

**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS**

**For Financial Year**

**2014/2015**

# Chairman's Review

The progress of West Coast Town over the past few years is evident. New developments coupled with constant improvements to the living environment has made West Coast Town a more vibrant home for our residents.

Residents have benefited from enhancements in housing, transport, social and other services, bringing greater comfort and convenience for better living.

We have seen a growth in our housing estates with the completion of new Build-To-Order (BTO) flats, and there are more BTO projects that will be completed in the next few years. The BTO developments has provided additional housing options for young couples who wish to live near their parents, as well as offer new flats for residents whose flats were chosen for Selective En bloc Redevelopment Scheme (SERS). At the same time, we have also rejuvenated existing precincts through the various government upgrading programmes such as Lift Upgrading Programme (LUP), Home Improvement Programme (HIP), Hawker Centre Upgrading Programme (HUP), Neighbourhood Renewal Programme (NRP), and Remaking Our Heartland (ROS) programme. I am also pleased to share that our residents have given their strong support towards these upgrading programmes to enhance their living environment.

There are also added amenities and facilities for everyone. The Town Council has upgraded existing facilities, as well as built new ones to meet the varied needs of the residents. The facilities include more covered walkways and drop-off porches, playgrounds, fitness corners for the young as well as elderly, etc. These shared recreational spaces within the housing estate serve to encourage social interaction and bonding amongst residents, for a more cohesive community.

Transport services has also improved with increased frequency of train and bus services; as well as new bus services added for better connectivity.

Access to social services is also important, especially for families with the young and elderly, and for those who require social assistance. Across the Town, there are now more elder care and senior activity centres to promote active ageing, as well as community clinics offering free Traditional Chinese Medicine (TCM) consultations. Families with young children also welcome the opening of more child care centres to meet the growing needs of young families in the Town.

A cohesive community bonded by a strong community spirit is the strong foundation for progress. Although the management, maintenance and improvement to the common property and open spaces of the HDB estate remains the core function of the Council, we will render support to community organisations towards forging a more united community.

The Town Council will continue to complement the integrated development of the Town by working with the Advisers-to-Grassroots Organisations, the grassroots volunteers and the public agency partners. The Council will strive to provide reliable and relevant service that is aligned with shifting demands and priorities of the community, while maintaining a cautious and prudent approach towards financial management.

This report is a summation of our achievements for the year. On behalf of the Council, I would like to thank our residents for giving us constructive feedback and suggestions. We appreciate the support from our residents towards our work, and we will continue to listen to your needs to deliver better service to you.

My parliamentary colleagues have entrusted me with the chairmanship of the Council for the past 10 years, and I am grateful for their invaluable support. I would also like to express my appreciation to the Town Councillors, community leaders and the staff of the Managing Agent for their steadfast commitment and contributions towards the Council.

It has been a privilege working with our partners and residents to build a better West Coast Town. I am confident that as long as we stay focused and continue to work hard together, we can build an even more welcoming home in West Coast Town.



Arthur Fong  
Chairman

# Fiscal Management

For the financial year ended 31 March 2015, the Council recorded an operating surplus of \$2.86 million, after government grant.

Notwithstanding the surplus, the Council has to continue to manage our finances prudently and judiciously to meet rising expenditure as the estate age. The Council will also conscientiously plan and pace out improvement projects, prioritizing projects that would benefit most residents.

## Service & Conservancy Charges (S&CC)

S&CC grants were received from the government for the one-room to four-room HDB flats. In FY 2014/2015, the government also provided S&CC rebates to eligible Singapore citizen lessees/tenants of HDB flats, ranging from three months net S&CC for one-room flats to one month net S&CC for Executive flats.

The Council continue to absorb the two per cent increase in GST from 5% to 7% on the S&CC for HDB residential properties since 1 July 2007, to provide some relief for our residents.

The Council waived the S&CC payable by affected stallholders throughout the period of temporary closure of Market and Food Centres for upgrading, cyclical maintenance works or improvement works.

