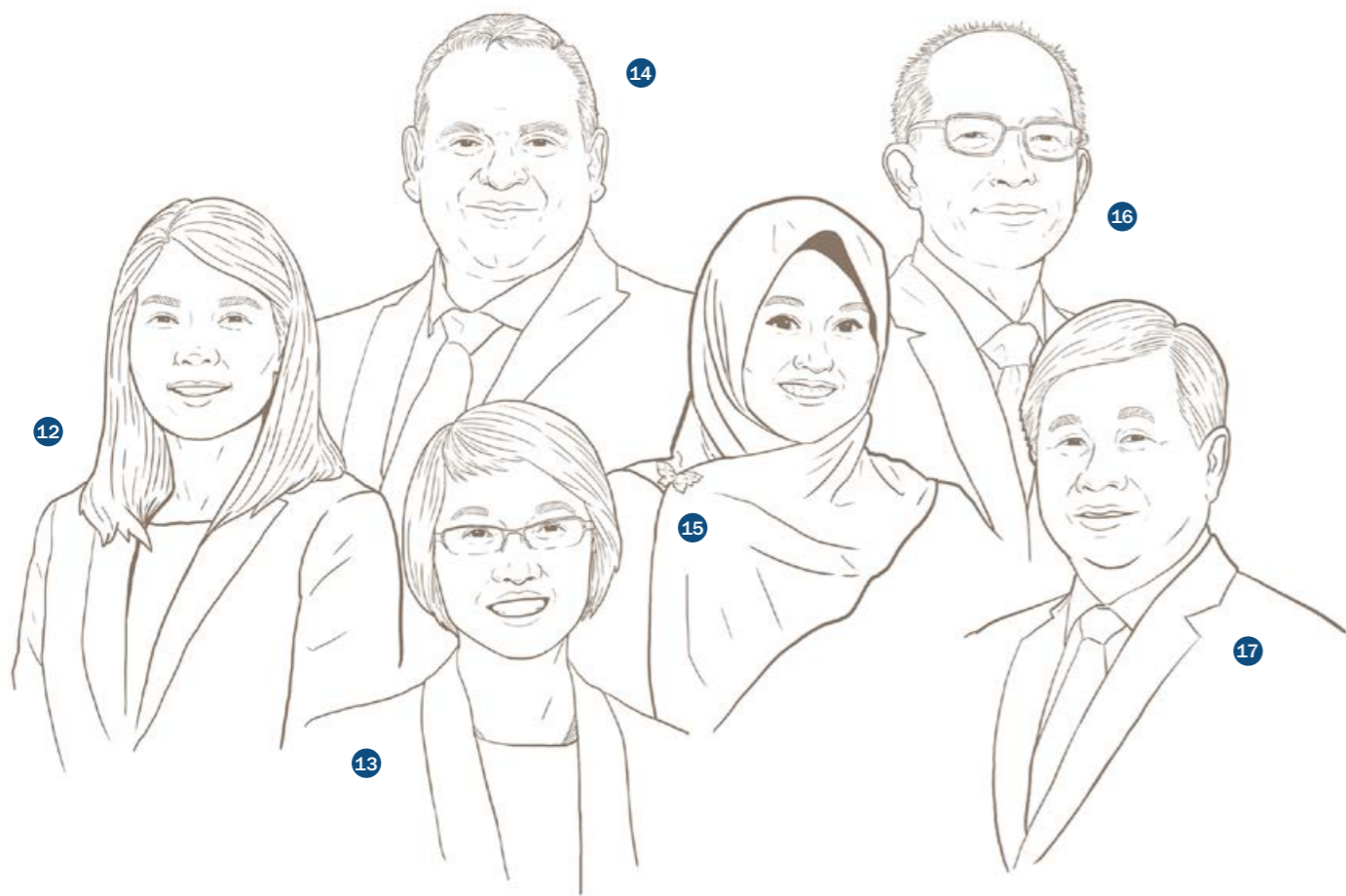
7 Mr Fang Chin Poh
→ General Secretary,
National Transport
Workers' Union

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

9 Ms Lee Huay Leng
→ Head,
Chinese Media Group,
Singapore Press Holdings

10 Mr Lim Bok Ngam
→ Retired Public Servant,
Former Deputy Chief Executive
for Land Transport Authority

11 Mr Lim Boon Wee
→ Deputy Secretary (Services),
Ministry of Education



12 Dr Lynette Cheah

→ Associate Professor, Engineering Systems, Singapore University of Technology and Design

13 Associate Professor Patricia Tan Mui Siang

→ Head of the Division of Accounting, Nanyang Business School, Nanyang Technological University

14 Mr Thuvinder Singh s/o Bachan Singh

→ General Secretary, Union of Telecoms Employees of Singapore

15 Ms Rahayu Mahzam*

→ Associate Director, Heng, Leong & Srinivasan LLC (*Council member until 31 August 2020)

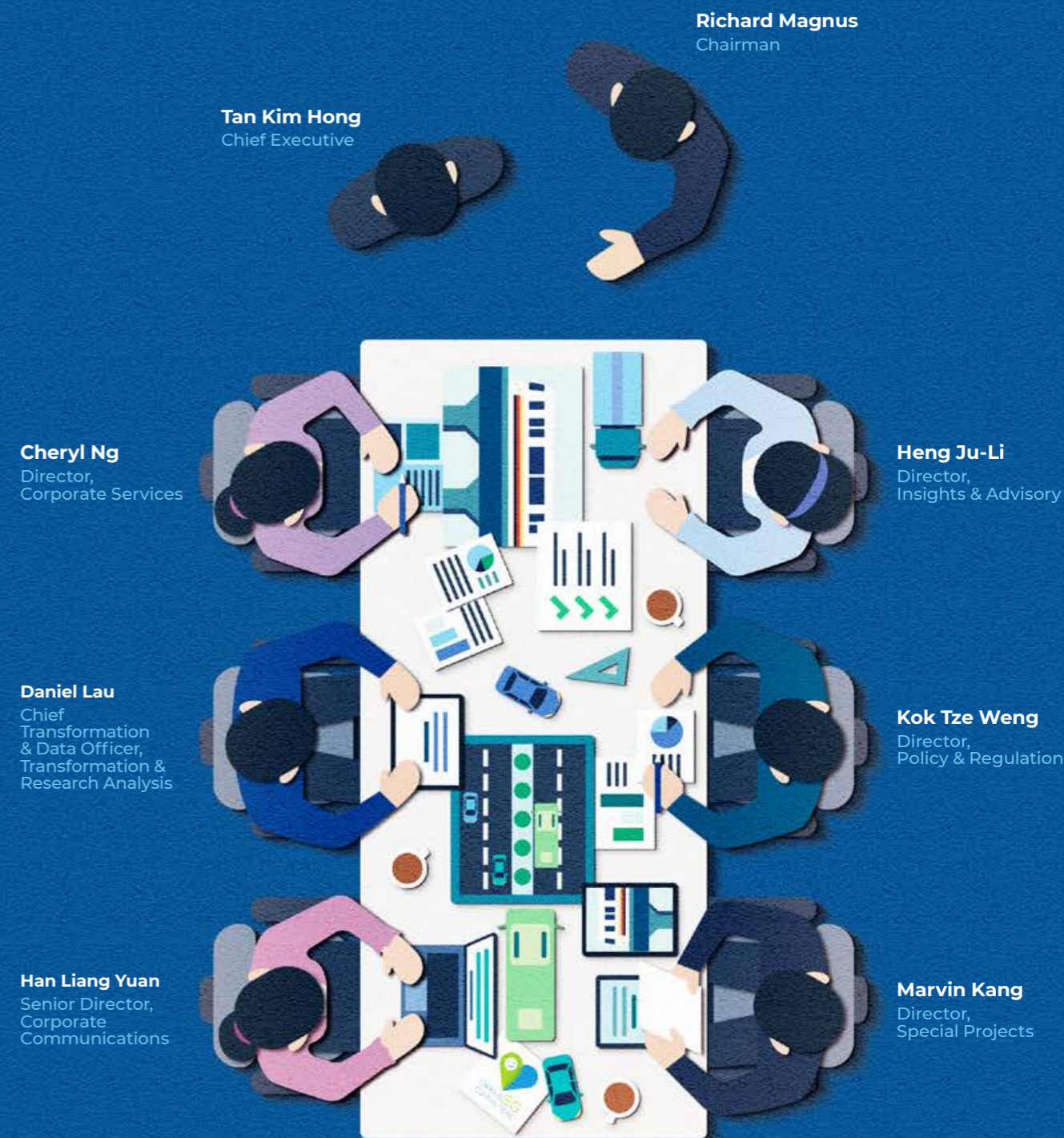
16 Associate Professor Vincent Chua Cheng Huat

→ Head of Research, Office of President, Singapore University of Social Sciences


17 Mr Yeo Teck Guan

→ Senior Group Director, Public Transport, Land Transport Authority

Organisational Structure



Your Needs and Concerns



Thanks for helping me to lower the ramp! Now I don't have to struggle to reach the bus floor from the kerb. This ramp has bridged that worrying gap and made taking the bus so much more pleasant and hassle-free!

BU



Understanding Commuters to Deliver a Better Commuting Experience



PTC regularly engages commuters to understand their journey experiences, incorporating their views in our efforts to improve the commuting experience and culture.

In 2019, PTC carried out 46 public engagement sessions involving hundreds of commuters to better understand their public transport experience and their views on public transport fares. During the engagements, PTC also had brainstorming sessions with commuters on building a better commuting culture.

PTC has incorporated commuters' feedback in our research and planning processes. Their views and ideas form the basis for the objective, evidence-based advice that PTC provides to the Government on ways to improve the service quality of public transport and commuters' travelling experience.

Commuter Satisfaction Levels Remain High

To gauge commuters' satisfaction with the public transport system, PTC carries out annual customer satisfaction surveys.

The Public Transport Customer Satisfaction Survey (PTCSS) 2019, conducted from September to October 2019, showed that overall public transport satisfaction remained high, with a mean satisfaction score of 7.8 (out of 10) in 2019. The mean satisfaction score was 7.7 in 2017 and 7.9 in 2018.

Similarly, commuters also continued to rate point-to-point (P2P) transport services highly. In the P2P Customer Satisfaction Survey (PCSS) 2019, conducted from mid-August to early September last year, respondents gave P2P services a mean satisfaction score of 8.1, up from 7.9 in 2018.

The findings from the surveys, together with our engagements with the commuters and stakeholders, keep us attuned to commuters' needs and priorities. With these insights, PTC makes recommendations to enhance the public transport experience.

“The findings from the surveys, together with our engagements with commuters and stakeholders, keep us attuned to commuters' needs and priorities.”

Staff from PTC conducting a focus group discussion with commuters, July 2019.

