

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Financial Year

2018/2019

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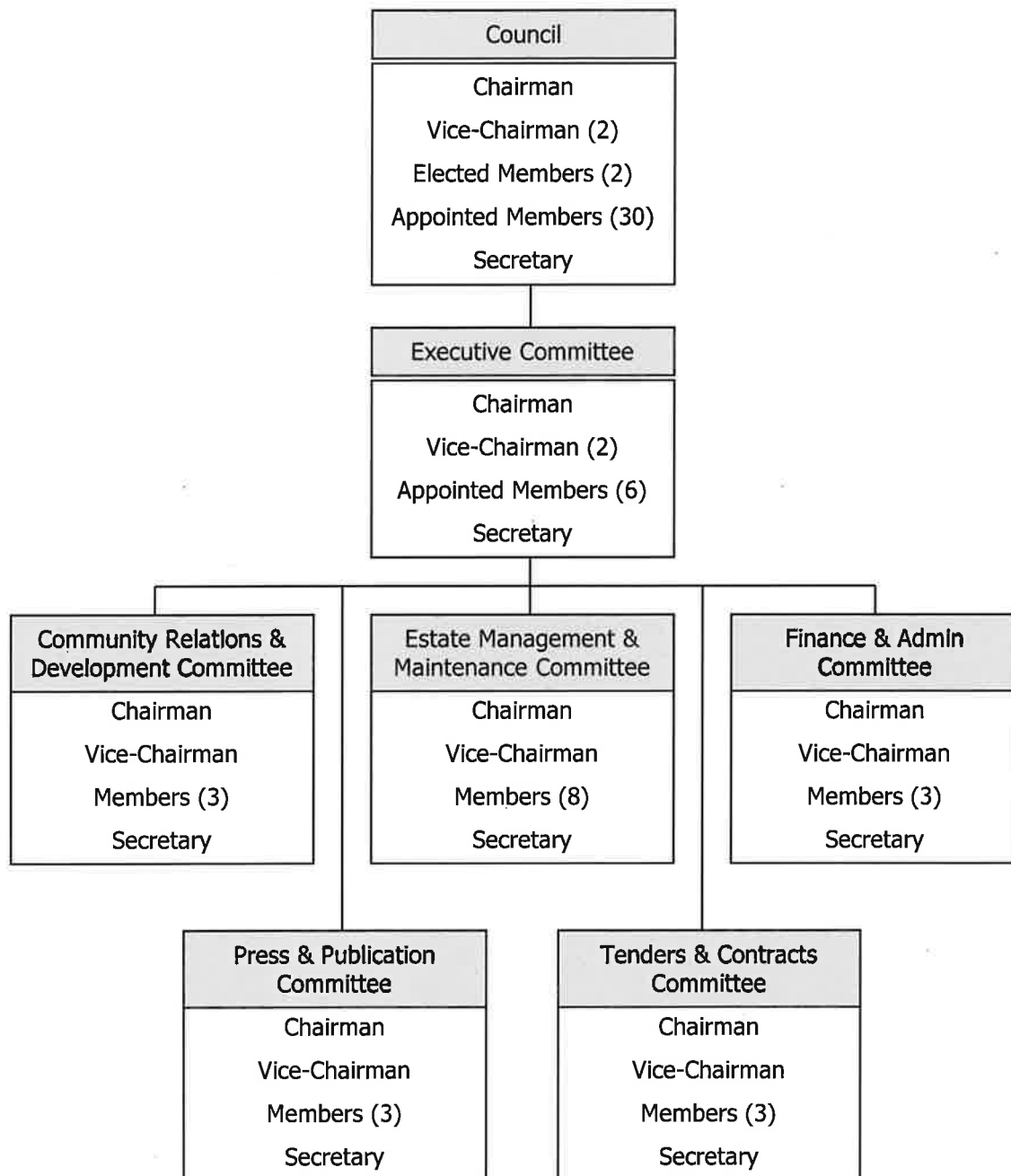
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Organisation
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**Town
Councillors**

| | |
|--------------------------|---|
| CHAIRMAN | Mr Patrick Tay Teck Guan, BBM MP for West Coast GRC |
| VICE-CHAIRMEN | Mr Cedric Foo MP for Pioneer SMC Ms Foo Mee Har MP for West Coast GRC |
| ELECTED MEMBERS | Mr S Iswaran Minister for Communications and Information Minister in-charge of Trade Relations, & MP for West Coast GRC Mr Lim Hng Kiang Special Adviser to Ministry of Trade and Industry, & MP for West Coast GRC |
| APPOINTED MEMBERS | Mr Ang Kiat Seng Jeffrey, PBM Ms Aw Siew Har Catherina Mr Chan Sin Chan Anthony, PBM Mr Chong Lee Hock Michael, PBM Mr Chua Thiam Chwee Andrew, BBM Mr Foo Chew Tuck Joseph, JP, BBM Mr Goh Keh Wee Ms Kong Wai Yee Mr Kuek Chiew Peng, BBM(L) Ms Lim Lee Boon, PBM Mr Lim Thean Ee Steven, BBM Mr Ng Chor Teck, PBM Mr Ng Keng Boon Mr Ong Boon Han Edvin Mr Ong Chee Ming Jimmy, PBM Ms Ong Phian Phian Corrine, PBM Mr Pek Ting Li Desmond, PBM Mr Selvakumar s/o Panneerselvam Mr Sham Cheong Hong Raymond Ms Tan Kwee Lian Rosalind |

| | |
|--------------------------------|---|
| APPOINTED MEMBERS | <p>Mr Tan Swee Kee Kelvin, PBM</p> <p>Mr Soh Leng Hsien Shawn, PBM</p> <p>Mr Tan Ah Chor, PBM</p> <p>Mr Tan Kiang Lye Kenneth</p> <p>Mr Teoh Chin Chong, PBM</p> <p>Ms Teoh Fong Meng Theresa, PBM</p> <p>Mr Yak Jun Wei Joshua, PBM</p> <p>Mr Yeo Thiam Huat Victor, PBM</p> <p>Mr Yong Kok Wah</p> <p>Assoc Prof Yu Shi Ming, BBM</p> |
| KEY OFFICERS | |
| Secretary/General Manager | Mr Tay Eng Hwa |
| Deputy General Manager | Ms Cindy Ng |
| Senior Finance & Admin Manager | Ms Sherene Soh |
| Finance & Admin Manager | Ms Shirley Lee |
| MANAGING AGENT | EM Services Pte Ltd |

Standing Committees

| | | |
|--|---|--|
| Executive Committee | Mr Patrick Tay, BBM Mr Cedric Foo Ms Foo Mee Har Mr Chua Thiam Chwee Andrew, BBM Mr Foo Chew Tuck Joseph, JP, BBM Mr Kuek Chiew Peng, BBM(L) Mr Lim Thean Ee Steven, BBM Ms Tan Kwee Lian Rosalind Assoc Prof Yu Shi Ming, BBM | Chairman Vice-Chairman Vice-Chairman |
| Community Relations & Development Committee | Mr Foo Chew Tuck Joseph, JP, BBM Mr Tan Swee Kee Kelvin, PBM Ms Aw Siew Har Catherina Ms Kong Wai Yee Mr Ong Chee Ming Jimmy, PBM | Chairman Vice-Chairman |
| Estate Management & Maintenance Committee | Mr Lim Thean Ee Steven, BBM Mr Ng Keng Boon Mr Goh Keh Wee Mr Ong Boon Han Edwin Ms Ong Phian Phian Corrine, PBM Mr Selvakumar s/o Panneerselvam Mr Sham Cheong Hong Raymond Mr Teoh Chin Chong, PBM Ms Teoh Foong Meng Theresa, PBM Mr Yong Kok Wah | Chairman Vice-Chairman |
| Finance & Admin Committee | Mr Chua Thiam Chwee Andrew, BBM Mr Tan Ah Chor, PBM Mr Chong Lee Hock Michael, PBM Ms Lim Lee Boon, PBM Mr Yak Jun Wei Joshua, PBM | Chairman Vice-Chairman |
| Press & Publication Committee | Mr Kuek Chiew Peng, BBM(L) Ms Tan Kwee Lian Rosalind Mr Chan Sin Chan Anthony, PBM Mr Pek Ting Li Desmond, PBM Mr Yeo Thiam Huat Victor, PBM | Chairman Vice-Chairman |
| Tenders & Contracts Committee | Assoc Prof Yu Shi Ming, BBM Mr Soh Leng Hsien Shawn, PBM Mr Ang Kiat Seng Jeffrey, PBM Mr Ng Chor Teck, PBM Mr Tan Kiang Lye Kenneth | Chairman Vice-Chairman |

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Tel: 6896 4890
Fax: 6425 0798
Email: wctcbl@wctc.org.sg



Telok Blangah Service Centre
Blk 79/82 Telok Blangah Drive
(Market & Cooked Food Centre)
Tel: 6377 5138
Email: wctccl@wctc.org.sg



**Annual Report
For The Period
1 April 2018
To
31 March 2019**

Chairman's Review

Financial Year 2018/2019 had been fulfilling and exhilarating for West Coast Town Council where an all-green rating was awarded for our Town Council Management Report (TCMR) for Year 2017. This achievement would not have been possible without the unwavering support from our residents. It would further encourage the Council to continue to uphold our commitment to improve and provide a better home and living environment for our residents.

The Council is constantly exploring new approaches and enhancements to meet the needs of our residents. More covered walkways and drop-off porches were constructed to provide shelter, come rain or shine, for the convenience of our residents. Other upgraded facilities included fitness corners, children's playgrounds, bicycle sheds and barrier-free access (BFA) ramps which will benefit many residents in their daily life. These improvement projects are in place to enhance and rejuvenate our Town to ensure that facilities are kept in good and working condition.


As we continue to work on refining our Town where improvement works are continuously being carried out to uplift our facilities, we also ensure that our routine cyclical maintenance works are not forgotten as these are essential in the up keeping of our estates.

Apart from our daily conservancy and cleaning works to ensure that the estates are well-maintained, various upgrading programmes including Neighbourhood Renewal Programme (NRP), Lift Upgrading Programme (LUP) and Home Improvement Programme (HIP) were implemented to revitalise and further improve the older precincts.

In view of increasing demand for housing and the nation's growing population, two new Build-To-Order (BTO) developments will be built at Boon Lay and Pioneer. They will be completed by 2022, hence, providing more options for younger couples.

West Coast Town Council will continue to exercise prudence in our work and ensure that feedback is looked into promptly. We would like to take this opportunity to express our gratitude to our residents and the support received. Together, we can continue to make West Coast a better home for all.




Patrick Tay Teck Guan, BBM
Chairman

This report provides an overview of the Financial Year 2018/2019, in areas of Fiscal Management, Maintenance and Upkeep of the Town, Environmental Management and Community Relations.

Fiscal Management

For the financial year ended 31 March 2019, the Council recorded an operating surplus of \$2.58 million, after government grant(s). Without the government grant, an operating deficit of \$2.02 million would have been registered.

The Council continues to manage our finances with prudence despite increasing expenditure as the estates mature as well as to meet the increasing aspirations of our residents. Improvement projects are planned and prioritized to enhance the existing facilities that could benefit our residents.

Service & Conservancy Charges (S&CC)

With effect from 1 April 2017, it is mandatory for Town Councils to set aside 26% and 14% of the S&CC income and grant as Sinking Fund and Lift Replacement Fund, respectively. The Council is also required to contribute towards the Lift Enhancement Program (LEP) for lifts which will be co-funded by HDB. And, coupled with rising costs, the S&CC needed to be revised upwards. However, to help ease the impact on residents, the increase is spread over two years, in June 2017 and June 2018.