## Arrears Management

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

For those accounts that were in arrears, the Council would take steps to recover the payment. However, the Council remains sympathetic towards residents who are in arrears due to genuine financial hardship and offers assistance including payment of the S&CC arrears by instalment, deferment of payment, referral to welfare agencies, Community Development Council and other community-based organizations for welfare aid and job matching.

However, for residents who are not in any financial hardship but yet chose to delay payment, late penalty fee and administrative charges are imposed to discourage deliberate delay in payment. Court actions would be initiated, as a final resort, against residents who ignore our repeated reminders to make payment.

At the end of FY 2014/2015, 13.91% of the accounts were in arrears of \$1,270,385 in total. This is an increase of 5.35% in terms of accounts in arrears and a decrease of 1.21% for amount in arrears, compared to FY 2013/2014.

### 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 would be used to offset the rate of inflation and increase the value of our funds in the long run.

We assure our residents that 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.

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. In FY 2014/2015, \$8 million was invested in bonds; \$39 million was invested with fund managers and \$54.22 million was placed in fixed deposits.

# Maintenance Management & Estate Improvement

The daily upkeep and maintenance of the HDB common property and open spaces in West Coast Town is the priority 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 feedback on maintenance issues directly to the Council, so that we can address them promptly. At the same time, we 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. The efforts from all our residents contribute 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 services, thereby minimizing breakdowns and costly repair works.

In FY 2014/2015, the Council spent about \$22.01 million on cyclical maintenance works which included repairs and repainting, re-wiring, re-roofing, replacement of transfer and booster pumps, replacement of water pipes, lift works, etc. This amount includes the Council's share of the costs towards the government's Lift Upgrading Programmes implemented within West Coast Town.

## Town Improvement Projects

The Town Council plans for and executes improvement projects within the common areas and open spaces of the housing estates to provide all our residents with a better living environment, as well as to complement the overall estate maintenance of the Town. Improvement projects are prioritized according to the practical benefits to the majority of our residents.

In FY 2014/2015, the Council spent about \$3.74 million on improvement projects. The improvement projects that were implemented include covered walkways, fitness corners for adults and senior citizens, game courts, residents' corners, provision of seating facilities, upgrading of children's playgrounds, etc. Covered walkways from the nearest block to bus-stops and between blocks, as well as barrier-free access features within the estates, serves to improve convenience for residents and were particularly well-received.

## Energy Saving Initiatives

The Council is cognizant of the long-term pressure on our operating expenses due to fluctuating electricity costs. For FY 2014/2015, electricity usage constitutes 80% of the Council's monthly utility expenditure. Energy costs are expected to rise in the long run and hence, energy saving initiatives are necessary to help mitigate the effects of increasing electricity costs.

The Council has been progressively replacing all common area lightings at the blocks with the more energy-efficient T5 fluorescent tubes and LED lights. The replacement of existing light fittings to Light Emitting Diode (LED) luminaires for a total of 323 HDB blocks within West Coast Town started in first quarter of 2015, and is expected to be completed by the last quarter of 2015.

Existing 125W mercury lamps for outdoor lightings were replaced with either energy saving amalgam lamp or eco bulb. The Time Control switches for the corridor lights and open spaces are pre-set to coincide with changing daylight hours throughout the year.

In addition, the electricity supply for the eligible contestable accounts was contracted to M/s Tuas Power Supply who offered a discount of 10.50% off the electricity tariff, based on the rates of Singapore Power, for the period of 1 January 2014 to 31 December 2015.

The Council will continue to explore feasible avenues to reduce electricity consumption, while ensuring that the safety of all our residents is not compromised.

## Town Council Management Report (TCMR)

Based on the ratings of the Town Council Management Report (TCMR) released for the period of April 2013 to March 2014, the Town Council has achieved Green for estate cleanliness, lift performance, S&CC arrears management and corporate governance, and Amber for estate maintenance.