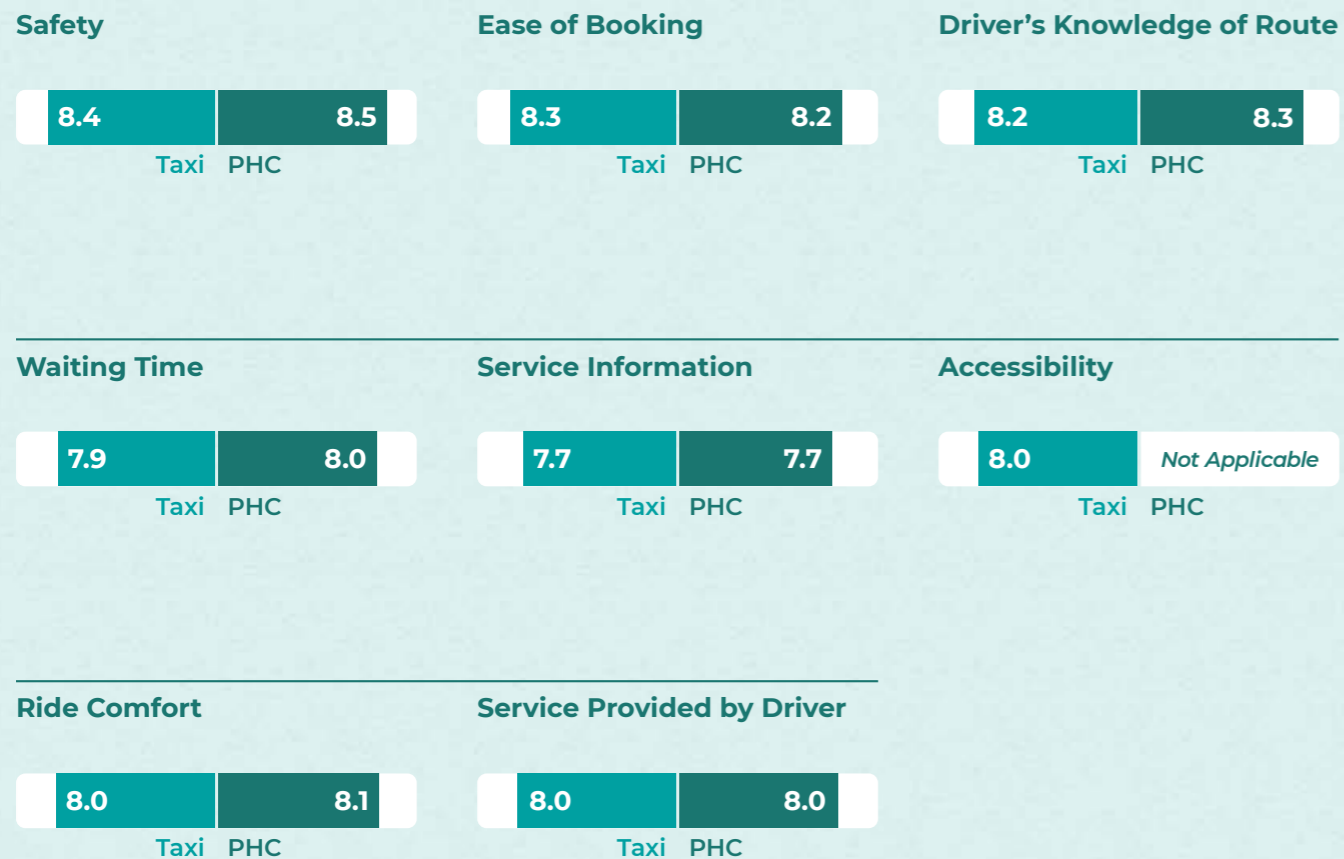


Surveyors at public transport nodes gathering commuter feedback as part of PTCSS, September 2019.



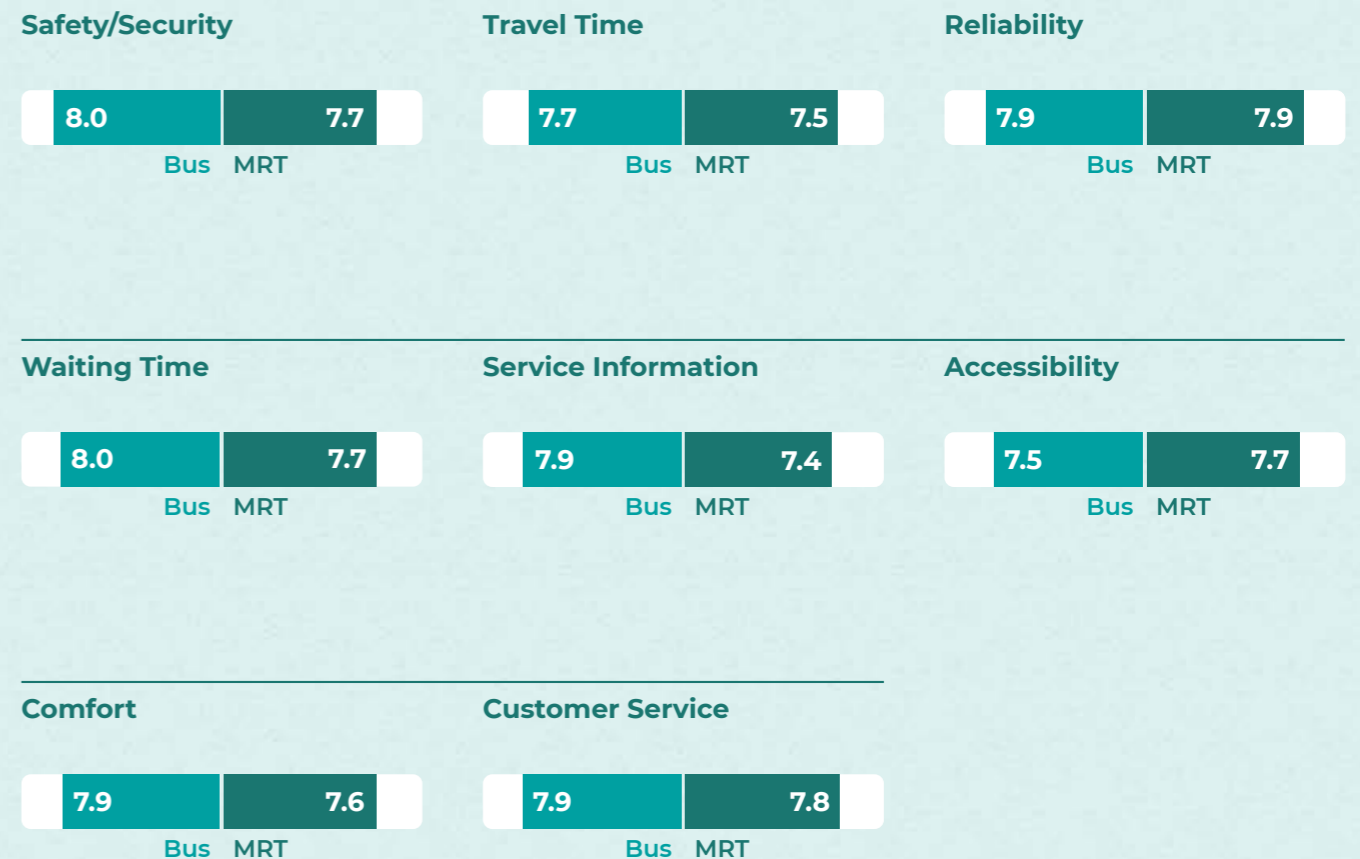
Point-to-Point Transport Services Customer Satisfaction Survey Results

Commuters more satisfied with taxi and Private Hire Car (PHC) services in 2019



Public Transport Customer Satisfaction Survey Results

Commuters' satisfaction with public transport remained high in 2019



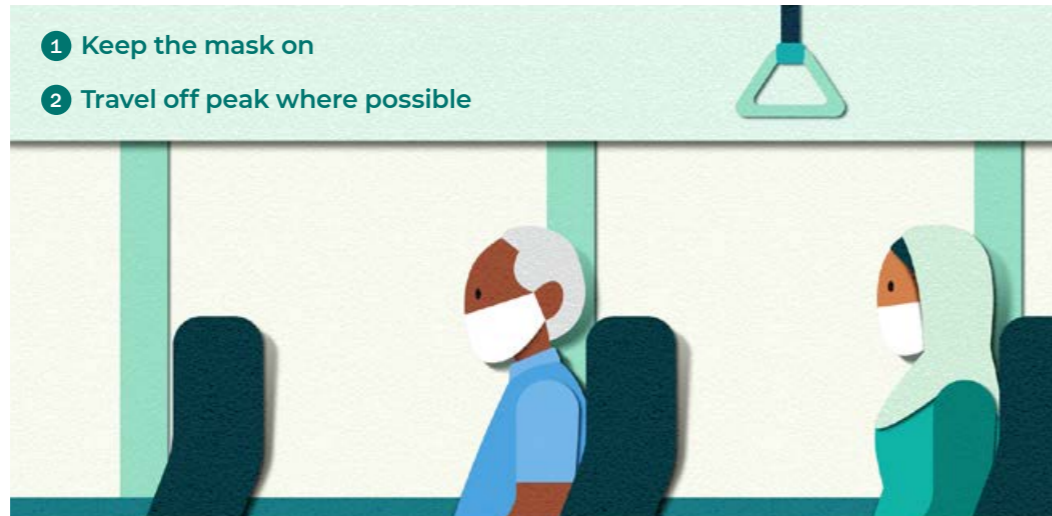


Covid-19 and How It Affects Commuters and Public Transport

The COVID-19 pandemic is unprecedented and has affected our daily lives, including the way we commute.

Commuters are urged to practise the following to show care and consideration for one another:

- 1 Keep the mask on
- 2 Travel off peak where possible



- 3 Refrain from talking to prevent the spread of droplets



- 4 Wash or sanitise hands after touching common surfaces



Transport Workers Rise to the Occasion

During the Circuit Breaker, schools switched to home-based learning and most physical workplace premises were closed. Despite this, public transport workers, who form a crucial part of the essential workforce, continue to run the public transport system and ensure other essential workers get to their destinations. The public transport operators stepped up cleaning regimes on buses, trains and at train stations and bus interchanges, while public transport workers took extra care of their personal hygiene, donning face masks at all times and washing their hands regularly.

Our commuters recognised the efforts of these frontline heroes. As part of May Day 2020, PTC collected about 650 messages thanking public transport workers.



Our public transport workers play an important role to keep public transport safe for commuters during the COVID-19 pandemic.

Playing Your Part as Commuters

As commuters, all of us can play our part in fostering a more inclusive and caring culture on public transport. From supporting elderly commuters, to walking with commuters who need help with directions, to guiding visually-impaired commuters to their destinations, all these efforts can make public transport more welcoming for all. By looking out for one another, showing care and concern, and going the extra mile, we can enrich the public transport experience for all commuters.

For your never-ending efforts to provide us with a comfortable and safe ride throughout our journey, the heroes who bring us places our legs may never take us, thank you and stay safe.