S&CC grants were received from the government for the one-room to four-room HDB flats. In FY 2018/2019, the government also provided S&CC rebates to eligible Singapore citizen lessees/tenants of HDB flats, ranging from 3½ months S&CC for 1-room and 2-room flats, 2½ months S&CC for 3-room and 4-room flats, 2 months S&CC for 5-room flats and 1½ month for Executive flats.

For stallholders affected by the temporary closure of the Market and Cooked Food Centre for upgrading, improvement and cyclical maintenance works, the Council will waive the S&CC payable by them during the period of closure.

Arrears Management

At the end of FY 2018/2019, 13.57% of the S&CC accounts were in arrears, amounting to \$1.17 million in total (not including late payment penalty and legal fees). This is a decrease of 3.77% in terms of accounts in arrears and an increase of 4.78% for amount in arrears, compared to FY 2017/2018.

We appreciate the invaluable co-operation of our residents in paying their S&CC promptly. To provide greater convenience to residents and encourage cashless payment of their S&CC, the Council made available payment modes including GIRO, recurring credit card payment scheme, NETS, internet banking and third-party payment modes like AXS and SAM. Residents can also make their payments at all post offices.

The Council took steps to recover payment from accounts that were in arrears. However, the Council remains sympathetic towards residents who face genuine financial hardship and offers assistance including payment of the arrears by instalment, deferment of payment, and referral to welfare agencies, Community Development Council and other community-based organizations for welfare aid and job matching.

For residents who are not in financial hardship but delayed payment, late payment penalty fee and administrative charges are imposed to discourage such delays. As a final resort, Court actions would be initiated against residents who ignore repeated reminders to make payment.

Investment of Funds

As part of the Council's long-term financial planning, the Council invests the portion of surplus funds that are not required in the short term to generate returns. The Council adopts a balanced and cautious investment strategy, and the returns will be used to offset the rate of inflation and increase the value of our funds in the long run.

As at the end of FY 2018/2019, \$3 million was invested in bonds; \$37.25 million was invested with fund managers and \$81.37 million was placed in fixed deposits.

Our conservative investment strategy includes institutional and strategic diversification, as well as asset class allocation viz cash, bonds issued by government/statutory boards, and fund management.

The Council's investment approach is in strict compliance with the stipulations in the Town Councils Act, Town Councils Financial Rules and guidelines issued by the Ministry of National Development.

Maintenance Management & Estate Improvement

The daily upkeep and maintenance of the HDB common property and open spaces is one of the key responsibilities of the Council. Our property management teams conduct inspections of the estate so that maintenance issues are promptly identified and rectified. We also manage and closely supervise the performance of our team of Term Contractors to ensure that their performance conforms to the contractual requirements.

We appeal to all our residents to help provide feedback on maintenance issues directly to the Council so that we can address them promptly. At the same time, we would also like to seek the co-operation of all our residents not to misuse or vandalize common facilities and to help keep the estate clean. Such active support is vital in contributing towards a safer, cleaner and more pleasant housing estate for everyone.

Cyclical Maintenance Works

Cyclical maintenance works are critical towards maintaining and extending the lifespan of our buildings and the supporting mechanical and electrical installations, thereby minimizing breakdowns and costly repair works.

In FY 2018/2019, the Council spent about \$8.80 million on cyclical maintenance works including electrical rewiring, repairs and repainting, re-roofing, replacement of transfer and booster pumps and lift works. This amount includes the Council's share of the costs for the government's Lift Upgrading Programmes implemented within the Town.

Town Improvement Projects

To complement the daily upkeep and maintenance of common areas and open spaces, the Council also plans for and implements improvement projects, to provide our residents with a better living environment. Improvement projects are prioritized according to the practical benefits for our residents.

In FY 2018/2019, the Council spent about \$3.88 million on improvement projects. The improvement projects that were implemented included covered walkways, fitness corners for adults and fitness corners for senior citizens, game courts, residents' corners, provision of directional signage/ block number signs, bicycle sheds/racks, drop-off porches and upgrading of children playgrounds. Covered walkways from the nearest block to bus-stops and between blocks, as well as Barrier-Free Access features within the Town served to improve convenience and connectivity for residents and were particularly well-received.

Utility Saving Initiatives

The Council is cognizant of the long-term pressure on our operating expenses due to utility cost, as it constitutes 29% of the Council's operating expenditure. Hence, energy saving initiatives are necessary to help mitigate the effects of increasing electricity costs. The Council, together with 14 other PAP TCs, embarked on a bulk relamping exercise to replace all existing less energy efficient lights to Light Emitting Diode (LED) luminaires at the remaining 176 HDB blocks and the open space in West Coast Town. Work commenced in the first quarter of 2018 and was completed in end 2018. Time-control switches for the common area lights at the blocks as well as those at the open spaces are pre-set to turn on and turn off to coincide with changing daylight hours throughout the year.

In addition, the electricity supply for a total of 665 eligible contestable accounts were contracted via tender to EMA approved retailers from 1 January 2018 to 31 December 2019, at discount ranging from 28.10% to 28.61% off the electricity tariff based on the rates of Singapore Power.

The Council also explored other feasible alternatives including solar energy, where installation of solar panels at 263 blocks started in February 2019. Work is scheduled to be completed by June 2020, to further reduce electricity consumption while concurrently supporting environmental sustainability.

The Council is also watching closely its water consumption, as water tariff increased by 30%, phased over 2 years, from 1 July 2017.

Town Council Management Report (TCMR)

Based on the ratings of the Town Council Management Report (TCMR) released for the period of April 2017 to March 2018, the Town Council achieved Green for all the Indicators such as Estate Cleanliness, Estate Maintenance, Lift Performance and S&CC arrears management.

We would like to thank our residents for their continuous support and co-operation in the upkeep of the estates, especially in keeping the common areas such as corridors, staircases and lift lobbies clean and tidy and clear of obstructions and hazards, as well as not erecting unauthorized structures such as clothes drying racks and blinds at the common areas.

The Council will strive to maintain the all-green band achieved for our TCMR ratings. We would like to also encourage residents to continue to practice proper bagging and disposal of refuse into the chutes and refrain from littering as well as to contact the Council for the free bulky household item removal service. Feedback from our residents on cleanliness and maintenance defects would also help the Council in timely rectification of the defects and help significantly towards sustaining the TCMR rating.

Upgrading Programmes

The Government put in place various upgrading programmes such as Neighbourhood Renewal Programme (NRP), Home Improvement Programme (HIP) and Lift Upgrading Programme (LUP), Selective En bloc Redevelopment Scheme (SERS) to rejuvenate older HDB estates as part of the Government's continual efforts to enhance the living environment of our residents.

The residents in the following precincts gave their support and benefited from these upgrading programmes, which have either been completed or are in progress:

| Home Improvement Programme (HIP) | |
|--|--|
| Block 30 to 41 Teban Gardens Road | Completed |
| Block 174 to 176, 188 and 191 Boon Lay Drive | In Progress. Expected to complete by 4 th quarter 2019. |
| Block 401 to 408 Pandan Gardens | Polling completed on 26 July 2019 – 28 July 2019 |
| Block 409 to 416 Pandan Gardens | Polling will be conducted from 30 August 2019 – 1 September 2019 |
| Block 43 to 54 Teban Gardens Road | Polling will be conducted from 16 August 2019 – 18 August 2019 |
| Block 501, 504 and 505 West Coast Drive | Pending for Polling |
| Block 721, 722, 725 and 727 Clementi West Street 2 | Pending for Polling |

| Neighbourhood Renewal Programme (NRP) | |
|---|---|
| Block 174 to 179 Boon Lay Drive | Completed on 23 January 2019 |
| Block 257 to 267 and 257A (MSCP) Boon Lay Drive | In progress. Expected to complete in 4 th quarter 2019 |

| Lift Upgrading Programme (LUP) | |
|--|---|
| Block 501 and 505 West Coast Drive and Block 721, 725 and 727 Clementi West Street 2 | In progress. Expected to complete in 3 rd quarter 2020 |

| Selective En bloc Redevelopment Scheme (SERS) | |
|---|---|
| Block 513 to 520 West Coast Road | In progress. Work expected to complete in 2 nd quarter 2023. |

Environmental Management

Maintaining the cleanliness, public hygiene and safety in the estate requires the joint effort from the community. The Council will continue to engage the residents with civic responsibility posters, advisories, newsletters, as well as putting up exhibitions during community events, to encourage residents to practice good social habits.

Keep Clean, Singapore!

The Keep Clean, Singapore! 2018 event held in May was jointly organized by the Town Council, the National Environment Agency (NEA), and Public Hygiene Council.

The event is part of the nation-wide campaign to create awareness on the importance of keeping public areas clean and that cleanliness is a shared responsibility of every resident. All residents play an important role to care for the environment by not littering and taking ownership to upkeep the cleanliness of their surroundings. Residents and volunteers, led by grassroots leaders participated in "Keep Clean, Singapore!" to pick up litter at various locations. The day before the clean-up exercise, there were no general cleaning services to the ground floor common areas and open spaces. This is so that residents could observe the actual state of cleanliness and hygiene in their estate before and after the general cleaning has been suspended for a day.

Pest Control

The Council sustained its mosquito control initiative to combat dengue transmission. Through a Dedicated Mosquito Control effort, the Pest Control Operator appointed by the Council carried out scheduled checks, focusing on source reduction by identifying and eradicating mosquito breeding habitats at the common areas and open spaces.

Although the main source of mosquito breeding occurs in homes, the Council would also like to appeal to all our residents to properly dispose their litter and unwanted belongings as these are potential mosquito breeding habitats if indiscriminately disposed in the common areas and open spaces.

The Council, in collaboration with NEA, also stepped up intensive rodent control works under the Rat Attack Programme.

The Council also sees an increase in bird nuisance issues in the estates. The availability of food in the area attracts birds as well as pests such as rats and cockroaches. We would like to urge all residents to refrain from feeding birds as they pose health and hygiene problems. Residents can report to the AVA and NEA if you see anyone engaging in the act of feeding and littering, respectively.

Keeping our Estate Obstruction and Hazard Free

Excessive as well as unwanted personal belongings placed at and indiscriminately discarded at corridors, staircases and lift lobbies are a potential source of fire hazard. They also obstruct emergency escape routes, thereby impeding life-saving efforts and evacuation in emergencies.

The Council appeals to all our residents and shop lessees/tenants to help keep our Town free from obstructions and hazards to promote and establish a safer living environment. Residents who need to dispose bulky household items can contact the Council for the free removal service for up to three items per household per month.

Closed-circuit Televisions (CCTVs) Network

The island-wide police cameras (PolCams) project rolled out by Singapore Police Force (SPF) to install CCTVs at all HDB blocks and HDB multi-storey car parks started in 2012, and has been completed since mid-2016. The PolCams at the void decks and ground floor staircase landings, together with the Lift Surveillance Systems (LSS) installed in the lifts by the Town Council form a CCTV network for better security of our residents. By 1st quarter 2019, all the lifts in the Town will be installed with LSS.

Following the completion of this phase, SPF will roll-out the camera coverage beyond HDB blocks and multi-storey car parks, to open areas at the Town and Neighbourhood Centres as well as Market and Cooked Food Centres, where there would be people congregating. The cameras will also be installed to cover open pathways and walkways at transport nodes like MRT stations and major bus-stops.

Feedback & Communication

The Town Council values the communication and feedback from our residents. We will continue to engage and reach out to our residents and build rapport through the various modes and channels of communication. Besides traditional modes of communication, the Council, in keeping up to date with new technology, will roll out LED digital notice boards in the coming fiscal year. This is an additional platform to traditional notice board to improve communication and connectivity, as well as efficiency and productivity.

iTown@SG

The iTown@SG continues to provide another convenient communication channel for our residents to provide feedback on maintenance matters. Residents are able to take a photo of the maintenance issue and submit it to the Council via their smartphones.

iFeedback

The Council makes available the iFeedback System for residents who are not using smartphones, to send their feedback directly to the Town Council via SMS or MMS. With the use of MMS, residents are able to capture and send photographs on maintenance issues to the Council, which would help the Council to locate and rectify them quickly.