Thank you for braving the crowds and continuing to run the services despite the virus.

Thank you for serving the nation, in time of crisis.



SPOTLIGHT

Appreciating Public Transport Workers



On 14 February 2020, volunteers from Stand Up For Our Singapore handed out notes of encouragement and refreshments to public transport and healthcare workers at Heart Zone @ Yishun Integrated Transport Hub (YITH). There were a total of 6,000 handwritten notes of encouragement and appreciation penned by Singaporeans from all walks of life to express their gratitude.

Another similar heart-warming event was held at the Heart Zone @ Outram Park, where Youth Corps Singapore volunteers distributed care packs to show their love and appreciation for public transport and healthcare workers. How apt a gesture on Valentine's Day!

In the same spirit, PTC separately facilitated the setting up of an appreciation wall at both Novena MRT Station and Outram Park MRT Station as part of a project with the Ministry of Culture, Community and Youth (MCCY), Ground Up Movements, Land Transport Authority (LTA) and SMRT Singapore. On 6 March 2020, PTC members and staff, led by PTC Chairman, went to Novena MRT station to pen notes of encouragement for transport workers and healthcare workers alike.

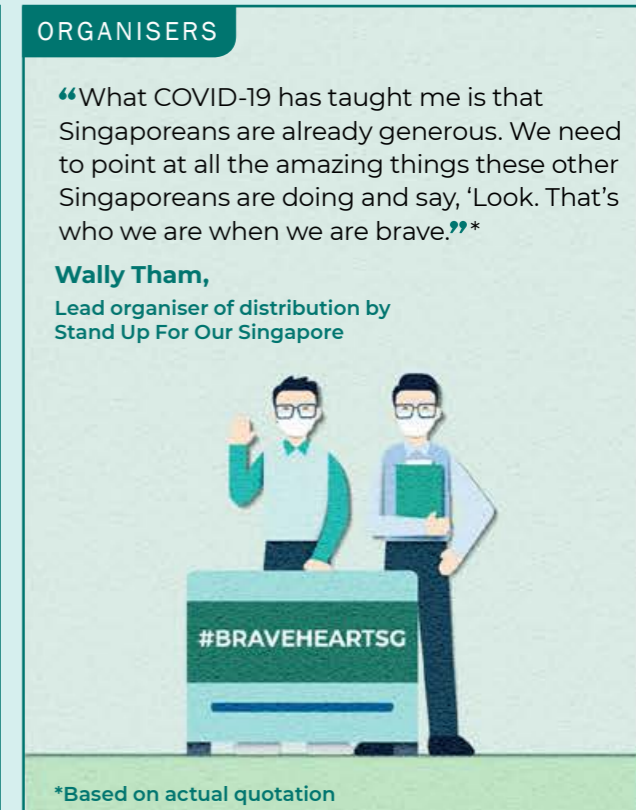


Appreciation wall at Novena MRT Station.

Let's continue to ride out this crisis by standing together with our frontline heroes!



*Based on actual quotation



*Based on actual quotation

VOLUNTEERS

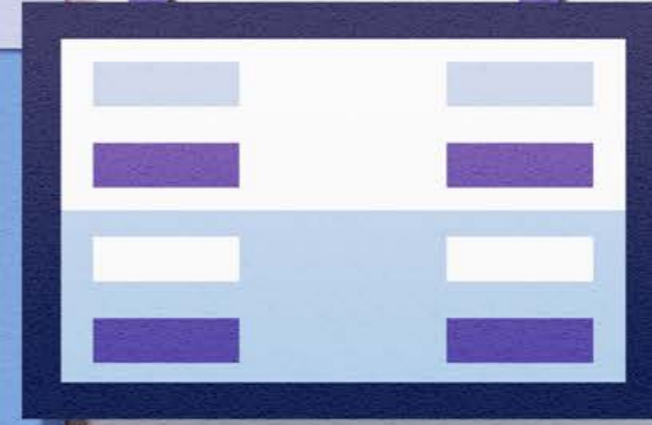
“It was really inspiring to see people across different sectors of Singapore banding together for the common purpose of appreciating our frontline heroes. Together, we are in the position to champion a caring and cohesive society.”*
23-year-old Toh Jia Ze,
 Youth Corps Singapore volunteer

ORGANISERS

“What COVID-19 has taught me is that Singaporeans are already generous. We need to point at all the amazing things these other Singaporeans are doing and say, ‘Look. That’s who we are when we are brave.’”*
Wally Tham,
 Lead organiser of distribution by Stand Up For Our Singapore

Your Journey

Thanks for taking me to the right platform. I really appreciate commuters helping people who are visually impaired like me. These gestures of care go a long way in making commuting on public transport a much more pleasant experience!





Fostering a Culture of Care for a Better Journey

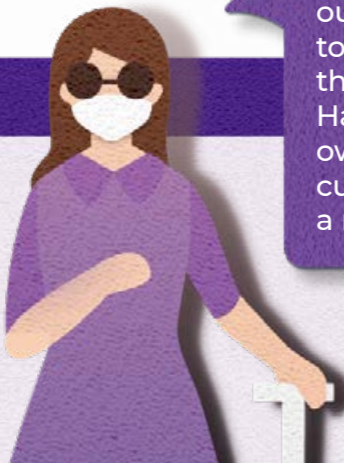
PTC aspires to build a culture of care with our fellow commuters. It is with that in mind that we started the Caring SG Commuters Movement in August 2017. By encouraging all commuters to look out and help one another on our public transport journeys, the movement seeks to realise the Land Transport Master Plan (LTMP) 2040's vision of a transport system for all Singaporeans, anchored by a gracious and caring commuting culture.



Michelle*

Age: 13
Commuter Persona: Visually impaired
Description: Just started travelling independently on public transport (hence could be quite apprehensive), walks around with a cane
Personality: Friendly and optimistic

*Fictional character



I've heard so much about our caring commuting culture – from our newly launched Heart Zones to commuters who have gone the extra mile to care for others. Having started commuting on my own recently, I hope this caring culture will help make my journey a more pleasant one!



Growing a Caring Commuting Culture

Building a Caring Commuting Culture



Achievements





Submitting the Report on Caring SG Commuters

In July 2019, PTC submitted the *Fostering the Caring SG Commuters Movement* report to then Coordinating Minister for Infrastructure and Minister for Transport, Mr Khaw Boon Wan. Besides outlining the efforts to foster a culture of care among commuters, it recommended forming a coordinating structure to facilitate and pull together efforts and initiatives that would transform the Singapore commuting culture into a more caring one.



“...it recommended forming a coordinating structure to facilitate and pull together efforts and initiatives that would transform the Singapore commuting culture into a more caring one.”





The Caring SG Commuters Committee had their inaugural meeting in January 2020. Members discussed strategies to foster a caring commuting culture, in efforts to realise Singapore's vision of an inclusive transport system.

Forming the Caring SG Commuters Committee

The Caring SG Commuters Committee was announced in March 2020 with the mandate to work with commuters and the community to transform the Singapore commuting culture into one that is more caring, welcoming and inclusive. It is chaired by PTC Chairman, Mr Richard Magnus, and comprises key industry players, as well as representatives from relevant ministries and agencies. The committee is supported by a taskforce comprising members from LTA and PTC.

The committee will build on the Caring SG Commuters Movement, focusing on how commuters can support and care for those with mobility needs, such as the elderly, persons with disabilities, and families with young children. The committee has been engaging commuters to better understand their needs as well as partnering the community to co-create initiatives to promote a caring commuting culture.



Wow, that's what has been happening behind the scenes. I'm glad that the committee will be looking at the needs of commuters who might find it challenging to take public transport. Knowing that I can reach out to my fellow commuters for help is reassuring!

Launching the Inaugural Caring Commuter Award

To promote a caring commuting culture, we believe that it is important to give recognition to those who have demonstrated acts of care during their daily commute. Together with the Singapore Kindness Movement (SKM), PTC launched the inaugural Caring Commuter Award in July 2019, as a new category under the National Kindness Award – Transport Gold award.

The Caring Commuter Award recognises acts of care by commuters, such as accompanying lost commuters to their destination, or stepping forward to help those in need.

The award is a suggestion arising from our extensive and continual engagements with our commuters. Commuters saw the potential of this award to inspire others to extend a helping hand to fellow commuters, making our public transport experience a more pleasant one.

The response to the open call for nominations was encouraging. Five individuals eventually received the Caring Commuter Award, with Mr Lester Wong emerging as the Outstanding Award winner, having gone out of his way to care for an elderly commuter in need on the train.



Recipients of the inaugural Caring Commuter Award at the 20th National Kindness Award – Transport Gold ceremony.

“Commuters saw the potential of this award to inspire others to extend a helping hand to fellow commuters, making our public transport experience a more pleasant one.”



Mr Baey Yam Keng, Senior Parliamentary Secretary for the Ministry of Transport, and A/ Prof Muhammad Faishal Ibrahim, Adviser to Nee Soon GRC Grassroots Organisations, at the launch of Heart Zone @ Yishun.

Launching New Heart Zones in Yishun

Building on the success of past Heart Zones at train stations located near public hospitals, PTC launched new Heart Zones in Yishun. In May 2019, PTC partnered Khoo Teck Puat Hospital (KTPH), LTA, Northpoint City and SMRT Trains to launch Heart Zone @ Yishun, with the support from Nee Soon GRC Grassroots Organisations.

The Heart Zones at Yishun MRT station and the lobby of KTPH were launched in May 2019. To encourage commuters to assist patients and visitors going to KTPH and Yishun Community Hospital, signages were placed prominently along the route

between Yishun MRT station and the pick-up points for the shuttle buses heading to the hospitals, while posters on how commuters can help were also displayed at selected bus stops near KTPH. PTC also collaborated with LTA and SMRT Buses to introduce Heart Zone @ Yishun Integrated Transport Hub in September 2019.

KTPH is the fourth hospital, after Ng Teng Fong General Hospital, Singapore General Hospital and Tan Tock Seng Hospital, to partner PTC in this Heart Zone initiative. We hope to work with more public hospitals to introduce more Heart Zones to help commuters in need.

I'm glad to know that the Heart Zone @ Yishun is a result of the efforts of different parties working together in order to improve our public transport journey experience. If I have difficulty making my way to the hospital, I know I can count on the readily available digital panels to tell me how to get around!



Partnering with Schools to Promote a Caring Commuter Culture

CARE (Caring commuters Assist Readily with Empathy) by Hillgrove

Together with Tower Transit Singapore, PTC partnered a class of Secondary three students from Hillgrove Secondary School for their Values-in-Action (VIA) project at Bukit Batok MRT Station and Bus Interchange on 28 August 2019. The Caring commuters Assist Readily with Empathy (CARE) project by Hillgrove Secondary School aimed to raise awareness on the importance of having a caring and inclusive commuting culture on public transport among the younger generation, as well as to show appreciation and engage bus captains.