One Service App

As part of the government's on-going efforts to improve the delivery of municipal services in Singapore, the Municipal Services Office (MSO) works with various agencies including Town Councils, to fine-tune and enhance the current processes to better manage and address public feedback on municipal issues.

The One Service App which was launched in January 2015 is made convenient for users to submit their feedback on one common platform as the app automatically directs each feedback to the relevant agency to provide a more timely and efficient service. Other functions provided by One Service App include photo attachment and geo-tagging to allow users to submit a more comprehensive report.

Town News

Residents are kept informed of the latest happenings, estate maintenance information and community updates through the newsletter which is distributed to HDB dwellers and commercial tenants.

Website

The West Coast Town Council website provides essential and useful information including Council's services, responsibilities, annual report, and by-laws. Besides being a convenient source of information, it also provides an alternative feedback channel for residents to the Council.

We Value Feedback

The Council values the feedback from all our residents. Residents are welcome to reach the Council directly via the various channels of communication. They can also raise their concerns and contribute their feedback and suggestions through their Town Councillors, grassroots leaders, and their Members of Parliament during the regular house-to-house visits, dialogue sessions, community events and Meet-the-People sessions.

**Audited Financial
Statements
For The Period
1 April 2018
To
31 March 2019**

WEST COAST TOWN COUNCIL
(Established under the Town Councils Act, Cap. 329A)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

WEST COAST TOWN COUNCIL

**FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 MARCH 2019**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WEST COAST TOWN COUNCIL**

Report on the Audit of Financial Statements*Opinion*

We have audited the financial statements of West Coast Town Council (the "Town Council"), which comprise the statement of financial position of the Town Council as at 31 March 2019, and the statements of income and expenditure, comprehensive income, changes in funds and cash flows of the Town Council 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 of the Town Council are properly drawn up in accordance with the provisions of the Town Councils Act, Cap 329A (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Town Council as at 31 March 2019 and of the financial performance, changes in funds and cash flows of the Town Council for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town Council in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (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.

Other Information

Management is responsible for the other information. The other information relates to the Chairman's Review included in the annual report, which we obtained prior to the date of this report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WEST COAST TOWN COUNCIL (Continued)**

Report on the Audit of Financial Statements (Continued)*Responsibilities of Management and Those Charged with Governance for the Financial Statements
(Continued)*

In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting.

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

Auditors' 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 auditors' 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 Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Town Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WEST COAST TOWN COUNCIL (Continued)**

Report on Other Legal and Regulatory Requirements*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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town Council in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (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.

In our opinion:

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

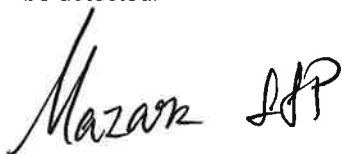
Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditors' 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 conducted our audit in accordance with SSAs. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

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



MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
10 September 2019

WEST COAST TOWN COUNCIL

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

| | Note | 2019 S\$ | 2018 S\$ |
|---|------|-------------|-------------|
| TOWN COUNCIL FUNDS | | | |
| Residential Property | | | |
| Accumulated surplus | 3 | 5,635,426 | 4,314,510 |
| Sinking fund | 4 | 80,811,254 | 72,948,378 |
| Lift replacement fund | 5 | 23,613,982 | 15,985,275 |
| Town improvement and project fund | 6 | 666,470 | 666,610 |
| | | 110,727,132 | 93,914,773 |
| Commercial Property | | | |
| Accumulated surplus | 3 | 623,793 | 560,417 |
| Sinking fund | 4 | 18,543,645 | 18,279,162 |
| Lift replacement fund | 5 | 3,973,400 | 3,407,374 |
| Town improvement and project fund | 6 | 33,530 | 33,390 |
| | | 23,174,368 | 22,280,343 |
| Carpark | | | |
| Accumulated surplus | 3 | - | - |
| | | 133,901,500 | 116,195,116 |
| REPRESENTED BY: | | | |
| Non-current assets | | | |
| Plant and equipment | 8 | 15,359 | 17,945 |
| Financial assets at amortised cost | 9 | - | 3,000,000 |
| | | 15,359 | 3,017,945 |
| Current Assets | | | |
| Financial assets at amortised cost | 9 | 3,000,000 | 5,000,000 |
| Financial assets at fair value through profit or loss | 10 | 37,893,958 | 36,974,327 |
| Conservancy and service fee receivables | 11 | 1,212,232 | 1,208,025 |
| Receivable for Neighbourhood Renewal Programme | 7 | 711,812 | 834,357 |
| Other receivables | 12 | 5,563,767 | 3,724,719 |
| Interest receivable | | 454,459 | 163,138 |
| Cash and bank balances | 13 | 95,885,179 | 73,015,849 |
| | | 144,721,407 | 120,920,415 |
| Total assets | | 144,736,766 | 123,938,360 |
| Less: | | | |
| Current liabilities | | | |
| Conservancy and service fee received in advance | | 689,576 | 684,491 |
| Advances received for Neighbourhood Renewal Programme | 7 | 281,756 | 89,980 |
| Payables and accrued expenses | 14 | 8,308,114 | 5,980,957 |
| Current tax payable | | 1,555,820 | 987,816 |
| | | 10,835,266 | 7,743,244 |
| Net current assets | | 133,886,141 | 113,177,171 |
| | | 133,901,500 | 116,195,116 |


PATRICK TAY TECK GUAN, BBM
Chairman


TAY ENG HWA
Secretary

Date: 10 September 2019

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

WEST COAST TOWN COUNCIL

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

| | Note | 2019 S\$ | 2018 S\$ |
|--|------|-------------|-------------|
| Operating income | | | |
| Conservancy and service fees | | 43,051,391 | 40,147,586 |
| Less: Operating transfer to: | | | |
| - Sinking fund (minimum required by law) | 4 | 11,193,362 | 10,438,372 |
| - Lift replacement fund (minimum required by law) | 5 | 6,027,194 | 5,620,662 |
| | | 25,830,835 | 24,088,552 |
| Agency fees | 15 | 3,772,990 | 3,692,845 |
| Other income | 16 | 2,529,233 | 2,662,312 |
| | | 32,133,058 | 30,443,709 |
| Less: | | | |
| Operating expenditure | | | |
| Cleaning works | 17 | 5,868,067 | 5,835,355 |
| Managing agent's fees | | 4,717,581 | 4,480,085 |
| Lift maintenance | | 6,240,932 | 5,899,107 |
| Other works and maintenance | | 5,380,009 | 5,917,602 |
| Water and electricity | | 9,806,320 | 9,596,249 |
| General and administrative expenditure | 20 | 1,964,695 | 1,851,103 |
| | | 33,977,604 | 33,579,501 |
| Operating deficit | | (1,844,546) | (3,135,792) |
| Add: | | | |
| Non-operating income | | | |
| Interest income | | 104,603 | 54,580 |
| Deficit before taxation and government grants | | (1,739,943) | (3,081,212) |
| Less: | | | |
| Income tax | 22 | 282,341 | 264,810 |
| Deficit after taxation but before government grants | | (2,022,284) | (3,346,022) |
| Add: | | | |
| Government grants | 24 | 13,910,645 | 12,283,176 |
| Less: Transfer to sinking fund | 4 | 1,995,171 | 1,932,412 |
| Less: Transfer to lift replacement fund | 5 | 4,629,481 | 4,263,102 |
| Less: Transfer to town improvement and project fund | 6 | 2,681,750 | 1,628,251 |
| | | 4,604,243 | 4,459,411 |
| Surplus for the year | | 2,581,959 | 1,113,389 |
| Add: | | | |
| Accumulated surplus at 1 April | | 4,874,927 | 4,658,357 |
| Less: | | | |
| Appropriation to town improvement and project fund | 6 | 1,197,667 | 896,819 |
| Accumulated surplus at 31 March | | 6,259,219 | 4,874,927 |

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

WEST COAST TOWN COUNCIL

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

| | Note | <u>Total</u> | | <u>Residential Property</u> | | <u>Commercial Property</u> | | <u>Carpark</u> | |
|---|------|--------------------|--------------------|---------------------------------|--------------------|--------------------------------|--------------------|--------------------|--------------------|
| | | <u>2019</u> S\$ | <u>2018</u> S\$ | <u>2019</u> S\$ | <u>2018</u> S\$ | <u>2019</u> S\$ | <u>2018</u> S\$ | <u>2019</u> S\$ | <u>2018</u> S\$ |
| Surplus/(Deficit) for the year: | | | | | | | | | |
| - Accumulated surplus | 3 | 2,581,959 | 1,113,389 | 2,174,878 | 556,982 | 120,645 | 252,916 | 286,436 | 303,491 |
| - Sinking fund | 4 | 8,127,359 | 8,260,705 | 7,862,876 | 7,771,702 | 264,483 | 489,003 | - | - |
| - Lift replacement fund | 5 | 8,194,733 | 5,886,421 | 7,628,707 | 5,375,119 | 566,026 | 511,302 | - | - |
| - Town improvement and project fund | 6 | (1,197,667) | (896,819) | (1,140,538) | (854,041) | (57,129) | (42,778) | - | - |
| Total surplus for the year | | 17,706,384 | 14,363,696 | 16,525,923 | 12,849,762 | 894,025 | 1,210,443 | 286,436 | 303,491 |
| Other comprehensive income, net of tax | | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year attributable to Town Council Funds | | 17,706,384 | 14,363,696 | 16,525,923 | 12,849,762 | 894,025 | 1,210,443 | 286,436 | 303,491 |

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

WEST COAST TOWN COUNCIL

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

| | <u>Total</u> S\$ | <u>Residential</u> <u>Property</u> S\$ | <u>Commercial</u> <u>Property</u> S\$ | <u>Carpark</u> S\$ |
|--|-----------------------------|---|--|-------------------------------|
| Balance at 1 April 2017 | 101,831,420 | 80,761,520 | 21,069,900 | - |
| Total comprehensive income for the year | 14,363,696 | 12,849,762 | 1,210,443 | 303,491 |
| Add/(Less) : | | | | |
| Inter-fund transfer | - | 303,491 | - | (303,491) |
| Balance at 31 March 2018 | 116,195,116 | 93,914,773 | 22,280,343 | - |
| Balance at 1 April 2018 | 116,195,116 | 93,914,773 | 22,280,343 | - |
| Total comprehensive income for the year | 17,706,384 | 16,525,923 | 894,025 | 286,436 |
| Add/(Less) : | | | | |
| Inter-fund transfer | - | 286,436 | - | (286,436) |
| Balance at 31 March 2019 | 133,901,500 | 110,727,132 | 23,174,368 | - |

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

WEST COAST TOWN COUNCIL

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

| | Note | 2019 S\$ | 2018 S\$ |
|---|-------------|---------------------|---------------------|
| Operating activities | | | |
| Deficit in income and expenditure statement before taxation and government grants | | (1,739,943) | (3,081,212) |
| Adjustments for: | | | |
| Conservancy and service fees transferred to sinking fund | 4 | 11,193,362 | 10,438,372 |
| Conservancy and service fees transferred to lift replacement fund | 5 | 6,027,194 | 5,620,662 |
| Depreciation of plant and equipment | 20 | 5,140 | 12,084 |
| Plant and equipment written off | | 13 | 7 |
| Interest income | 3 | (104,603) | (54,580) |
| Operating surplus before working capital changes | | 15,381,163 | 12,935,333 |
| (Decrease)/Increase in conservancy and service fee and other receivables | | (772,897) | 768,089 |
| Increase in creditors and conservancy and service fee received in advance | | 2,261,364 | 430,976 |
| Net movement in receivable/advances received for Neighbourhood Renewal Programme | | 314,321 | (438,930) |
| Cash generated from operations | | 17,183,951 | 13,695,468 |
| Income tax paid | | - | (547,427) |
| Sinking fund income | | 150 | 174 |
| Sinking fund expenditure | 4 | (6,051,449) | (5,691,987) |
| Lift replacement fund expenditure | 5 | (2,748,190) | (4,141,551) |
| Town improvement and project fund expenditure | 6 | (3,879,417) | (2,525,070) |
| Net cash generated from operating activities | | 4,505,045 | 789,607 |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | 8 | (2,567) | (7,236) |
| Interest received | | 1,036,374 | 883,944 |
| Redemption of quoted bonds | 9 | 5,000,000 | - |
| Redemption of matured fund with fund managers | 10 | - | 4,000,000 |
| Proceeds from fund manager | 10 | - | 8,913 |
| Net cash generated from investing activities | | 6,033,807 | 4,885,621 |
| Cash flows from financing activity | | | |
| Government grants received, representing net cash generated from financing activity | | 12,843,347 | 12,081,043 |
| Net increase in cash and cash equivalents | | 23,382,199 | 17,756,271 |
| Cash and cash equivalents at beginning of year | | 71,345,743 | 53,589,472 |
| Cash and cash equivalents at end of year | 13 | 94,727,942 | 71,345,743 |

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

1 General information

The Town Council was established on 13 November 2001 under the Town Councils Act (Chapter 329A) and commenced operations on 1 January 2002. The name was changed from West Coast-Ayer Rajah Town Council to West Coast Town Council on 26 May 2006. In FY 2015/2016, the electoral boundaries were redrawn following the General Elections in September 2015. The Clementi Division and seven blocks in the Ghim Moh Link estate were handed over to the Jurong-Clementi Town Council and Holland-Bukit Panjang Town Council respectively. The legal date of handing over of the maintenance of the common properties for handed over properties was on 1 December 2015. The Town now comprises the constituencies of West Coast GRC and Pioneer SMC. The functions of the Town Council are to control, manage, maintain and improve the common property of residential and commercial property in the housing estates of the Housing and Development Board (HDB) within the Town.

The financial statements of the Town Council for the financial year ended 31 March 2019 were authorised for issue by the members of Town Council on 10 September 2019.

The head office of the Town Council is situated at :

Blk 441A Clementi Avenue 3
#02-01
Singapore 121441

2 Summary of significant accounting policies

(a) Accounting convention

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

(b) Basis of preparation of financial statements

- (i) The preparation of financial statements in conformity with FRSs requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Town Council's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2(r).

(ii) Adoption of new and revised standards

On 1 April 2018, the Town Council has adopted the new or revised FRSs that are mandatory for application from that date.

The adoption of new or revised FRS which are relevant to the Town Council's operations did not result in substantial changes to the Town Council's accounting policies and had no material effects on the amounts reported for the current or prior financial years.

2 Summary of significant accounting policies (Continued)

(c) Funds

Town Council Fund

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

Residential Property; and
Commercial Property

Car parks are maintained by the Town Council for Housing and Development Board ("HDB") on an agency basis.

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

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

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

Sinking Fund

In accordance with Section 33(4) of the Act, Sinking Fund is established for the improvement to, management and maintenance of residential and commercial properties. This fund is maintained as part of the Town Council funds.

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

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

2 Summary of significant accounting policies (Continued)

(c) Funds (Continued)

Sinking Fund (Continued)

These minimum contributions are treated as operating income transfers and are deducted from conservancy and service fees and government grants in the statement of income and expenditure and other comprehensive income.

The Sinking Fund is utilised for cyclical major repainting, renewal or replacement of any roofing system, water tanks, pumps and water supply system, electrical supply system, lightning protection system, major repairs and maintenance of the common area and improvement contributions to the HDB in respect of general upgrading works carried out on the common property as defined under the Housing and Development Act., any other works which may be prescribed from time to time, or for paying at the end of a financial year surpluses to any Lift Replacement Fund as authorized by the Act or the Town Council Financial Rules.

Lift Replacement Fund

In accordance with Section 33(4A) of the Act, Lift Replacement Fund ("LRF") is established from 1 April 2017, to meet the cost of cyclical lift replacements, lift-related replacement works and lift upgrading works. This fund is maintained as part of the Town Council funds.

Under the Act, the Minister of National Development may, from time to time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid to be paid into the LRF.

With effect from 1 April 2017, the minimum amounts to be paid into the LRF is 14% of conservancy and service fees and grants-in-aid, excluding the LRF matching grant-in-aid for Residential Property and Commercial Property.

These minimum contributions are treated as operating income transfers and are deducted from conservancy and service fees and government grants in the statement of income and expenditure and other comprehensive income.

To help Town Councils cope with the operating need and long-term capital expenditure requirement for lift replacements and lift-related works, the Ministry of National Development will provide two additional grants-in-aids, namely Lift Maintenance Grant (LMG) and LRF Matching Grant, from 1 April 2017.

Town Improvement and Project Fund

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

2 Summary of significant accounting policies (Continued)

(d) Allocation of general overheads

Expenditure not specifically related to any property type managed, for example, administrative overheads, tree planting and pruning are allocated to the various property types using equivalent dwelling units as follows:

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

The Town Council apportions 5% of general overheads from Routine Fund to Sinking Fund and Lift Replacement Fund.

(e) Government grants

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

Service and Conservancy Charge Grants to meet the current year's operating expenditure are taken to the income and expenditure statement.

Payments from Citizen's Consultative Committees are given as reimbursement claims under the Community Improvement Projects Committee scheme.

The GST subvention is given as a grants-in-aid and is granted to Town Councils for absorbing the GST increases in service and conservancy charge for HDB residential flats.

The Lift Maintenance Grant helps Town Councils cope with the higher lift-related servicing and maintenance costs.

The LRF Matching Grant is to assist Town Councils in building up the Lift Replacement Fund.

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

(f) Plant and equipment

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

Cost also includes acquisition cost, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Town Council. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Subsequent costs are recognized as an asset only when it is probable that future economic benefits associated with the item will flow to the Town Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income and expenditure statement when they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

2 Summary of significant accounting policies (Continued)

(f) Plant and equipment (Continued)

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

| | |
|----------------------------------|-------|
| Furniture, fixtures and fittings | 20% |
| Data processing equipment | 33.3% |
| Office equipment | 20% |
| Renovation | 20% |

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

Depreciation is charged from the month of asset acquisition. For disposal of assets, depreciation is charged up to the previous month of disposal. Plant and equipment costing below S\$1,000 each and purchase of computer software are charged to the income and expenditure statement in the year of purchase.

(g) Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on the non-financial assets. The carrying amount of non-financial assets is reviewed at each reporting date for indications of impairment and where impairment is found, the asset is written down through the income and expenditure statement to its estimated recoverable amount.

The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the income and expenditure statement. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

(h) Financial instruments

The Town Council recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Town Council becomes party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

2 Summary of significant accounting policies (Continued)

(h) Financial instruments (Continued)

Financial instruments from 1 January 2018

These accounting policies are applied on and after the initial application date of FRS 109, (i.e. 1 January 2018).

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Town Council commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Town Council applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The classification at initial recognition depends on the Town Council's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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

The Town Council determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

2 Summary of significant accounting policies (Continued)

(h) Financial instruments (Continued)

Financial instruments from 1 January 2018 (Continued)

Financial assets (Continued)

Impairment of financial assets

The Town Council recognises a loss allowance for expected credit losses ("ECL") on financial assets subsequently measured at amortised cost. At each reporting date, the Town Council assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Town Council assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Town Council uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Town Council measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Town Council measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Town Council directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Town Council's accounting policy for its impairment of financial assets, refer to Note 27.

Impairment of conservancy and service fees receivables

Conservancy and service fees receivables are recognized when they are due and payable to the Town Council. The Town Council applies FRS 109, where appropriate, in the measurement and recognition of ECL on these receivables, through the application of an allowance matrix derived based on their historical credit low experience, adjusted for current conditions and forecasts of future economic conditions. For details, refer to Note 27.

Derecognition of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

2 Summary of significant accounting policies (Continued)

(h) Financial instruments (Continued)

Financial instruments from 1 January 2018 (Continued)

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Town Council commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Town Council derecognises financial liabilities when, and only when, the Town Council's obligations are discharged, cancelled or they expire.

Financial assets before 1 January 2018

Financial assets

All financial assets are recognised on a trade date – the date on which the Town Council commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: loans and receivables, available-for-sale financial assets and held-to-maturity financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Held-to-maturity investments

Bonds with fixed or determinable payments and fixed maturity dates where the Town Council has a positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

2 Summary of significant accounting policies (Continued)

(h) Financial instruments (Continued)

Financial assets before 1 January 2018 (Continued)

Financial assets (Continued)

Loans and receivables

The Town Council's loans and receivables comprise certain other receivables and cash and cash equivalents.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be *immaterial*.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

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

2 Summary of significant accounting policies (Continued)

(i) Funds with fund managers

Funds with fund managers represent the cost of the portfolio of assets placed with fund managers at the beginning of each management term plus investment income less management fees payable during the management term.

Funds with fund managers comprise mainly equities, bonds, cash and fixed deposits. Equities and bonds are stated on an aggregate portfolio basis and are designated as financial assets at fair value through profit or loss at inception in the statement of financial position.

On expiry of the management term, any surplus over and above the performance benchmark will be shared between the Town Council and the fund managers on the agreed basis.

(j) Fair value of financial instruments

The carrying values of current financial assets and financial liabilities including cash, accounts receivable, accounts payable approximate their fair values due to the short-term maturity of these instruments. Disclosures of fair value are not made when the carrying amount is a reasonable approximation of fair value. The fair values of non-current financial instruments may not be disclosed unless there are significant items at the end of the year and in that event, the fair values are disclosed in the relevant notes. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the reporting period. The fair value of a financial instrument is derived from an active market. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price. If there is no market, or the markets available are not active, the fair value is established by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of similar instruments and incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. As far as unquoted equity instruments are concerned, in cases where it is not possible to reliably measure the fair value, such instruments are carried at cost less accumulated allowance for impairment.

(k) Provisions

A provision is recognised when there is 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 a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in the income and expenditure statement in the period they occur.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

2 Summary of significant accounting policies (Continued)

(l) Leases as a lessee

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

(m) Income tax

Income tax is provided on the following income:

- i) Income derived from investment;
- ii) Fees, rent and other charges received from non-residents or non-owners of properties in the Town for maintenance and use of common property, and car park where the Town Council opts to maintain and/or manage them;
- iii) Donations from non-residents or non-owners of properties in the Town; and
- iv) Agency fee derived from acting as agents for HDB and other Town Councils.

The income taxes are accounted using the liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences.

In respect of government grant received, the Town Council has been granted remission under Section 92(2) of the Income Tax Act (Chapter 134).

(n) Recognition of income

The income amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the Town Council and it is shown net of related tax and rebates.

The following income revenues arises in the course of the ordinary activities of the Town Council.

- (i) Conservancy and service fees are recognised when due and payable, in accordance with the then applicable conservancy and service rates.
- (ii) Agency fees are fees received for routine maintenance of HDB's carparks and common property within the Town, and are recognised when due and payable. The fees are measured based on the consideration to which the Town Council expects to be entitled in exchange for transferring the promised services to the counterparty, excluding amounts collected on behalf of third parties, if applicable. It is recognised when or as the Town Council satisfies a performance obligation by transferring a promised service to the counterparty, which is when or as the counterparty obtains control of the service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

2 Summary of significant accounting policies (Continued)

(n) Recognition of Income (Continued)

- (iii) Interest income from fixed deposits and bonds is recognised using the effective interest method.
- (iv) Income from funds placed with fund managers is recognised in the income and expenditure statement/Sinking Fund/Lift Replacement Fund.
- (v) Other income comprises mainly temporary occupation licenses ("TOL"), liquidated damages and other miscellaneous income and are recognised when due.