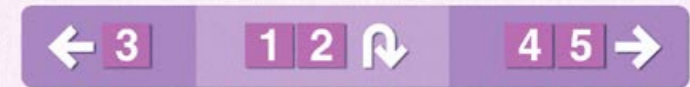
Through this project, students learnt what it means to be a caring commuter by helping commuters in need through different acts of care.

Wristband Project by ITE College West

PTC also collaborated with ITE College West students to organise publicity events on 12 September and 4 October 2019 to promote a caring commuting culture among youths. The students set up a booth to publicise the Caring SG Commuters Movement, encouraging fellow students to pen their thoughts on what it means to be a caring commuter, and wear a wristband identifier to signify commitment to showing care to other commuters. About 150 students pledged their commitment by donning these wristbands.

Students learned what it means to be a caring commuter by helping commuters in need through different acts of care.

1 Helping elderly commuters carry heavy items and assisting them in wayfinding.



2 Assisting wheelchair users boarding and alighting to tap their fare cards while the bus captain assists with the deployment of the ramp.





PTC staff receiving the Minister's Innovation Award from then Coordinating Minister for Infrastructure and Minister for Transport, Mr Khaw Boon Wan.

Gaining Local and International Recognition for the Caring SG Commuters Movement

Local Recognition

Heart Zones and Heartwheels@Linkway received the Minister's Innovation Award (Merit) at the 2019 Ministry of Transport (MOT) Awards Ceremony. PTC was commended for our efforts in engaging commuters as co-creators and contributors towards building a caring commuting culture. Instead of relying solely on infrastructural enhancements like travellers, or recruiting additional staff, we believe in the importance of involving commuters as part of our solution to provide care and assistance to fellow commuters.

The CARE Ride and CARE by School projects were also showcased in the MOE National Education Resource Guide 2020, providing schools with ideas for their VIA programme. PTC looks forward to working with more schools to build a caring commuter culture.



(from left) Mr Daniel Lau, Chief Transformation & Data Officer, Transformation and Research Analysis, Mr Richard Magnus, Chairman, Ms Angela Khoo, Deputy Director of Transformation and Research Analytics and Mr Tan Kim Hong, Chief Executive with the UITP Special Recognition Award.

International Recognition

PTC is honoured to have received the UITP Asia-Pacific Special Recognition Award from UITP (International Association of Public Transport) for the *Co-creation Project to Foster a Caring Commuting Culture* at its Global Public Transport Summit in Stockholm, Sweden in June 2019.

The UITP Awards acknowledge ambitious and innovative public transport projects undertaken in cities and regions around the world in the last two years. These projects position public transport as the backbone of urban and local mobility solutions. The awards comprise various categories, including diversity and inclusion as well as public and urban transport strategy.

CO-CREATING WITH COMMUTERS

Our co-creation projects are a significant part of the Caring SG Commuters Movement, and a result of extensive conversations with commuters and stakeholders.

The Heart Zone initiative was our maiden project, seeded by commuters and further refined by PTC.

Encouraged by overwhelmingly positive response, this initiative was extended to more locations, with the design of each location co-conceptualised and co-created with partners, the community and commuters. Receiving this award affirms our co-creation efforts and testifies to the potential for commuters to transform their own public transport experience.

It's great to know that commuters like you and I play a part in shaping the commuting experience. I'm thankful that PTC and its partners are concerned about the needs of commuters like me who need support in our travelling.

Knowing about all these efforts to foster a caring commuting culture reassures me that I can count on fellow commuters, and that my experience on Singapore's public transport is a safe, smooth and supportive one!



SPOTLIGHT

Meet Outstanding Commuter, Lester Wong

Going the extra mile is second nature to Mr Lester Wong. When he noticed an elderly commuter experiencing breathlessness on his train journey, he not only accompanied her home, but also brought her to the hospital thereafter out of concern for her health. At the hospital, he did not leave her side until he was assured by the nurses that she was properly cared for.

MR WONG: ACTS OF CARE* In the MRT train, Mr Wong notices an elderly commuter experiencing breathlessness. He rushes to her aid and accompanies her home.

How are you feeling?

I don't feel well. My heart is beating really fast.

Do you need me to get medical assistance? Is there anyone I can call?

It's okay, it's okay, I'll just slowly make my way back home.

At least let me accompany you back to your residence.

At the elderly commuter's flat, she says that she is still not feeling well, and Mr Wong and the other female commuter decide to bring her to the hospital.

I'm still feeling rather unwell.

Let's go to the hospital for a check-up to make sure you're safe and sound.

Thank you so much, young man.

At the hospital, Mr Wong stays with her until he is assured by the nurse that she is in good hands.

Thank you so much for going out of your way to care for her, Mr Wong. You can leave her in our good hands.

Please don't mention it. You can contact me if you need my assistance. Thank you!

*Based on true events

SPOTLIGHT

Heart Zone @ Yishun Integrated Transport Hub (YITH)

Two other Heart Zones were launched at the Yishun Integrated Transport Hub (YITH) in September 2019, to promote a caring commuting culture for those travelling between the new integrated transport hub and KTPH. Located in the middle and at the end of the YITH, the two Heart Zones complement the other Heart Zones at Yishun MRT Station and KTPH, to make wayfinding seamless and provide additional platforms for commuters to help one another.

END-TO-END HEART ZONES Now that there is one Heart Zone stationed at each end of YITH, I can get information on the directions more easily without having to walk all the way to the other end of the interchange.

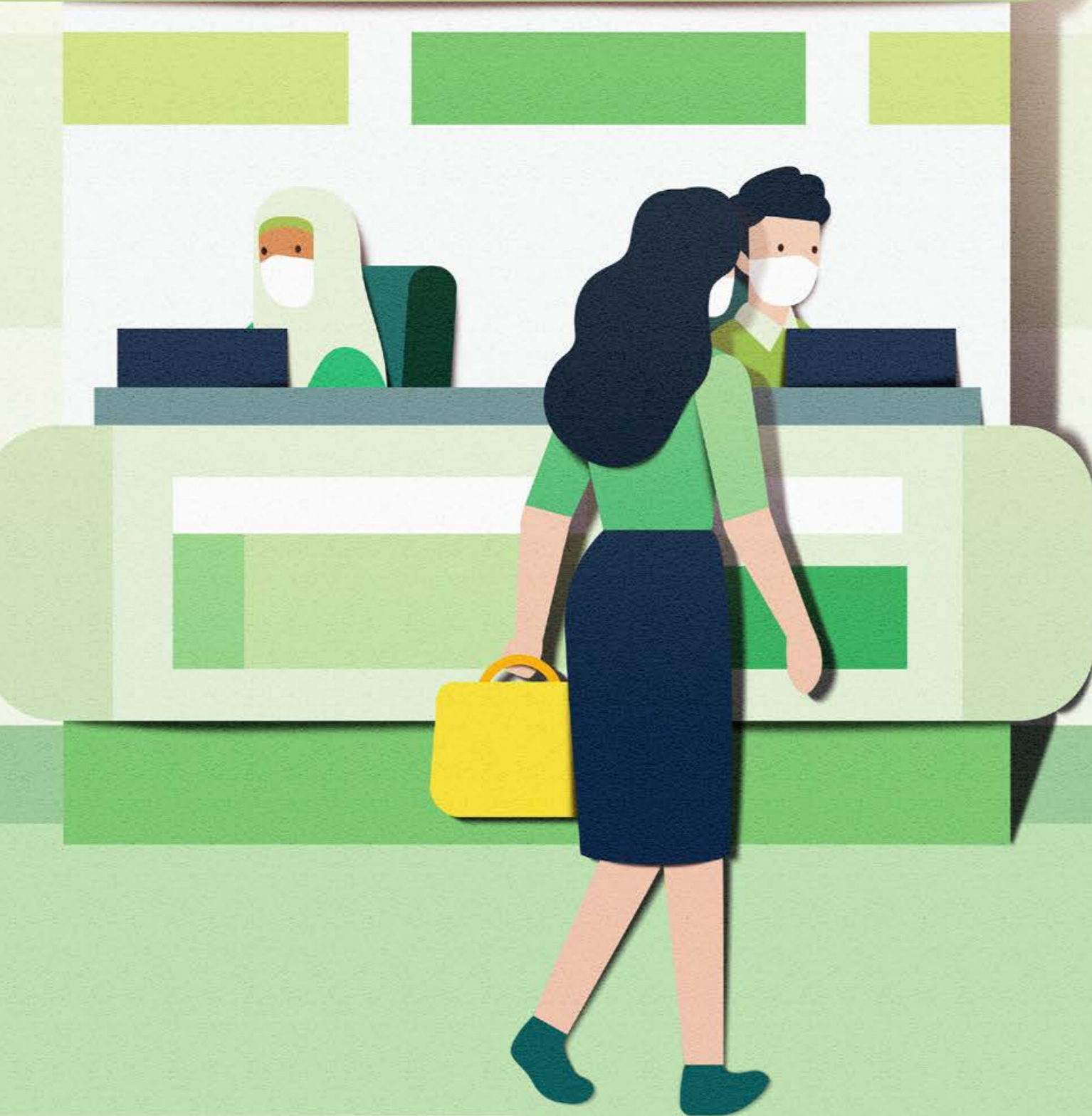
CARE MAP MURAL Wow, I didn't know that we can find help at so many places besides the Passenger Service Centre. This is useful, especially in this huge place!

Yeah! There's an uncle sitting at the Heart Zone. Let's see if he needs some help!

DIGITAL PANEL Notice someone appearing to be lost? Why not offer to guide them to their destination, or refer them to one of these Heart Zones located in the YITH?

PHOTO GALLERY

Your Fare



So glad that poly students like us can now enjoy student rates on public transport!

Yeah! Concessionary fares are now capped at \$0.63 for each journey when they could reach up to \$2.08 previously. That's a lot of cost savings!



Ensuring an Affordable and Sustainable Public Transport System

PTC's mandate is to keep public transport fares affordable for commuters while ensuring the financial sustainability of the public transport system.

PTC uses a fare adjustment formula to determine the maximum allowable fare adjustment for each Fare Review Exercise (FRE). In this way, PTC ensures that the public transport operators do not simply pass on all cost increases to commuters.

PTC also considers the views of commuters and relevant stakeholders in every FRE. In particular, we pay special attention to the interests of more vulnerable groups, such as the lower-wage workers, senior citizens and students.

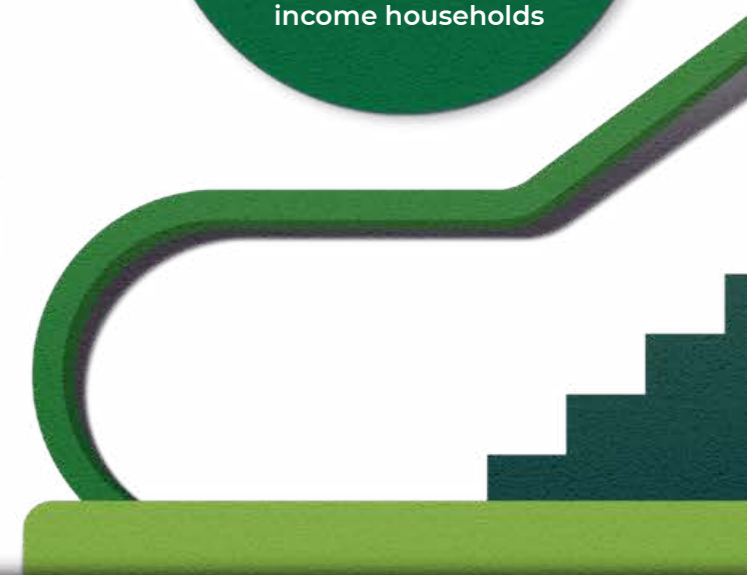
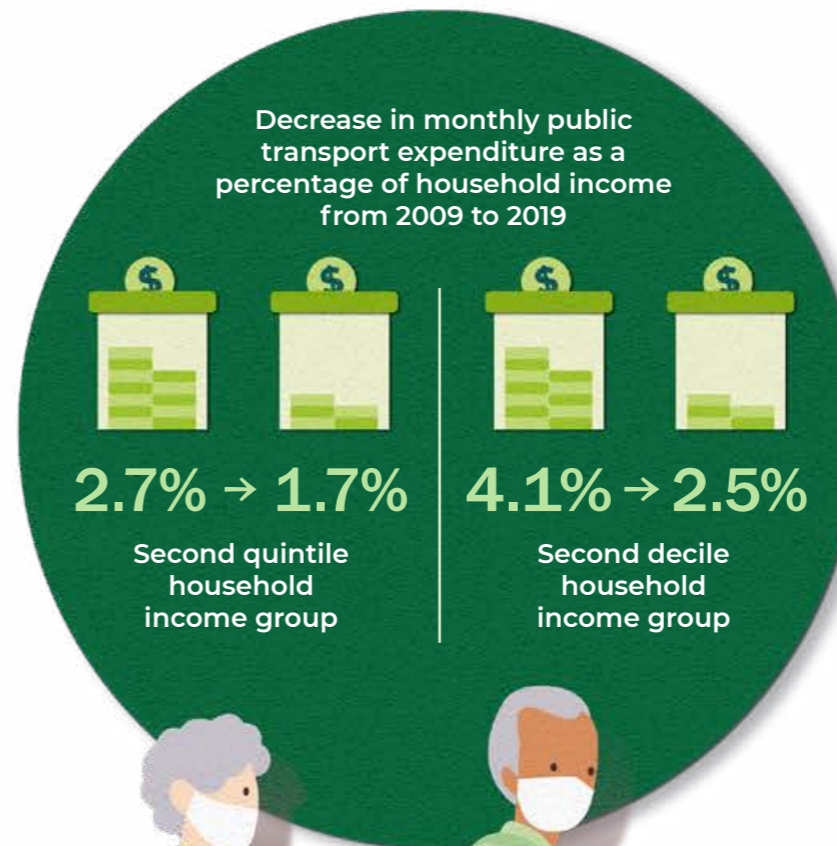
Our Council members are also from a wide spectrum of society, representing diverse views on public transport fares.

In the 2019 FRE, PTC decided to grant enhanced concessions to polytechnic and other diploma students. With the extension of concessions, over 80,000 polytechnic and diploma students now enjoy fare savings of up to \$1.54 per journey. PTC also implemented the fare adjustment in accordance with the fare formula. The card fare adjustment was capped at 4 cents for around 2 million concessionary commuters, while adults saw a 9-cent adjustment in card fares per journey.



2019 Fare Review Exercise: Facts and Figures

Public transport fares in Singapore continue to be affordable, and students, adults and senior citizens pay one of the lowest fares as compared to other cities around the world.



Fare Review Exercise 2019

Student Concession

extended to polytechnic and other diploma students



Fare savings of up to

\$1.54

per journey

More than

80,000

students benefited

What were the changes to our fares?

Concession Card Fares

increased by

4¢



for students, senior citizens, lower-wage workers and persons with disabilities

Adult Card Fares

increased by

9¢



Adult Monthly Travel & Monthly Concession Passes

increased by

\$1-\$8



Cash Fares & Single Trip Tickets

increased by

20¢



Public Transport Vouchers*

help lower-income families cope with the fare adjustment



450,000

Public Transport Vouchers (PTV) for Singaporeans worth

\$50 each

This is the largest number of PTVs set aside to date!

*PTV application dates are from 11 November 2019 to January 2021. Eligible households may apply at their local Community Centres or Clubs.

Affordable Public Transport for All Singaporeans

Concession Cards*

Around 2 million commuters enjoy concessionary fares. That's over 1 in 2 Singaporeans.

Polytechnic and other diploma students can now enjoy concessionary fares and

save up to **\$1.54** per journey



Students enjoy a discount of up to

70% off adult fares



Senior citizens enjoy a discount of up to

55% off adult fares



Children under age 7 can travel for

FREE

with a valid child concession card



Lower-wage workers enjoy a discount of up to

25% off adult fares



Persons with disabilities enjoy a discount of up to

55% off adult fares



Monthly Passes



Frequent users of public transport can cap their expenditure with a

Monthly Travel Pass or **Monthly Concession Pass**

*As of 28 December 2019

SPOTLIGHT

Extension of Student Concessionary Fares for Polytechnic and Diploma Students

Student concessionary fares were extended to polytechnic and other diploma students with effect from **28 December 2019**.


With their Diploma Student Concession Card, polytechnic and other diploma students see their fares capped at \$0.63 for each journey, down from a maximum of \$2.08 if they were to pay full adult fare.

BEFORE 28 DECEMBER 2019



I buy a concession pass every month, as paying fares per journey would have cost me more in total on a monthly basis. My spending on public transport is therefore capped every month!

WITH EFFECT FROM 28 DECEMBER 2019



With the extension of student concessionary fares to polytechnic students, I don't need to buy concession passes every month. During term breaks when I travel less, I can choose to pay by journey and my monthly travel expenses will be even lower than the price of a concession pass!

Shafiq*

Age: 18
 Commuter Persona: Polytechnic student
 Description: Studies at Singapore Polytechnic and travels to school every day from his residence in Toa Payoh
 Personality: Usually takes the bus as he has more route options

*Fictional character



I'm glad that they decided to extend concessionary fares to polytechnic students like me! Now I spend less whenever I take the bus and train.



Fare Regulation for Other Public Transport Modes

Looking Out for Your Taxi and Non-Public Bus Fares

PTC safeguards commuters' interest by regulating the taxi fare structure and preventing it from becoming too complicated. This makes it easier for commuters to compare fares across different taxi operators.

For example, when it comes to peak period, off-peak and advance booking fees, each taxi company now has only one set of booking fees for all its standard taxis; likewise for all its premium taxis.

To protect commuters' interests in the area of non-public buses, PTC also requires non-public bus service operators to submit their fare pricing policies for approval before implementation.

Better Ride-Hailing Services for You

The P2P transport services sector also plays an important role in our vision for a well-connected transport network. Taxis and PHCs complement the public bus and train network. As of August 2019, they make up about 6% of all journeys completed.

The entry of third-party taxi booking (TPB) service providers and PHC booking service operators have provided commuters with more options and shorter waiting times.


To ensure that commuters can continue to benefit from an evolving P2P sector, the P2P Passenger Transport Industry Bill was passed in August 2019 and will come into effect from October 2020. Under this new regulatory framework, PTC will ensure that fares for P2P transport services are clear and transparent, according to the following:

1 Existing practices (i.e. street-hail taxi fares)

- Metered fares will continue to be charged by service operators, in accordance with the fare structure stipulated by PTC.


2 What's new (i.e. ride-hail trips)

- Metered fares will continue to be offered by licensed service operators, as per current regulations.
- Flat fares to be charged for taxi and PHC bookings by a licensed service provider must be conveyed upfront to the commuter. [New]



In addition, the regulations of fare evasion and overcharging will also be extended to PHC trips booked on licensed ride-hail service operators. This will safeguard the interests of drivers and their passengers.

The good thing about using an app to book a ride is that I would know what is the fare I have to pay in advance. This way, I won't run the risk of exceeding my budget! But sometimes when I'm in a hurry, I like that I can simply hail a taxi on the street and save on waiting time.





Regulating Ticket Payment Services



Currently, over 98% of daily public transport trips are made using contactless cards, which include EZ-Link and NETS FlashPay. To protect commuters' interests, PTC regulates all fees and charges related to EZ-Link and NETS FlashPay cards, including top-ups and refunds.

With the launch of SimplyGo in April 2019, commuters can now make fare payments using their Mastercard, Visa, or NETS Tap contactless cards or mobile wallets. Such e-payments for public transport makes fare payments more convenient for commuters with more fare payment options available.



Regulating Fare Evasion Cases

To protect the majority of commuters who pay the correct fare, PTC oversees the penalty fare regime to deter fare evasion on buses and trains. While each instance of fare evasion may seem like a small figure, such fare evasions can result in significant fare leakage when taken collectively.

Key Statistics on Fare Evasion in 2019



Educating Commuters on Making Correct Fare Payment

To help remind commuters to make the correct fare payment, PTC produced a flyer to educate commuters on what they need to pay attention to when paying their fares by card, cash or mobile wallets so that they do not unintentionally evade fares.

Benchmarking and Best Practices

I personally think that driverless technology is certainly the way to go. Imagine how this will boost efficiency!

I'm also keen to see how different technological advances can better our public transport system!





Partnership and Collaboration

Through partnerships and collaborations with local and overseas transport authorities and institutions, PTC exchanged views and knowledge on topics related to public transport fare regulation, delivering quality public transport and enhancing commuter experience with countries such as Australia, China, Norway, United Kingdom, Sweden and South Korea.

PTC is an active member of the Union Internationale des Transports Publics (UITP) and a permanent member of UITP's Transport and Economics Committee (TEC). UITP is an international association of public transport, made up of a worldwide network of public transport stakeholders. PTC Chairman, Mr Richard Magnus, chairs the UITP's Asia-Pacific Organising Authorities Platform (AP OAP) since its second term in 2016. During the COVID-19 outbreak, PTC also participated in UITP webinars and virtual meetings to exchange information and insights on managing the impact of the pandemic on public transport.

Mummy, are we taking the new electric bus this weekend? I wonder what they look like...

Is it that bus? It's so quiet compared to other buses!

Yes, and they require less energy to run too! Come on, let's get onboard!

Jennifer*

Age: 9
Commuter Persona: Young girl
Description: Frequently travels on public transport – both on her own and with her parents
Personality: Observant and inquisitive about public transport, and likes to ask many questions

*Fictional character



Learning from Other Cities

Hosting Our UITP TEC Counterparts

In December 2019, as part of UITP's 100th TEC meeting, PTC hosted members of the UITP TEC in Singapore and discussed public transport fare regulation issues in London, Moscow, Germany, Hungary, Poland, Belgium, and Brazil, among others.