(o) Inter-fund transfer

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

(p) Functional currency

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

(q) Receivable/advances received for neighbourhood renewal programme

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

The funding for the programme belongs to the government which is for the specific use of projects under the programme. The Town Council receives a funding of S\$3,400 and S\$1,300 per dwelling unit to cover NRP construction costs, professional and consultancy fees and additional works including repainting and various repair works respectively. In addition, the Town Council shall be entitled to a sum of S\$150 per dwelling unit or S\$125,000, whichever is higher, to cover miscellaneous costs relating to the NRP project. However, if the cost of project works incurred exceeds the funding provided, the Town Council has to bear the cost of excess expenditure.

(r) Critical judgements, assumptions and estimation uncertainties

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Critical accounting estimates and assumptions used that are significant to the financial statements are described below:

(i) ECL for conservancy and service fees receivables

The Town Council uses an allowance matrix to measure ECLs for conservancy and service fees receivables. The loss rates are based on days past due for groupings of various receivable segments that have similar loss patterns.

The provision matrix is initially based on the Town Council's historical observed default rates. The Town Council will calibrate the matrix 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.

2 Summary of significant accounting policies (Continued)

(r) Critical judgements, assumptions and estimation uncertainties (Continued)

(i) ECL for conservancy and service fees receivables (Continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Town Council's historical credit loss experience and forecast of economic conditions may also not be representative of receivable's actual default in the future. The information about the ECLs on the Town Council's receivables is disclosed in Note 27.

The expected loss allowance on the Town Council's receivables as at 31 March 2019 is S\$413,563 (31 March 2018: S\$393,072).

(ii) Income tax

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

3 Accumulated surplus

The surplus/(deficit) for the year attributable to the various activities is carried forward as Accumulated Surplus in the respective funds as follows:

| | Note | Total 2019 S\$ | 2018 S\$ | Residential property 2019 S\$ | 2018 S\$ | Commercial property 2019 S\$ | 2018 S\$ | 2019 S\$ | 2018 S\$ | 2019 S\$ | 2018 S\$ |
|---|------|----------------------|-------------|-------------------------------------|-------------|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| OPERATING INCOME | | | | | | | | | | | |
| Conservancy and service fees | | 43,051,391 | 40,147,586 | 40,170,760 | 37,514,243 | 2,880,631 | 2,633,343 | | | | |
| Less: Operating transfer to: | | | | | | | | | | | |
| -Sinking fund (minimum required by law) | 4 | 11,193,362 | 10,438,372 | 10,444,398 | 9,753,703 | 748,964 | 684,669 | | | | |
| -Lift replacement fund (minimum required by law) | 5 | 6,027,194 | 5,620,662 | 5,623,906 | 5,251,984 | 403,288 | 368,668 | | | | |
| Agency fees | 15 | 25,830,835 | 24,088,552 | 24,102,456 | 22,508,546 | 1,728,379 | 1,580,006 | | | | |
| Other income | 16 | 3,772,990 | 3,692,845 | - | - | - | - | | | | |
| | | 2,529,233 | 2,662,312 | 2,036,594 | 2,159,277 | 459,469 | 455,144 | | | | |
| | | 32,133,058 | 30,443,709 | 26,139,050 | 24,667,823 | 2,187,848 | 2,035,150 | | | | |
| Less: | | | | | | | | | | | |
| Operating expenditure | | 33,977,604 | 33,579,501 | 28,407,273 | 28,381,574 | 2,068,518 | 1,782,113 | | | | |
| Operating (deficit)/surplus | | (1,844,546) | (3,135,792) | (2,268,223) | (3,713,751) | 119,330 | 253,037 | | | | |
| Add: | | | | | | | | | | | |
| Non-operating income – interest income | | 104,603 | 54,580 | 89,550 | 46,650 | 4,503 | 2,349 | | | | |
| (Deficit)/surplus before taxation | | | | | | | | | | | |
| and government grants | | | | | | | | | | | |
| Less: | | | | | | | | | | | |
| Income tax | 22 | 282,341 | 264,810 | 241,710 | 226,460 | 12,170 | 11,338 | | | | |
| (Deficit)/surplus after taxation | | | | | | | | | | | |
| but before government grants | | | | | | | | | | | |
| Add: | | | | | | | | | | | |
| Government grants | 24 | 13,910,645 | 12,283,176 | 13,568,818 | 12,008,645 | 341,827 | 274,531 | | | | |
| Less: Transfer to | | | | | | | | | | | |
| - Sinking fund | 4 | 1,995,171 | 1,932,412 | 1,991,277 | 1,928,569 | 3,894 | 3,843 | | | | |
| - Lift replacement fund | 5 | 4,629,481 | 4,263,102 | 4,428,449 | 4,078,950 | 201,032 | 184,152 | | | | |
| - Town improvement and project fund | 6 | 2,881,750 | 1,628,251 | 2,553,831 | 1,550,583 | 127,919 | 77,668 | | | | |
| | | 4,604,243 | 4,459,411 | 4,595,261 | 4,450,543 | 8,982 | 8,868 | | | | |
| Surplus for the year | | | | | | | | | | | |
| Add: | | | | | | | | | | | |
| Accumulated surplus at 1 April | | 2,581,959 | 1,113,389 | 2,174,878 | 556,982 | 120,645 | 252,916 | | | | |
| (Less)/Add: | | | | | | | | | | | |
| Appropriation to town improvement and project fund | | 4,874,927 | 4,658,357 | 4,314,510 | 4,308,428 | 560,417 | 349,929 | | | | |
| Inter-fund transfer | 6 | (1,197,667) | (896,819) | (1,140,398) | (854,391) | (57,269) | (42,428) | | | | |
| | | - | - | 286,436 | 303,491 | - | - | | | | |
| Accumulated surplus at 31 March | | 6,259,219 | 4,874,927 | 5,635,426 | 4,314,510 | 623,793 | 560,417 | | | | |

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

4 Sinking fund

| | Note | Total 2019 S\$ | 2018 S\$ | Residential property 2019 S\$ | 2018 S\$ | Commercial property 2019 S\$ | 2018 S\$ |
|---|-------|----------------------|-------------|-------------------------------------|-------------|------------------------------------|-------------|
| Balance at 1 April | | 91,227,540 | 96,473,063 | 72,948,378 | 75,786,832 | 18,279,162 | 20,686,231 |
| Less: | | | | | | | |
| Appropriation to lift replacement fund | 5 | - | 13,506,228 | - | 10,610,156 | - | 2,896,072 |
| | | 91,227,540 | 82,966,835 | 72,948,378 | 65,176,676 | 18,279,162 | 17,790,159 |
| Add : | | | | | | | |
| Income | | 1,230,869 | 1,780,994 | 1,177,739 | 1,704,863 | 53,130 | 76,131 |
| Operating transfers from : | 18(a) | | | | | | |
| - Conservancy and service fees | | | | | | | |
| (minimum required by law) | 3 | 11,193,362 | 10,438,372 | 10,444,398 | 9,753,703 | 748,964 | 684,669 |
| - Transfer from government grants | 3 | 1,995,171 | 1,932,412 | 1,991,277 | 1,928,569 | 3,894 | 3,843 |
| | | 14,419,402 | 14,151,778 | 13,613,414 | 13,387,135 | 805,988 | 764,643 |
| Less : | | | | | | | |
| Expenditure | 18(b) | 6,051,449 | 5,691,987 | 5,521,469 | 5,425,844 | 529,980 | 266,143 |
| Less : | | | | | | | |
| Income tax | 22 | 240,594 | 199,086 | 229,069 | 189,589 | 11,525 | 9,497 |
| Surplus for the year | | 8,127,359 | 8,260,705 | 7,862,876 | 7,771,702 | 264,483 | 489,003 |
| Balance at 31 March | | 99,354,899 | 91,227,540 | 80,811,254 | 72,948,378 | 18,543,645 | 18,279,162 |
| Represented by : | | | | | | | |
| Non-current assets | | | 3,000,000 | | | | |
| Financial assets at amortised cost | 9 | | | | | | |
| Current assets | | | | | | | |
| Financial assets at amortised cost | 9 | 3,000,000 | 5,000,000 | | | | |
| Financial assets at fair value through profit or loss | 10 | 37,893,958 | 36,974,327 | | | | |
| Conservancy and service fee receivables | | 284,678 | 290,719 | | | | |
| Amount owing from Routine Fund | | 2,960,409 | 2,525,698 | | | | |
| Other receivables | | 524,526 | 452,819 | | | | |
| Interest receivable | | 339,949 | 108,374 | | | | |
| Cash and bank balances | | 55,513,492 | 44,117,893 | | | | |
| | | 100,517,012 | 69,469,830 | | | | |
| Less : | | | | | | | |
| Current liabilities | | | | | | | |
| Current tax payable | | 668,877 | 428,284 | | | | |
| Payables and accrued expenses | | 493,236 | 814,006 | | | | |
| | | 1,162,113 | 1,242,290 | | | | |
| Net current assets | | 99,354,899 | 88,227,540 | | | | |
| | | 99,354,899 | 91,227,540 | | | | |

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

5 Lift replacement fund

| | Note | 2019 S\$ | 2018 S\$ | Total | 2019 S\$ | 2018 S\$ | Residential property 2019 S\$ | 2018 S\$ | Commercial property 2019 S\$ | 2018 S\$ |
|---|-------|-------------|-------------|-------|-------------|-------------|-------------------------------------|-------------|------------------------------------|-------------|
| Balance at 1 April | | | | | | | | | | |
| Add: | | 19,392,649 | | | 15,985,275 | | | | 3,407,374 | |
| Appropriation from sinking fund | 4 | | 13,506,228 | | | 10,610,156 | | | | 2,896,072 |
| | | 19,392,649 | 13,506,228 | | 15,985,275 | 10,610,156 | | | 3,407,374 | 2,896,072 |
| Add: | | | | | | | | | | |
| Income | | | | | | | | | | |
| Operating transfer from Conservancy and service fees (minimum required by law) | 19(a) | 331,317 | 173,745 | | 315,444 | 165,457 | | | 15,873 | 8,288 |
| | 3 | 6,027,194 | 5,620,662 | | 5,623,906 | 5,251,994 | | | 403,288 | 388,668 |
| | | 6,358,511 | 5,794,407 | | 5,939,350 | 5,417,451 | | | 419,161 | 376,956 |
| Add: | | | | | | | | | | |
| Transfer from Government Grants – LRF Matching Grant | | 3,555,158 | 3,222,573 | | 3,356,220 | 3,040,490 | | | 198,938 | 182,083 |
| – Other government grants | | 1,074,323 | 1,040,529 | | 1,072,229 | 1,038,460 | | | 2,094 | 2,069 |
| – Total | 3 | 4,629,481 | 4,263,102 | | 4,428,449 | 4,078,950 | | | 201,032 | 184,152 |
| Less: | | | | | | | | | | |
| Expenditure | 19(b) | 2,748,190 | 4,141,551 | | 2,696,182 | 4,093,154 | | | 52,008 | 48,397 |
| Less: | | | | | | | | | | |
| Income tax | 22 | 45,069 | 29,537 | | 42,910 | 28,128 | | | 2,159 | 1,409 |
| Surplus for the year | | 8,194,733 | 5,886,421 | | 7,628,707 | 5,375,119 | | | 566,026 | 511,302 |
| Balance at 31 March | | 27,587,382 | 19,392,649 | | 23,613,982 | 15,985,275 | | | 3,973,400 | 3,407,374 |
| Represented by: | | | | | | | | | | |
| Current assets | | | | | | | | | | |
| Conservancy and service fee receivables | | 153,288 | 156,541 | | | | | | | |
| Amount owing from Routine Fund | | 1,553,572 | 1,524,269 | | | | | | | |
| Other receivables | | 838,308 | 798,066 | | | | | | | |
| Interest receivable | | 92,227 | 48,118 | | | | | | | |
| Cash and bank balances | | 25,548,348 | 17,487,520 | | | | | | | |
| | | 28,185,743 | 20,014,514 | | | | | | | |
| Less: | | | | | | | | | | |
| Current liabilities | | | | | | | | | | |
| Current tax payable | | 74,606 | 29,537 | | | | | | | |
| Payables and accrued expenses | | 523,755 | 592,328 | | | | | | | |
| | | 598,361 | 621,865 | | | | | | | |
| Net current assets | | 27,587,382 | 19,392,649 | | | | | | | |
| | | 27,587,382 | 19,392,649 | | | | | | | |

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

6 Town improvement and project fund

| | <u>Note</u> | <u>2019</u> <u>S\$</u> | <u>Total</u> <u>2018</u> <u>S\$</u> | <u>Residential property</u> | | <u>Commercial property</u> | |
|--|-------------|---------------------------|---|-----------------------------|---------------------------|----------------------------|---------------------------|
| | | | | <u>2019</u> <u>S\$</u> | <u>2018</u> <u>S\$</u> | <u>2019</u> <u>S\$</u> | <u>2018</u> <u>S\$</u> |
| Balance at 1 April | | 700,000 | 700,000 | 666,610 | 666,260 | 33,390 | 33,740 |
| Add : | | | | | | | |
| Transfer from government grants | 3 | 2,681,750 | 1,628,251 | 2,553,831 | 1,550,583 | 127,919 | 77,668 |
| Less : | | | | | | | |
| Payment to contractors | | 3,879,417 | 2,525,070 | 3,694,369 | 2,404,624 | 185,048 | 120,446 |
| Deficit for the year | | (1,197,667) | (896,819) | (1,140,538) | (854,041) | (57,129) | (42,778) |
| Appropriation from accumulated surplus | 3 | 1,197,667 | 896,819 | 1,140,398 | 854,391 | 57,269 | 42,428 |
| Balance at 31 March | | 700,000 | 700,000 | 666,470 | 666,610 | 33,530 | 33,390 |

Represented by :

Current asset

Other receivables

1,876,409

Less:

Current liabilities

Amount owing to Routine Fund

Payables and accrued expenses

| | |
|-----------|-----------|
| 1,531,472 | 774,948 |
| 698,736 | 401,461 |
| 2,230,208 | 1,176,409 |
| 700,000 | 700,000 |

These projects are funded by Town Council using the Town Council Fund and by the Citizens' Consultative Committee ("CCC").

Out of the total of S\$3,879,417 (2017/2018 - S\$2,525,070) spent on town improvement projects, S\$2,681,750 (2017/2018 - S\$1,628,251) was met by payment from CCC.

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

7 (Receivable)/Advances received for Neighbourhood Renewal Programme

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|---|--------------------|--------------------|
| Balance at 1 April | (744,377) | (305,447) |
| Funding from government | 1,585,951 | 1,233,822 |
| Payment to contractors | (1,271,630) | (1,672,752) |
| Balance at 31 March | (430,056) | (744,377) |
| Represented by: | | |
| Receivable for Neighbourhood Renewal Programme | (711,812) | (834,357) |
| Advances received for Neighbourhood Renewal Programme | 281,756 | 89,980 |
| Balance at 31 March | (430,056) | (744,377) |

8 Plant and equipment

| | <u>Total</u> S\$ | <u>Furniture, fixtures and fittings</u> S\$ | <u>Data processing equipment</u> S\$ | <u>Office equipment</u> S\$ | <u>Renovation</u> S\$ |
|--|---------------------|--|---|------------------------------------|--------------------------|
| <u>Cost</u> | | | | | |
| Balance at 1 April 2018 | 1,768,067 | 468,851 | 201,051 | 165,881 | 932,284 |
| Additions during the year | 2,567 | - | - | 2,567 | - |
| Disposals/written off | (15,684) | (745) | (14,939) | - | - |
| Balance at 31 March 2019 | 1,754,950 | 468,106 | 186,112 | 168,448 | 932,284 |
| <u>Accumulated depreciation</u> | | | | | |
| Balance at 1 April 2018 | 1,750,122 | 464,903 | 200,919 | 152,017 | 932,283 |
| Depreciation for the year (Note 20) | 5,140 | 1,274 | - | 3,866 | - |
| Disposals/written off | (15,671) | (740) | (14,931) | - | - |
| Balance at 31 March 2019 | 1,739,591 | 465,437 | 185,988 | 155,883 | 932,283 |
| <u>Net book value</u> | | | | | |
| Balance at 31 March 2019 | 15,359 | 2,669 | 124 | 12,565 | 1 |

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

8 Plant and equipment (Continued)

| | <u>Total</u> S\$ | <u>Furniture, fixtures and fittings</u> S\$ | <u>Data processing equipment</u> S\$ | <u>Office equipment</u> S\$ | <u>Renovation</u> S\$ |
|--|---------------------|--|---|------------------------------------|--------------------------|
| <u>Cost</u> | | | | | |
| Balance at 1 April 2017 | 1,767,065 | 469,298 | 203,803 | 161,680 | 932,284 |
| Additions during the year | 7,236 | - | - | 7,236 | - |
| Disposals/written off | (6,234) | (447) | (2,752) | (3,035) | - |
| Balance at 31 March 2018 | 1,768,067 | 468,851 | 201,051 | 165,881 | 932,284 |
| <u>Accumulated depreciation</u> | | | | | |
| Balance at 1 April 2017 | 1,744,265 | 462,780 | 198,999 | 150,203 | 932,283 |
| Depreciation for the year (Note 20) | 12,084 | 2,567 | 4,670 | 4,847 | - |
| Disposals/written off | (6,227) | (444) | (2,750) | (3,033) | - |
| Balance at 31 March 2018 | 1,750,122 | 464,903 | 200,919 | 152,017 | 932,283 |
| <u>Net book value</u> | | | | | |
| Balance at 31 March 2018 | 17,945 | 3,948 | 132 | 13,864 | 1 |

9 Financial assets at amortised cost

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|---|--------------------|--------------------|
| Movements during the year - at amortised cost : | | |
| Amortised cost at beginning of year | 8,000,000 | 8,000,000 |
| Redemption on maturity | (5,000,000) | - |
| Amortised cost at end of year | 3,000,000 | 8,000,000 |
| Balance is made up of: | | |
| Quoted bonds maturing within one year: current | 3,000,000 | 5,000,000 |
| Quoted bonds maturing after one year: non-current | - | 3,000,000 |
| Balance at end of year | 3,000,000 | 8,000,000 |
| Fair value at end of year | 3,000,360 | 8,015,090 |

The fair values of quoted bonds are based on current bid prices in an active market at the end of reporting period.

The bonds bear interest rate per annum of 2.223% (2018: 2.223% and 2.365%) to be received semi-annually in arrears. The maturity period of the bonds is in May 2019 (2018: September 2018 and May 2019).

The financial assets at amortised cost are denominated in Singapore dollars, the functional currency of the Town Council.

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

10 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represents funds together with the related profits placed with professional fund managers on the following terms:

The funds with fund managers are administered by Lion Global Investors Ltd and UOB Asset Management Ltd. The fund managers are given discretionary powers within certain guidelines to invest the funds. The funds managed by Lion Global Investors Ltd and UOB Asset Management Ltd will expire on 31 October 2020 and 30 September 2022, respectively.

The fund managers will be entitled to charge a basic administration fee and receive performance fees for the excess, before income tax, of the market value of the fund over the specified performance benchmark at the end of the management term or termination date, if earlier.

Cash and fixed deposits included in investment with fund managers cannot be freely withdrawn for use by the Town Council until the expiry or termination of fund management agreement. These agreements can be terminated by either party giving a notice period of 1 month.

The funds are invested in accordance with the Town Councils Act.

| | <u>2019</u> <u>S\$</u> | <u>2018</u> <u>S\$</u> |
|--------------------------------|---|---|
| Balance at beginning of year | 38,827,129 | 41,677,173 |
| Withdrawals during the year | - | (4,000,000) |
| Proceeds from the fund manager | - | (8,913) |
| Investment income | 1,136,312 | 1,117,166 |
| Management fees | (89,718) | (133,052) |
| Other expenses | (6,924) | (7,699) |
| Fair value gain (net) | (700,927) | 182,454 |
| Balance at end of year | 39,166,072 | 38,827,129 |

At the end of the reporting period, the investments with fund managers comprised the following:

| | <u>2019</u> <u>S\$</u> | <u>2018</u> <u>S\$</u> |
|---|---|---|
| Investments in : | | |
| Quoted equities | 6,841,498 | 7,617,119 |
| Quoted bonds | 31,052,460 | 29,357,208 |
| Financial assets at fair value through profit or loss | 37,893,958 | 36,974,327 |
| Cash and deposits (Note 13) | 1,106,947 | 1,619,816 |
| Accrued interest and other receivables (Note 12) | 227,862 | 232,986 |
| Other Payables (Note 14) | (62,695) | - |
| Balance at end of year | 39,166,072 | 38,827,129 |

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

11 Conservancy and service fee receivables

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|---|--------------------|--------------------|
| Conservancy and service fee receivables | 1,530,079 | 1,505,937 |
| Interest receivable on late payments | 95,716 | 95,160 |
| Less : Allowance for impairment | (413,563) | (393,072) |
| | <u>1,212,232</u> | <u>1,208,025</u> |
| | <u>2019</u> S\$ | <u>2018</u> S\$ |
| Movements in above allowance : | | |
| Balance at 1 April | (393,072) | (381,312) |
| Charged to income and expenditure statement (Note 20) | (57,800) | (22,675) |
| Allowance utilised | 37,309 | 10,915 |
| Balance at 31 March | <u>(413,563)</u> | <u>(393,072)</u> |

Conservancy and service fee receivables are due on the first day of the month, without demand and without deduction. Payments made within the month will not be liable for late payment penalty. Conservancy and service fee receivables with short duration are not discounted and the carrying amounts are assumed to be a reasonable approximation of fair value.

Conservancy and service fee receivables that are individually determined to be impaired at the end of the reporting period relate to lessees/tenants that are in financial difficulties and/or those lessees/tenants who had shifted out of the estate. These receivables are not secured by any collateral or credit enhancements.

12 Other receivables

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|--|--------------------|--------------------|
| Deposits | 128,270 | 260,446 |
| Prepayments | 153,544 | 158,408 |
| Claims for Citizens' Consultative Committee funding receivable | 2,917,015 | 1,859,289 |
| LRF Matching grant receivable | 787,751 | 738,559 |
| Receivables for funds with fund managers (Note 10) | 227,862 | 232,986 |
| Recoverables from contractors | 160,265 | 46,290 |
| Goods and services tax receivable | 133,460 | - |
| GST subvention receivable | 393,612 | 371,143 |
| ROS costs recoverable (Note 14) | 655,392 | - |
| Service and conservancy charge grant receivable | - | 53,907 |
| Others | 6,596 | 3,691 |
| | <u>5,563,767</u> | <u>3,724,719</u> |

Current receivables with a short duration are not discounted and the carrying amounts are assumed to be a reasonable approximation of fair values.