UITP TEC members also visited Bulim Bus Depot, which is equipped with repair and maintenance facilities, a fleet of e-buses and charging facilities, as well as amenities for bus captains. During the visit, members of UITP TEC got to learn more about Singapore's bus contracting model and how new bus technologies can create a better commuter experience.

(left) Staff at Bulim Bus Depot taking our international visitors on a tour of the facility.

(right) Meeting UITP TEC counterparts to exchange views and expertise on public transport fare systems.



UITP TEC members exploring our first fleet of eco-friendly electric buses. The first batch of these electric buses hit the roads in early 2020.



Our visitors being treated to a ride on board Singapore's very first electric bus. The first batch of these electric buses hit the roads in early 2020.



(left) The High Commissioner of Rwanda and PTC Chairman exchanging views on managing public transport in the two countries.



(right) Ruter AS' CEO, Mr Bern Reitan Jenssen, with PTC CE Mr Tan Kim Hong, after the signing of the MOU.



Hosting the High Commissioner of Rwanda

On 13 January 2020, the High Commissioner of Rwanda, H.E. Jean de Dieu Uwihanganye, met PTC Chairman to discuss Singapore's public transport system and how fares were regulated. Mr Uwihanganye expressed interest to collaborate with PTC on public transport studies through research and knowledge exchange.

Signing of MOU with Norwegian Transport Authority, Ruter AS

In October 2019, PTC signed a Memorandum of Understanding with Norwegian Transport Authority, Ruter AS, to deepen the exchange of knowledge and expertise in public transport policies and best practices.

Ruter AS is responsible for planning, developing and operating the public transport services in Oslo, Norway's capital city, and Akershus, the second most populated county in Norway. With Ruter's experience in managing public transport services and handling emerging public transport trends, the collaboration with Ruter will allow PTC to deepen our research capability in measuring commuter sentiments and improving your travel experiences.

Mr Bern Reitan Jenssen, Ruter AS' Chief Executive Officer, expressed his pleasure in working closely with PTC and learning from our developments and innovations when it comes to influencing customer behaviour and demand. He shared that this would be a unique opportunity for Ruter to understand how techniques such as nudging, gamification and rewards can create better customer experiences and more sustainable freedom of movement.

Participating in UITP Conferences

In April 2019, PTC attended the UITP Asia-Pacific Organising Authorities Platform (AP OAP) Spring Meeting held in Seoul, South Korea.

At the meeting, public transport authorities from different jurisdictions exchanged views and shared insights on the following areas:

- Enhancing the attractiveness of public transport as a choice mode
- Devising solutions to tackle the rise of new mobility
- Building smart and sustainable cities
- Challenges of data sharing

PTC also met officials from the Seoul Metropolitan Government to learn more about the financing policy considerations for Seoul's public transport system.



Attendees of the UITP AP OAP Spring Meeting in Seoul, South Korea.



PTC Chairman Mr Richard Magnus and CE Mr Tan Kim Hong, together with Mr Jerome Pourbaix, Senior Director of Global Growth at UITP in Stockholm, Sweden.

At the June 2019 UITP Global Public Transport Summit held in Stockholm, Sweden, we were honoured to receive a Special Recognition Award for the *Co-creation Project to Foster a Caring Commuting Culture*.

PTC also shared Singapore's fare adjustment formula at the 99th UITP TEC Meeting, which was held in conjunction with the UITP conference in Sweden. The sharing sparked further interest in the TEC to explore the fare review mechanism and fare adjustment formula.





Attendees of the UITP AP & ANZ OAP meeting in Canberra, Australia.

In November 2019, PTC attended the joint UITP Asia-Pacific & Australia-New Zealand Organising Authorities Platforms (AP & ANZ OAP) meeting hosted by Transport Canberra.

The meeting saw a gathering of thought leaders from agencies, regulators and industry players. There were fruitful discussions on major trends and developments affecting the Australian public transport system. The enhancement of the attractiveness of public transport as a mode of choice, and the rise of new mobility were also discussed during the joint meeting.

PTC also participated in the UITP Asia-Pacific (AP) Division Meeting and had a meeting with Transport Canberra and City Services (TCCS) of the Australian Capital Territory Government.

Are electric buses better for the environment?

Hooray for the environment! Mummy, did you know Singapore is one of the cities testing the use of autonomous vehicles? My teacher said we could be taking self-driving buses to schools one day. That will be so cool!

Yes! Many other cities are also going green by adopting electric buses.

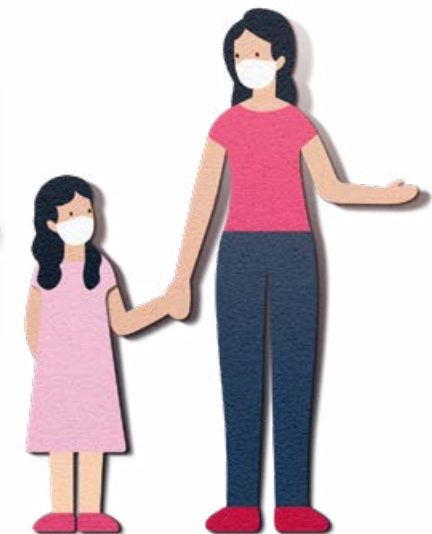


Charting New Paths in Public Transport

PTC has partnered the Singapore University of Technology & Design (SUTD) and embarked on a study on the use of AVs in public transport. Singapore has always relied on technology to improve its transport system, and AVs have the potential to transform urban mobility and improve connectivity.

As public acceptance will be crucial in determining the success of AV's implementation in public transport, insights gathered from the PTC-SUTD survey will determine how AV will be deployed as a public transport option.

Mummy, I love the new electric buses! Can you also bring me to try a self-driving vehicle one day? And Mummy, when I grow up, I'm going to make vehicles that fly!

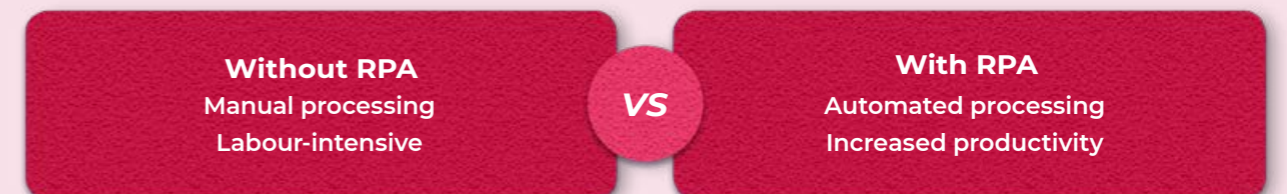


SPOTLIGHT

Harnessing the Potential of Robotic Process Automation (RPA)

PTC piloted the use of Robotic Process Automation (RPA) to process penalty fee appeals more efficiently, with the cross-divisional team achieving time-savings of up to 67% in our initial trial. This results in more timely and better-quality responses to all appellants.

Following this successful pilot, PTC will equip our staff with capabilities in RPA and expand its usage to improve other work processes.



Financial Statements



With our Public Transport Operators working hard to continuously improve our rides, I am assured that I can get to my destinations safely and smoothly!

With Heart Zones, I know I can count on other commuters to help me get to my destinations.

With lifts being prioritised and carriage space being reserved for commuters like me with strollers, I can get around safely and efficiently in the MRT station.

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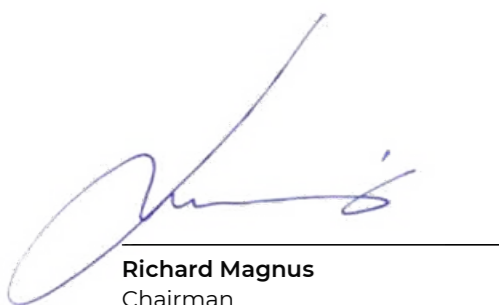
Statement by the Members of Public Transport Council

For the financial year ended 31 March 2020

In our opinion,

- (a) the accompanying financial statements of the Public Transport Council (hereafter to be called "Council") as set out on pages 65 to 101 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 2020** and 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 financial year have been, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act and 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: 13 August 2020

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 2020

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 2020, 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 2020** 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 60.

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.

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 2020

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 SB-FRSs, 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.

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.

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 2020

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

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 financial 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.

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 2020

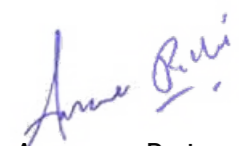
Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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 Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Council. 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 Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Council.

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: 13 August 2020

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Statement of Comprehensive Income

For the financial year ended 31 March 2020

	Note	2019/2020 S\$	2018/2019 S\$
Revenue		101,600	112,100
Penalty fee		5,444	-
Interest income		1,000	623
Others	(4)	108,044	112,723
Less: Expenditure			
Council members' allowance		107,269	107,269
Depreciation of property, plant and equipment		343,329	71,255
Entertainment and refreshments		7,672	8,383
Finance cost	(5)	15,164	-
General administration		41,083	44,383
IT expenditure/maintenance		861,060	893,257
Others		58,910	58,575
Publicity		223,858	61,893
Professional fees		53,431	102,110
Rental of office		-	259,532
Staff costs			
- Salaries, allowances and benefits		4,451,925	3,917,162
- Central Provident Fund contributions		571,332	509,792
Staff training		192,871	94,058
Survey and research fee		723,359	1,085,322
Transport		15,388	13,244
Total operating expenses		7,666,651	7,226,235
Operating deficit before government grants and contributions to consolidated fund		(7,558,607)	(7,113,512)
Grants			
Operating grants	(8)	8,034,979	8,021,553
Deferred capital grant amortised	(13)	37,090	41,831
Surplus for the financial year before statutory contributions to consolidated fund		513,462	949,872
Statutory contributions to consolidated fund	(11)	(84,553)	(121,178)
Surplus for the year, representing to total comprehensive income for the financial year		428,909	828,694

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

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Statement of Financial Position

As at 31 March 2020

	Note	2019/2020 S\$	2018/2019 S\$
Non-current assets			
Property, plant and equipment	(6)	<u>396,388</u>	<u>147,463</u>
Current assets			
Prepayments		37,087	49,114
Other receivables	(7)	87,710	71,856
Grant receivables	(8)	-	266,396
Cash and cash equivalents	(9)	<u>2,399,641</u>	<u>1,824,960</u>
		<u>2,524,438</u>	<u>2,212,326</u>
Less:			
Current liabilities			
Other payables	(10)	623,250	752,389
Contributions to consolidated fund	(11)	84,553	121,178
Lease liabilities	(12)	190,877	-
Provision for reinstatement costs	(14)	<u>56,731</u>	<u>-</u>
		<u>955,411</u>	<u>873,567</u>
Net current assets		<u><u>1,569,027</u></u>	<u><u>1,338,759</u></u>
Non-current liabilities			
Deferred capital grant	(13)	<u>15,043</u>	<u>52,133</u>
NET ASSETS		<u><u>1,950,372</u></u>	<u><u>1,434,089</u></u>
EQUITY			
Share capital	(15)	335,882	232,418
Accumulated surplus	(16)	<u>1,614,490</u>	<u>1,201,671</u>
		<u><u>1,950,372</u></u>	<u><u>1,434,089</u></u>