WEST COAST TOWN COUNCIL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)****13 Cash and bank balances**

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|---|--------------------|--------------------|
| Cash and deposits held by fund managers (Note 10) | 1,106,947 | 1,619,816 |
| Fixed deposits | 81,367,693 | 58,503,555 |
| Cash and bank balances | 13,410,539 | 12,892,478 |
| | <u>95,885,179</u> | <u>73,015,849</u> |

The fixed deposits have an average maturity of 5.7 months (2018: 2.8 months) from the end of the financial year. The fixed deposits have weighted average effective interest rate of 1.72% (2018: 1.29%) per annum. Fixed deposit amounting to S\$50,290 (2018: S\$50,290) has been pledged with a bank for the issue of letters of guarantee on behalf of the Town Council.

Cash and cash equivalents in the statement of cash flows comprise:

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|---|--------------------|--------------------|
| Cash and bank balances as shown above | 95,885,179 | 73,015,849 |
| Cash and deposits held by fund managers (Note 10) | (1,106,947) | (1,619,816) |
| Pledged deposit | (50,290) | (50,290) |
| Cash and cash equivalents at end of year | <u>94,727,942</u> | <u>71,345,743</u> |

14 Payables and accrued expenses

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|---|--------------------|--------------------|
| Trade creditors and accrued liabilities – Third parties | 6,884,414 | 5,089,352 |
| Trade creditors and accrued liabilities – Related party (Note 23) | 1,108,958 | 676,855 |
| Refundable deposits | 181,177 | 147,312 |
| Payables from fund with fund managers (Note 10) | 62,695 | - |
| Contributions for ROS** | 59,249 | 59,249 |
| Service and conservancy charge grant payable | 8,183 | - |
| Other creditors | 3,438 | 8,189 |
| | <u>8,308,114</u> | <u>5,980,957</u> |

The average credit period taken to settle trade payables is about 30 days (2018: 30 days). The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair values.

** These represent contributions received from shop owners for the co-sharing of costs in respect of improvement works at Boon Lay Shopping Centre under the HDB revitalization of shops scheme ("ROS"). Under the ROS, project costs will be shared by the shop owners, HDB and the Town Council in the proportion of 50%, 40% and 10% respectively.

15 Agency fees

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

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

16 Other income

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|--|--------------------|--------------------|
| Administrative fees | 18,176 | 17,889 |
| Interest on late payment for sold flats | 65,608 | 66,050 |
| Interest on late payment for rented flats | 16,546 | 15,528 |
| Liquidated damages | 165,182 | 211,025 |
| Miscellaneous incentive and subsidies | 80,780 | 106,563 |
| Sundry fines | 47,983 | 70,347 |
| Sundry income | 75,453 | 106,221 |
| Temporary Occupation Licence income | 1,913,758 | 1,916,176 |
| Temporary Occupation Licence income (one-time payment) | 16,292 | 18,563 |
| Use of common property | 4,940 | 4,910 |
| Use of void decks | 24,600 | 25,620 |
| Use of water and electricity in void decks | 99,915 | 103,420 |
| | <u>2,529,233</u> | <u>2,662,312</u> |

17 Managing agent's fees

The Town Council does not have any employees on its payroll as all its daily operations have been outsourced to a managing agent for a fee of S\$4,717,581 (2018: S\$4,480,085) for the current financial year.

18 Sinking fund income and expenditure

(a) Income

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|--|--------------------|--------------------|
| Interest Income - Bonds investments | 121,927 | 184,940 |
| Interest Income - Bank fixed deposits | 769,848 | 437,011 |
| Income/gain on investment with fund managers | 338,944 | 1,158,869 |
| Lift Upgrading Program Interest and Penalty | 150 | 174 |
| | <u>1,230,869</u> | <u>1,780,994</u> |

(b) Expenditure

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|---|--------------------|--------------------|
| Reroofing works | 600,224 | 580,731 |
| Electrical rewiring | 68,600 | - |
| Replacement of water pumps | 164,320 | 203,850 |
| Replacement of booster pump | - | 107,440 |
| Redecoration and repainting | 4,740,199 | 4,430,084 |
| Replacement of water pipes | - | 340,000 |
| Project management fees | 198,525 | 199,346 |
| Other major works | 95,263 | 27,550 |
| General and administrative expenses (Note 20) | 53,518 | 53,828 |
| Unclaimable GST | 130,800 | (250,842) |
| | <u>6,051,449</u> | <u>5,691,987</u> |

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

19 Lift replacement fund income and expenditure

(a) Income

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|---------------------------------------|--------------------|--------------------|
| Interest Income - Bank fixed deposits | 331,317 | 173,745 |

(b) Expenditure

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|---|--------------------|--------------------|
| Replacement of main sheaves and ropes | 1,269,900 | 1,587,687 |
| Replacement of ARD batteries | 392,632 | 263,871 |
| Replacement of EBOPS batteries | 85,449 | 75,075 |
| Replacement of lift position display panels | 121,659 | 704,512 |
| Replacement of inverter units | 328,849 | 326,982 |
| Lift overhauls and replacement | 198,720 | 878,955 |
| Project management fees | 110,134 | 133,821 |
| General and administrative expenses (Note 20) | 28,558 | 28,984 |
| Unclaimable GST | 212,289 | 141,664 |
| | <u>2,748,190</u> | <u>4,141,551</u> |

20 General and administrative expenditure

The general and administrative expenditure comprises the following:

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|--|--------------------|--------------------|
| Advertising, publicity and public relations | 170,641 | 214,899 |
| Audit fee | 44,000 | 37,000 |
| Computer services fees | 199,547 | 189,811 |
| Depreciation of plant and equipment (Note 8) | 5,140 | 12,084 |
| Doubtful debts (Note 11) | 57,800 | 22,675 |
| Plant and equipment not capitalised | 995 | 7,346 |
| Office expenses | 271,736 | 291,201 |
| Operating lease expense | 588,828 | 587,752 |
| Property tax | 193,285 | 193,523 |
| Unclaimable GST | 221,095 | 84,145 |
| Town Councillors' allowances* | 144,000 | 144,000 |
| Others | 149,223 | 149,479 |
| | <u>2,046,290</u> | <u>1,933,915</u> |

* Town Councillors are key management of the Town Council. Key management remuneration refers to Town Councillors' allowances.

This is allocated to the following expenditure :

| | | |
|--|------------------|------------------|
| Operating expenditure | 1,964,214 | 1,851,103 |
| Sinking fund expenditure (Note 18(b)) | 53,518 | 53,828 |
| Life replacement fund expenditure (Note 19(b)) | 28,558 | 28,984 |
| | <u>2,046,290</u> | <u>1,933,915</u> |

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

21 Goods and services tax

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore. The unclaimed portion is charged to sinking fund expenditure (Note 18(b)), lift replacement fund expenditure (Note 19(b)) and general and administrative expenditure (Note 20) during the financial year.

22 Income tax

| | <u>Note</u> | <u>2019</u> <u>S\$</u> | <u>2018</u> <u>S\$</u> |
|---|-------------|---------------------------|---------------------------|
| Current financial year | | 572,210 | 493,926 |
| Overprovision in respect of prior years | | (4,206) | (493) |
| Tax expense | | 568,004 | 493,433 |
| Taken up in : | | | |
| Income and expenditure statement | | | |
| - Current financial year | | 273,094 | 264,854 |
| - Under/(Over)provision in respect of prior years | | 9,247 | (44) |
| | 3 | 282,341 | 264,810 |
| Sinking Fund | | | |
| - Current financial year | | 247,245 | 199,535 |
| - Overprovision in respect of prior years | | (6,651) | (449) |
| | 4 | 240,594 | 199,086 |
| Lift Replacement Fund | | | |
| - Current financial year | | 51,871 | 29,537 |
| - Overprovision in respect of prior years | | (6,802) | - |
| | 5 | 45,069 | 29,537 |
| | | 568,004 | 493,433 |

The income tax expense on the surplus for the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to taxable income due to the following factors:

| | <u>2019</u> <u>S\$</u> | <u>2018</u> <u>S\$</u> |
|--|---------------------------|---------------------------|
| Investment and interest income | 2,304,459 | 1,805,520 |
| Dividend income | 30,212 | 29,880 |
| Grant and other income | 15,595,078 | 14,032,890 |
| Less: | | |
| Allowable expenses/Exempt Income | (293,419) | (367,766) |
| | 17,636,330 | 15,500,524 |
| | | |
| Tax at statutory rate of 17% | 2,998,176 | 2,635,089 |
| Concessionary tax relief | (75,543) | (73,668) |
| Tax remission of government grants under Section 92(2) of Singapore Income Tax Act | (2,350,423) | (2,066,330) |
| Overprovision in respect of prior years | (4,206) | (493) |
| Others | - | (1,165) |
| | 568,004 | 493,433 |

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

23 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions with related parties on terms mutually agreed during the financial year are as follows:

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|--|--------------------|--------------------|
| Essential maintenance service unit cost charged by a related party | - | 651,958 |
| Energy saving cost charged by a related party* | 3,031,041 | 2,934,720 |
| Management agent fee charged by a related party | 4,717,581 | 4,480,085 |
| Project management fee charged by a related party | 445,792 | 479,599 |
| Contract for services and works charged by a related party | 113,633 | 606,077 |
| Repair and maintenance works charged by a related party | 1,135,400 | 1,298,885 |

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

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

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

24 Government grants

i) Government grants taken to the income and expenditure statement during the year are as follows:

| | Total | | Conservancy and service grant | | Payment from Citizens' consultative committee | | Lift maintenance grant | | Government GST subvention | | LRF matching Grant | |
|---|-------------|-------------|----------------------------------|-------------|--|-------------|---------------------------|-------------|------------------------------|-------------|-----------------------|-------------|
| | 2019 S\$ | 2018 S\$ | 2019 S\$ | 2018 S\$ | 2019 S\$ | 2018 S\$ | 2019 S\$ | 2018 S\$ | 2019 S\$ | 2018 S\$ | 2019 S\$ | 2018 S\$ |
| Government Grants received/receivable during the year | 13,910,645 | 12,283,176 | 5,406,759 | 5,280,288 | 2,681,750 | 1,628,251 | 707,400 | 695,400 | 1,559,578 | 1,456,664 | 3,555,158 | 3,222,573 |
| Less: Transfer to | | | | | | | | | | | | |
| - Sinking fund | (1,995,171) | (1,932,412) | (1,405,757) | (1,372,875) | - | - | (183,924) | (180,804) | (405,490) | (378,733) | - | - |
| - Lift replacement fund | (4,629,481) | (4,263,102) | (756,946) | (739,240) | - | - | (99,036) | (97,356) | (218,341) | (203,933) | (3,555,158) | (3,222,573) |
| - Town improvement and project fund | (2,681,750) | (1,628,251) | - | - | (2,681,750) | (1,628,251) | - | - | - | - | - | - |
| | 4,604,243 | 4,459,411 | 3,244,056 | 3,168,173 | - | - | 424,440 | 417,240 | 935,747 | 873,998 | - | - |

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

| | 2019 S\$ | 2018 S\$ |
|---|-------------|-------------|
| Total grants received/receivable at 1 April | 168,354,538 | 156,071,362 |
| Grants received/receivable during the year | 13,910,645 | 12,283,176 |
| Total grants received/receivable as at 31 March | 182,265,183 | 168,354,538 |

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

25 Operating lease commitments

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

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|-------------------------------------|--------------------|--------------------|
| Due within 1 year | 602,043 | 750,042 |
| Due after 1 year but within 5 years | 13,135 | 615,178 |
| | <u>615,178</u> | <u>1,365,220</u> |

The leases of the Town Council's premises and computer system on which rentals are payable will expire on 31 December 2019 (2018: 31 December 2019) and 30 April 2020 (2018: 30 April 2020) respectively, and the current rent payable on the leases range from S\$13,650 to S\$35,731 (2018: S\$13,655 to S\$35,731) per month and S\$13,135 (2018: S\$13,135) per month, respectively, which are subject to revision and renewal.

26 Commitments for capital expenditure

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

| | <u>2019</u> S\$ | <u>2018</u> S\$ |
|---|--------------------|--------------------|
| Amounts approved and contracted for | 17,902,343 | 9,806,426 |
| Amounts approved but not contracted for | 29,983,990 | 25,566,697 |
| | <u>47,886,333</u> | <u>35,373,123</u> |

27 Risk management policies for financial instruments

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

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

There have been no changes since the last financial year to the Town Council's exposure to these financial risks or the manner in which it manages and measures the risk.

Credit risk

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

27 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

The Town 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 Town 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 6 months or there is significant difficulty of the counterparty.

The Town Council categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 2 years 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 Company's current credit risk grading framework comprises the following categories:

| Category | Description | Basis of recognising Expected Credit Losses ("ECL") |
|----------|--|--|
| 1 | Low credit risks ^{Note 1} | 12-months ECL |
| 2 | Non-significant increase in credit risks since initial recognition and financial asset is ≤ 1 month past due | 12-months ECL |
| 3 | Significant increase in credit risks since initial recognition ^{Note 2} or financial asset is > 1 month past due | Lifetime ECL |
| 4 | Evidence indicates that financial asset is credit-impaired ^{Note 3} | Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate |
| 5 | Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4} | Written off |

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Town Council assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Town Council compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Town Council considers both past due (i.e. whether it is more than 1 year past due) and forward-looking quantitative and qualitative information.

27 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

Note 2. Significant increase in credit risk (Continued)

Forward-looking information includes the assessment of the latest payment trend of the debtor, adjusted for the Town Council's best practices in deriving the provision matrix with the recommended guidelines provided by the Ministry of National Development and the most recent news or market talks about the debtor, as applicable. In its assessment, the Town Council will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Town Council presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 1 month past due, unless the Town Council has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Town Council assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 6 months past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Town Council writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write off.

The Town Council performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

Conservancy and service fee receivables consist of a large number of household owners, thus Town Council do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

Conservancy and service fee receivables (Note 11)

The Town Council uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for conservancy and service fee receivables, where the loss allowance is equal to lifetime ECL.

The ECL for Conservancy and service fee receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the debtors for the last 3 years prior to the respective reporting dates for various debtor groups that are assessed by internal ratings and the economic environment which could affect the ability of the debtors to settle the financial assets.

Conservancy and service fee receivables are written off when there is evidence to indicate that the Town Council has no reasonable expectations of recovering the debts, including situations when the lessee/tenant or ex-lessee/tenant has abandoned the flat, their whereabouts is unknown, upon their demise or they are in financial hardship.

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

27 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

Conservancy and service fee receivables are written off when there is evidence indicates that the Town Council has no reasonable expectations of recovery the debts, including that the lessee/tenant or ex-lessee/tenant has abandoned the flat, is unknown, cessation, or financial hardship.

| | <u>Current</u> | <u>Past due < 6 months</u> | <u>Past due 6 months to 12 months</u> | <u>Past due 12 months to 24 months</u> | <u>Past due more than 24 months</u> | <u>Total</u> |
|--|----------------|---------------------------------------|---|--|---|--------------|
| 31 March 2019 | | | | | | |
| Expected credit loss rates | 0% | 0% | 25% | 50% | 100% | 100% |
| Conservancy and service fee receivables (gross) (S\$) | 514,209 | 284,602 | 271,123 | 228,726 | 231,419 | 1,530,079 |
| Loss allowance (S\$) | - | - | 67,781 | 114,363 | 231,419 | 413,563 |
| 1 April 2018 | | | | | | |
| Expected credit loss rates | 0% | 0% | 25% | 50% | 100% | 100% |
| Conservancy and service fee receivables (gross) (S\$) | 513,977 | 288,431 | 249,136 | 247,209 | 207,184 | 1,505,937 |
| Loss allowance (S\$) | - | - | 62,283 | 123,605 | 207,184 | 393,072 |

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables is as follows:

| Internal credit risk grading | Conservancy and service fee receivables Total S\$'000 |
|-------------------------------------|--|
| Loss allowance | |
| Balance at 1 April 2018 | 393,072 |
| Write off recognised | 57,800 |
| Impairment loss recognised | (37,309) |
| Balance at 31 March 2019 | 413,563 |
| Gross carrying amount | |
| At 1 April 2018 | 1,505,937 |
| At 31 March 2019 | 1,530,079 |
| Net carrying amount | |
| At 1 April 2018 | 1,112,865 |
| At 31 March 2019 | 1,116,516 |

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

27 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

Comparative information under FRS 39

The credit risk for conservancy and service receivables based on the information provided to key management is as follows:

(i) Financial assets that are neither past due nor impaired

Conservancy and service fee receivables that are neither past due nor impaired are substantially counterparties with good payment records with the Town Council.

(ii) Financial assets that are past due but not impaired

The aging analysis of conservancy and service fee receivable with number of months of fees past due but not impaired is as follows:

| | <u>2018</u> S\$ |
|--|--------------------|
| With less than three months of fees outstanding | 490,843 |
| With more than three months but less than six months of fees outstanding | 288,432 |
| With more than six months of fees outstanding | 310,456 |
| | <u>1,089,731</u> |

Based on historical default rates, the Town Council believes that no impairment allowance is necessary in respect of conservancy and service fee receivables not past due or past due but not impaired. These receivables are substantially debtors with good collection track record with the Town Council.

(iii) Financial assets that are past due and impaired

The carrying amount of conservancy and service receivables individually determined to be impaired and the movement in the related allowance for impairment is as follows:

| | <u>2018</u> S\$ |
|--|--------------------|
| Gross amount | 393,072 |
| Less: Allowance for impairment (Note 11) | (393,072) |
| | <u>-</u> |

Other receivables as at 31 March 2018 are not past due or impaired as at 31 March 2018. These comprised mainly recoverables from statutory board and government agencies.

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

27 Risk management policies for financial instruments (Continued)

Interest rate risk

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

The Town Council's exposure to movements in market interest rates relate primarily to its fixed deposits placed with financial institutions.

The Town Council's policy is to obtain the most favourable interest rates available for placement of its fixed deposits.

Surplus funds are placed with reputable banks and/or invested in bonds.

If Singapore dollar interest rates had been 25 (2018: 25) basis points lower/higher with all other variables held constant, the Town Council's deficit before government grants for the year would have been S\$153,203 (2018: S\$58,333) higher/lower, arising mainly as a result of lower/higher interest income from the Town Council's fixed deposits with banks.

Liquidity risk

Liquidity risk arises in the general funding of the Town Council's operating activities. It includes the risks of not being able to fund operating activities at settlement dates and liquidate investments in a timely manner at a reasonable price. At present, the Town Council has invested its surplus funds in current accounts and short-term deposits to ensure availability of funds.

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

| | Total | Less than | Between |
|---|--------------|------------------|----------------|
| As at 31 March 2019 | S\$ | 1 year | 2 and 5 |
| | | S\$ | years |
| | | | S\$ |
| Financial assets at amortised cost | 3,033,345 | 3,033,345 | - |
| Conservancy and service receivables | 1,212,232 | 1,212,232 | - |
| Other receivables (excluding prepayments) | 6,122,035 | 6,122,035 | - |
| Interest receivable | 454,459 | 454,459 | - |
| Cash and bank balances | 95,885,179 | 95,885,179 | - |
| Payables and accrued expenses | 8,308,114 | 8,308,114 | - |
| As at 31 March 2018 | S\$ | S\$ | S\$ |
| Financial assets at amortised cost | 8,159,160 | 5,125,815 | 3,033,345 |
| Conservancy and service receivables | 1,208,025 | 1,208,025 | - |
| Other receivables (excluding prepayments) | 4,400,668 | 4,400,668 | - |
| Interest receivable | 163,138 | 163,138 | - |
| Cash and bank balances | 73,015,849 | 73,015,849 | - |
| Payables and accrued expenses | 5,980,957 | 5,980,957 | - |

27 Risk management policies for financial instruments (Continued)

Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Town Council is exposed to market price risks arising from its investment with fund managers classified as financial assets at fair value through profit or loss.

If the fair value had been 2% (2018: 2%) lower/higher with all other variables held constant, the Town Council's deficit before government grants for the year would have been S\$757,879 (2018: S\$739,487) higher/lower, arising as a result of higher/lower fair value losses on investments.

Currency risk

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

The Town Council's operational activities are carried out in Singapore dollar. Hence, its exposure to foreign currency risk is minimal.

28 Management of Town Council's funds

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

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

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

There were no changes in the Town Council's approach to funds management during the financial year. The Town Council is not subject to externally imposed requirements. As at the end of the reporting period, the Town Council's total funds amounted to S\$133,901,500 (2018: S\$116,195,116).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)**

29 New or revised accounting standards and interpretations not yet adopted

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

| Reference | Description | Effective date (Annual periods beginning on or after) |
|-----------|-------------|---|
| FRS 116 | Leases | 1 January 2019 |

FRS 116 Leases

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases – Incentives, and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease to set out the principles for the recognition, measurement, presentation and disclosure of leases. The changes introduced by FRS 116 will primarily affect the financial statements of the lessees.

FRS 116 requires, with limited exceptions, the lessee to recognise, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of “low-value” assets and qualifying short term leases entered into by lessees can be exempted from the new recognition criteria.

The Town Council plans to elect to use the exemption proposed by the standard on lease contracts for which the underlying asset is of low value and where the lease is short-term. The Town Council also plans to elect not to recognise right-of-use assets and lease liabilities of leases for which the lease term ends within 12 months as of 1 April 2019. In the determination of the lease term as a lessee, the Town Council plans to apply the practical expedient to use hindsight for contracts which contains options to extend or terminate the lease.

Preliminarily, based on the currently known and reasonably estimable information relevant to its assessment, as at 1 April 2019, the Town Council expects an increase in right-of-use assets, an increase in lease liabilities.

30 Fair value of financial instruments

Fair values

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

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

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:-

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (Continued)

30 Fair value of financial instruments (Continued)

(a) Assets measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at 31 March 2019.

| | <u>Level 1</u> S\$ | <u>Level 2</u> S\$ | <u>Level 3</u> S\$ | <u>Total</u> S\$ |
|--|-----------------------|-----------------------|-----------------------|---------------------|
| <u>Recurring fair value measurement</u> | | | | |
| At 31 March 2019 | | | | |
| Financial assets, fair value through profit or loss (Note 10) | 37,893,958 | - | - | 37,893,958 |
| <u>Recurring fair value measurement</u> | | | | |
| At 31 March 2018 | | | | |
| Financial assets, fair value through profit or loss (Note 10) | 36,974,327 | - | - | 36,974,327 |

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

The following table shows an analysis of the Town Council's assets not measured at fair value at 31 March 2019 but for which fair value is disclosed:

| | <u>Level 1</u> S\$ | <u>Level 2</u> S\$ | <u>Level 3</u> S\$ | <u>Total</u> S\$ | <u>Carrying amount</u> S\$ |
|--|-----------------------|-----------------------|-----------------------|---------------------|-------------------------------|
| As at 31 March 2019 | | | | | |
| Financial assets at amortised cost (Note 9) | 3,000,360 | - | - | 3,000,360 | 3,000,000 |
| As at 31 March 2018 | | | | | |
| Financial assets at amortised cost (Note 9) | 8,015,090 | - | - | 8,015,090 | 8,000,000 |

31 Subsequent Event

The Town Council has approved the award for the design, supply, installation and delivery of a town council management system for a six year period to HCL Singapore Pte Ltd. The total contract sum of S\$37.86 million is to be apportioned to the Town Council based on its physical units under management each year. The Town Council is in the process of assessing the accounting impact of this transaction.