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

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Statement of Changes in Equity

For the financial year ended 31 March 2020

	Note	Share Capital S\$	Accumulated Surplus S\$	Total S\$
2020				
Balance as at 1 April 2019		232,418	1,201,671	1,434,089
Effect of adopting SB-FRS 116		-	(16,090)	(16,090)
Balance as at 1 April 2019 (restated)		232,418	1,185,581	1,417,999
Surplus for the financial year, representing to total comprehensive income for the financial year		-	428,909	428,909
Total capital injection for the financial year	(15)	<u>103,464</u>	<u>-</u>	<u>103,464</u>
Balance as at 31 March 2020	(15), (16)	<u><u>335,882</u></u>	<u><u>1,614,490</u></u>	<u><u>1,950,372</u></u>
2019				
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
Total capital injection for the financial year	(15)	<u>37,790</u>	<u>-</u>	<u>37,790</u>
Balance as at 31 March 2019	(15), (16)	<u><u>232,418</u></u>	<u><u>1,201,671</u></u>	<u><u>1,434,089</u></u>

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

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Statement of Cash Flows

For the financial year ended 31 March 2020

	Note	2019/2020 S\$	2018/2019 S\$
Cash flows from operating activities			
Operating deficit before government grants and contributions to consolidated fund		(7,558,607)	(7,113,512)
Adjustments for:			
Depreciation of property, plant and equipment	(6)	343,329	71,255
IT expenditure/maintenance reimbursed by government grants	(23)	161,041	153,542
Interest income		(5,444)	-
Interest expense	(5)	15,164	-
Operating deficit before working capital changes		(7,044,517)	(6,888,715)
Change in operating assets and liabilities:			
Prepayments		12,027	(46,877)
Other receivables		(10,636)	42,703
Other payables		(142,181)	210,887
Cash used in operations		(7,185,307)	(6,682,002)
Contributions to consolidated fund		(121,178)	(43,790)
Interest paid		(15,164)	-
Interest received		226	-
Net cash used in operating activities		(7,321,423)	(6,725,792)
Cash flows from investing activities			
Purchase of property, plant and equipment	A	(103,464)	(18,290)
Net cash used in investing activities		(103,464)	(18,290)
Cash flows from financing activities			
Additions to share capital	(15)	103,464	37,790
Payment of principal portion of lease liabilities	(12)	(244,230)	-
Government operating grants received	(8)	8,140,334	7,979,045
Net cash generated from financing activities		7,999,568	8,016,835
Net increase in cash and cash equivalents		574,681	1,272,753
Cash and cash equivalents at beginning of the year		1,824,960	552,207
Cash and cash equivalents at end of the year	(9)	2,399,641	1,824,960

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

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Statement of Cash Flows

For the financial year ended 31 March 2020

Note to the statement of cash flows

A. Purchase of property, plant and equipment	Note	2019/2020 S\$	2018/2019 S\$
Aggregate cost of property, plant and equipment acquired (Note 6)		173,237	18,290
Provision for reinstatement costs (Note 6)		(56,731)	-
Accrued expenses (Note 10)		(13,042)	-
Purchase of property, plant and equipment		103,464	18,290
Capital injection received to acquire property, plant and equipment		103,464	4,309
Cash payment made to acquire property, plant and equipment		-	13,981
Purchase of property, plant and equipment		103,464	18,290

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

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

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 registered office and principal place of operations of the Council 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.

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

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 year 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 2019. Except for the adoption of SB-FRS 116 *Leases* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Council.

SB-FRS 116 *Leases*

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

The Council adopted SB-FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening accumulated surplus. The Council elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Council applied the standard only to contracts that were previously identified as leases applying SB-FRS 17 and INT SB-FRS 104 at the date of initial application.

The effect of adopting SB-FRS 116 as at 1 April 2019 was as follows:

	Increase/ (Decrease) S\$
Property, plant and equipment	419,017
Lease liabilities	435,107
Accumulated surplus	(16,090)

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

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

SB-FRS 116 Leases (continued)

The Council has lease contracts for leasehold property. Before the adoption of SB-FRS 116, the Council classified each of its leases (as lessee) at the inception date as operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2(n).

Upon adoption of SB-FRS 116, the Council applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note 2(n). The standard provides specific transition requirements and practical expedients, which have been applied by the Council.

(a) Leases previously classified as operating leases

The Council recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Council also applied the available practical expedients wherein it:

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

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

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

SB-FRS 116 Leases (continued)

(a) Leases previously classified as operating leases (continued)

Based on the above, as at 1 April 2019:

- right-of-use assets of S\$419,017 were recognised and presented within property, plant and equipment;
- additional lease liabilities of S\$435,107 were recognised;
- the net effect of these adjustments of S\$16,090 had been adjusted to accumulated surplus. Comparative information is not restated.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	S\$
Operating lease commitments as at 31 March 2019	455,758
Less: Commitments relating to lease of low-value assets	(66,668)
Add: Lease payments due in periods covered by extension options that are included in the lease term and not previously included in operating lease commitments	64,848
	<u>453,938</u>
Weighted average incremental borrowing rate as at 1 April 2019	5.33%
Discounted operating lease commitments / lease liabilities as at 1 April 2019	<u>435,107</u>

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(c) Standards 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:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to References to the Conceptual Framework in SB-FRS Standards	1 January 2020
Amendments to SB-FRS 109, SB-FRS 39 and SB-FRS 107 <i>Interest Rate Benchmark Reform</i>	1 January 2020

Those charged with governance expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

(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 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.

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

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 property, plant and equipment, which are capitalised, or to income or expenditure for purchase of property, 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 property, plant and equipment purchased with the related grants. Upon the amortisation or disposal of property, plant and equipment, the balance of the related deferred capital grants is recognised as income to match the carrying amount of the property, 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.

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(g) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, 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 property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

	<u>Useful lives</u>
Renovation	5 years
Furniture and fittings	5 years
Computer equipment	3 years
Computer software	5 years
Office equipment	5 years
Leasehold property	Over lease period of 3 to 4 years
Provision for reinstatement costs	Over lease period of 1 to 2 years

Work-in-progress included in property, plant and equipment is not depreciated as these assets are not available for use.

Property, plant and equipment costing below S\$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 property, 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 derecognition of the asset is included in statement of comprehensive income in the year the asset is derecognised.

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(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.

(i) Financial instruments

(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.

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(i) Financial instruments (continued)

(i) Financial assets (continued)

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.

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.

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(i) Financial instruments (continued)

(ii) Financial liabilities (continued)

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.

(j) Impairment of financial assets

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.

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).

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(j) Impairment of financial assets (continued)

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.

(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.

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(n) Leases

These accounting policies are applied on and after the initial application date of SB-FRS 116, 1 April 2019:

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

(i) As lessee

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

Right-of-use assets

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

If ownership of the leased asset transfer to the Council at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2(h).

The Council's right-of-use assets are presented within property, plant and equipment (Note 6).

Public Transport Council

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Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(n) Leases (continued)

These accounting policies are applied on and after the initial application date of SB-FRS 116, 1 April 2019: (continued)

(i) As lessee (continued)

Lease liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Council and payments of penalties for terminating the lease, if the lease term reflects the Council exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(n) Leases (continued)

These accounting policies are applied before the initial application date of SB-FRS 116, 1 April 2019:

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 income or expenditure 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.

(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 an expense in the income or expenditure 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.

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(p) Related parties (continued)

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.

(q) Share capital

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

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Notes to the Financial Statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

(r) Contributions to consolidated fund

The contributions to the consolidated fund is required under Section 3(a) of the Statutory Corporations (Contributions 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.

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.

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

Notes to the Financial Statements

For the financial year ended 31 March 2020

3. Significant accounting judgements and estimates (continued)

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

The Council uses a probability of default method to calculate ECLs for other 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 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 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 is disclosed in Note 21(a) to the financial statements.

The carrying amount of the Council's other receivables is disclosed in Note 7 to the financial statements.

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Notes to the Financial Statements

For the financial year ended 31 March 2020

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

(b) Impairment of property, plant and equipment

Property, 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 property, plant and equipment as at 31 March 2020 is disclosed in Note 6 to the financial statements.

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

The cost of property, plant and equipment less residual value is depreciated on a straight-line basis over the property, 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 property, 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 property, plant and equipment as at 31 March 2020 is disclosed in Note 6 to the financial statements.

(d) Estimating the incremental borrowing rate of leases

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

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Notes to the Financial Statements

For the financial year ended 31 March 2020

4. Revenue

	2019/2020 S\$	2018/2019 S\$
<u>Type of services</u>		
Penalty fee	101,600	112,100
Interest income	5,444	-
Others	1,000	623
	<u>108,044</u>	<u>112,723</u>
<u>Timing of transfer of services</u>		
At a point in time	<u>108,044</u>	<u>112,723</u>

5. Finance cost

	2019/2020 S\$	2018/2019 S\$
Interest expense on:		
- Lease liabilities	<u>15,164</u>	<u>-</u>

Public Transport Council

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Notes to the Financial Statements

For the financial year ended 31 March 2020

6. Property, plant and equipment

Cost	Renovation S\$	Furniture and fittings S\$	Computer equipment/ software S\$	Office equipment S\$	Leasehold property S\$	Work in progress S\$	Total S\$
As at 1 April 2018	260,884	30,941	37,961	7,816	-	-	337,602
Additions	-	-	16,097	2,193	-	-	18,290
As at 31 March 2019	260,884	30,941	54,058	10,009	-	-	355,892
Effect of adopting SB-FRS 116	-	-	-	-	793,966	-	793,966
At 1 April 2019 (Restated)	260,884	30,941	54,058	10,009	793,966	-	1,149,858
Additions	56,731	-	90,656	-	-	25,850	173,237
As at 31 March 2020	317,615	30,941	144,714	10,009	793,966	25,850	1,323,095
As at 1 April 2018	101,745	16,483	13,072	5,874	-	-	137,174
Depreciation for the year	52,177	5,120	13,326	632	-	-	71,255
As at 31 March 2019	153,922	21,603	26,398	6,506	-	-	208,429
Effect of adopting SB-FRS 116	-	-	-	-	374,949	-	374,949
At 1 April 2019	153,922	21,603	26,398	6,506	374,949	-	583,378
Depreciation for the year	77,788	4,779	20,327	997	239,438	-	343,329
As at 31 March 2020	231,710	26,382	46,725	7,503	614,387	-	926,707
<u>Carrying amount</u>							
As at 31 March 2020	85,905	4,559	97,989	2,506	179,579	25,850	396,388
As at 31 March 2019	106,962	9,338	27,660	3,503	-	-	147,463

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Notes to the Financial Statements

For the financial year ended 31 March 2020

6. Property, plant and equipment (continued)

Included within the cost of renovation is a provision for premises reinstatement costs of S\$56,731 (2018/2019: S\$Nil) (Note 14).

7. Other receivables

	2019/2020 S\$	2018/2019 S\$
Accrued income	7,830	11,250
Deposits	60,606	60,606
Interest receivables	5,218	-
Others	14,056	-
	<u>87,710</u>	<u>71,856</u>

Other receivables are denominated in Singapore Dollar.

8. Grant receivables

	2019/2020 S\$	2018/2019 S\$
At the beginning of the financial year	266,396	363,449
Grant recognised in income and expenditure for the financial year (Note 2e)	8,034,979	8,021,553
Transferred to deferred capital grant during the financial year (Note 13)	-	13,981
Operating Grants received during the year	(8,140,334)	(7,979,045)
Reimbursements of Agency Facility Management Services (Note 23)	(161,041)	(153,542)
At the end of the financial year	<u>-</u>	<u>266,396</u>
Government grant representing: Grant receivables	<u>-</u>	<u>266,396</u>

Grant receivables are denominated in Singapore Dollar.

Public Transport Council

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Notes to the Financial Statements

For the financial year ended 31 March 2020

9. Cash and cash equivalents

	2019/2020 S\$	2018/2019 S\$
Cash at bank	20,701	1,172,697
Cash deposits with AGD	2,378,940	652,263
	<u>2,399,641</u>	<u>1,824,960</u>

Cash and cash equivalents comprise cash which includes bank balances held by Accountant-General's Department ("AGD") under the Government's Centralised Liquidity Management Framework for Statutory Boards.

Cash and cash equivalents are denominated in Singapore Dollar.

10. Other payables

	2019/2020 S\$	2018/2019 S\$
Other payables	68,854	262,072
Security deposits	30,000	31,500
Accrued expenses	511,354	458,817
Accrued expenses for property, plant and equipment	13,042	-
	<u>623,250</u>	<u>752,389</u>

Other payables are denominated in Singapore Dollar.

11. 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.

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Notes to the Financial Statements

For the financial year ended 31 March 2020

11. Contributions to consolidated fund (continued)

	2019/2020 S\$	2018/2019 S\$
Provision for current year contributions	<u>84,553</u>	<u>121,178</u>
Reconciliation of effective tax rate:		
Surplus before statutory contributions to consolidated fund recognised in statement of comprehensive income	513,462	949,872
Effect of adopting SB-FRS 116	<u>(16,090)</u>	-
Surplus before statutory contributions to consolidated fund	497,372	949,872
Tax at statutory rate of 17% (2018/2019: 17%)	84,553	161,478
Effect of:		
- Utilisation of deferred tax assets not recognised previously	-	(40,300)
Contributions to consolidated fund recognised in statement of comprehensive income	<u>84,553</u>	<u>121,178</u>

12. Leases

Council as a lessee

The Council has lease contracts for leasehold property. The Council's obligations under these leases are secured by the lessor's title to the leased assets.

- (a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold Property S\$
At 1 April 2019	419,017
Depreciation	<u>(239,438)</u>
At 31 March 2020	<u>179,579</u>

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Notes to the Financial Statements

For the financial year ended 31 March 2020

12. Leases (continued)

Council as a lessee (continued)

- (b) Lease liabilities

	2019/2020 S\$	2018/2019 S\$
Current	<u>190,877</u>	<u>-</u>

A reconciliation of liabilities arising from financing activities is as follows:

	1 April 2019 S\$	Cash flows S\$	Non-cash changes Accretion of interest S\$	31 March 2020 S\$
Liabilities				
Lease liabilities	435,107	(259,394)	15,164	190,877
	<u>435,107</u>	<u>(259,394)</u>	<u>15,164</u>	<u>190,877</u>

- (c) Amounts recognised in statement of comprehensive income

	2019/2020 S\$
Depreciation of right-of-use assets	239,438
Interest expense on lease liabilities (Note 5)	15,164
Lease expense not capitalised in lease liabilities	
- Expense relating to leases of low-value assets (included in IT expenditure/maintenance)	<u>37,651</u>
Total amount recognised in statement of comprehensive income	<u>292,253</u>

- (d) Total cash outflow

The Council had total cash outflow for leases of S\$259,394 in 2020.

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For the financial year ended 31 March 2020

13. Deferred capital grant

	2019/2020 S\$	2018/2019 S\$
At the beginning of the financial year	52,133	79,983
Transferred from government operating grant during the financial year (Note 8)	-	13,981
Grant recognised in income and expenditure for the financial year (Note 2e)	<u>(37,090)</u>	<u>(41,831)</u>
At end of the financial year	<u>15,043</u>	<u>52,133</u>

14. Provision for reinstatement costs

Provision for reinstatement costs is made for the estimated cost of reinstating the Council's rented premises to the original condition upon termination of the lease:

	2019/2020 S\$	2018/2019 S\$
At the beginning of the financial year	-	-
Provision during the financial year	<u>56,731</u>	-
At the end of the financial year	<u>56,731</u>	-

15. Share capital

	2019/2020 No. of shares	2018/2019 No. of shares	2019/2020 S\$	2018/2019 S\$
Issued and fully paid up:				
At the beginning of the financial year	232,418	194,628	232,418	194,628
Equity injection	<u>103,464</u>	<u>37,790</u>	<u>103,464</u>	<u>37,790</u>
At the end of the financial year	<u>335,882</u>	<u>232,418</u>	<u>335,882</u>	<u>232,418</u>

During the financial year, the Council received additional proceeds from equity financing of S\$103,464 (2018/2019: S\$37,790) from the Ministry of Finance. 103,464 (2018/2019: S\$37,790) 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.

16. Accumulated surplus

The balance represents unutilised surplus of the Council.

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For the financial year ended 31 March 2020

17. 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.

	2019/2020 S\$	2018/2019 S\$
Ticket payment service licence fees	<u>32,700</u>	<u>32,700</u>

18. Significant related party transactions

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.

Purchase of services

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

	2019/2020 S\$	2018/2019 S\$
Ministries		
Manpower-related services	66,052	59,240
Support services	<u>255,657</u>	<u>347,823</u>
Statutory Boards		
Manpower-related services	1,040,680	759,768
Support services	<u>219,157</u>	<u>107,586</u>

Compensation of key management personnel

	2019/2020 S\$	2018/2019 S\$
Salaries, allowances and benefits	1,601,470	1,471,155
Employer's contributions to Central Provident Fund	<u>102,220</u>	<u>83,918</u>
	<u>1,703,690</u>	<u>1,555,073</u>

The above includes Council Members' allowance of S\$107,269 (2018/2019: S\$107,269).

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Notes to the Financial Statements

For the financial year ended 31 March 2020

19. Commitments

Operating lease commitments-as lessee

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.

As at 31 March 2019, the future minimum lease payable under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	2018/2019 S\$
Not later than one year	295,294
Later than one year but not later than five years	160,464
	<u>455,758</u>

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.

As disclosed in Note 2(b), the Council has adopted SB-FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term and low-value leases.

20. 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.

Lease liabilities

The carrying amounts of lease liabilities approximate their fair value as they are subject to interest rates close to market rate of interest for similar arrangements with financial institutions.

21. 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.

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21. Financial risk 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.

(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. 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.

Public Transport Council

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Notes to the Financial Statements

For the financial year ended 31 March 2020

21. Financial risk management (continued)

(a) Credit risk (continued)

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.

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

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Notes to the Financial Statements

For the financial year ended 31 March 2020

21. Financial risk management (continued)

(a) Credit risk (continued)

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 2020						
Other receivables	7	I	12-month ECL	87,710	-	87,710
					-	
1 April 2019						
Other receivables	7	I	12-month ECL	71,856	-	71,856
Grant receivables	8	I	12-month ECL	266,396	-	266,396
					-	

Other receivables and grant receivables

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.

(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 (excluding provision for reinstatement costs) 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.

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Notes to the Financial Statements

For the financial year ended 31 March 2020

21. Financial risk management (continued)

(c) Market risk (continued)

(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.

22. 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	2019/2020 S\$	2018/2019 S\$
Financial assets measured at amortised cost			
Other receivables	7	87,710	71,856
Grant receivables	8	-	266,396
Cash and cash equivalents	9	2,399,641	1,824,960
Total financial assets measured at amortised cost		<u>2,487,351</u>	<u>2,163,212</u>
Financial liabilities measured at amortised cost			
Other payables	10	623,250	752,389
Total financial liabilities measured at amortised cost		<u>623,250</u>	<u>752,389</u>

23. Agency Facility Management Services Grant

The Council incurred S\$161,041 (2018/2019: S\$153,542) 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.

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Notes to the Financial Statements

For the financial year ended 31 March 2020

24. 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.

The items reclassified were as follows:

	Previously reported S\$	Reclassification S\$	After Reclassification S\$
Statement of Comprehensive Income			
General administration	28,762	15,621	44,383
IT expenditure/maintenance	864,736	28,521	893,257
Others	58,185	390	58,575
Penalty fee scheme	423,840	(423,840)	-
Staff costs			
- Salaries, allowances and benefits	3,595,429	321,733	3,917,162
- Central Provident Fund contributions	453,323	56,469	509,792
Staff training	93,527	531	94,058
Transport	<u>12,669</u>	<u>575</u>	<u>13,244</u>

25. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Council Members on 13 August 2020.

Public Transport Council

(Constituted under the Public Transport Council Act, Chapter 259B)

General Information

For the financial year ended 31 March 2020

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	
Ms. Chua Lee Hoong	
Mr. Fang Chin Poh	
Dr. Kwoh Chee Keong	
Ms. Lee Huay Leng	
Associate Professor Patricia Tan Mui Siang	
Associate Professor Vincent Chua Cheng Huat	
Mr. Yeo Teck Guan	
Dr. Lynette Cheah Wan Ting	(Appointed on 1 May 2019)
Mr. Lim Bok Ngam	(Appointed on 1 May 2019)
Ms. Rahayu Mahzam	(Appointed on 1 May 2019)
Mr. Thuvinder Singh s/o Bachan Singh	(Appointed on 1 May 2019)
Mr. Lim Boon Wee	(Appointed on 1 May 2019)
Mr. Arasu s/o Duraisamy	(Retired on 30 April 2019)
Mr. Gopinath Menon	(Retired on 30 April 2019)
Mr. Karmjit Singh	(Retired on 30 April 2019)
Mr. Sng Chern Wei	(Retired on 30 April 2019)
Mdm. Tan Seow Peer	(Retired on 30 April 2019)

Auditors

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Public Accountants and Chartered Accountants of Singapore
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Principal Banker

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