The Council will work on improving our TCMR rating in the area of maintenance, and uphold our performance in the other areas. We seek the co-operation of all our residents in the upkeep of the estate through simple acts such as keeping the common areas clean, tidy, clear of obstruction and free of hazards; using the facilities with due care; not to erect unauthorized structures such as clothes drying racks, blinds, etc. at the common areas.

The Council looks forward to work together with all our residents to achieve better TCMR performance. Feedback from our residents on maintenance defects would also help the Council in timely identification and prompt rectification of the defects. The Council also appeals to all our residents to pay their S&CC on time, as this is also an area of TCMR assessment.

## Upgrading Programmes

As part of the Government's continual efforts to enhance the quality of life of Singaporeans, the Government have put in place various upgrading programmes to rejuvenate older estates. The upgrading programmes serve to provide a better living environment for residents, without the need for residents to relocate.

There are several upgrading programmes that have either been completed or are still in progress within West Coast Town.

## Upgrading Programmes within West Coast Town

Lift Upgrading Programme (LUP)	
Block 24 and 25 Teban Gardens Road	Completed in 1st quarter 2015
Block 324 and 325 Clementi Avenue 5 and Block 332 to 334 Clementi Avenue 2	Completed in 3 <sup>rd</sup> quarter 2014
Block 511 West Coast Drive	Completed in 2nd quarter 2014

Home Improvement Programme (HIP)	
Block 30 to 41 Teban Gardens Road	In progress. Work expected to complete in 3 <sup>rd</sup> quarter 2016.
Block 326 and 327 Clementi Avenue 5 and Block 328 to 331 Clementi Avenue 2	Completed in 2nd quarter 2014
Block 339 to 342, 344, 345 Clementi Avenue 5	Completed in 4 <sup>th</sup> quarter 2015
Block 426 to 435 Clementi Avenue 3	
Block 343, 346 to 352, 354 to 359 Clementi Avenue 2/5	Announced in 4 <sup>th</sup> quarter 2014
Block 506 to 512 West Coast Drive	In progress. Work expected to complete in 4 <sup>th</sup> quarter 2015
Block 701 to 704 West Coast Road and Block 706, 707, 710, 715 to 717, 723, 724 Clementi West Street 2	In progress. Work expected to complete in 4 <sup>th</sup> quarter 2015
Block 728 to 731 Clementi West Street 2	Announced in 3 <sup>rd</sup> quarter 2014

Neighbourhood Renewal Programme (NRP)	
Block 185 to 187 Boon Lay Avenue, Block 188 to 191 Boon Lay Drive and 221 Boon Lay Place	In progress. Work expected to complete in 4 <sup>th</sup> quarter 2015
Block 174 to 179 Boon Lay Drive	Work expected to commence in 4 <sup>th</sup> quarter 2015

Remaking our Heartland (ROH)	
Block 37, 37A, 38, 39 Teban Gardens Road, Block 60, 61 Teban Gardens Place and Teban Gardens Neighbourhood Park	In progress. Work expected to complete in 4 <sup>th</sup> quarter 2015

# Environmental Management

Maintaining the safety, cleanliness and public hygiene in the estate requires the joint effort from the community. The Council has placed much emphasis on public education efforts through the use of educational posters, newsletter, as well as exhibition put up during grassroots events to encourage residents to adopt good social habits.

## Best Public Rest Room Caretaker Competition 2014/2015

The Council continue to organise the annual “Best Public Rest Room Caretaker Competition” to give due recognition and also to encourage the rest room caretakers in their efforts to maintain the cleanliness of the public rest rooms located in HDB market/cooked food centres and HDB shopping centre within West Coast Town.

Through the competition, the Council also aims to create awareness among the users of public rest rooms in the responsible use of the rest rooms, to help maintain the cleanliness of the rest rooms as well as the facilities and fittings. As part of the community engagement efforts under the competition, students from Kent Ridge Secondary School of West Coast Division participated in the assessment of the public toilets at the Market and Food Centre at Block 726 Clementi West Street 2. It was an opportunity for the students to learn good toilet etiquette and hygiene practices when using public rest rooms and at the same time, appreciate the work of the rest room caretakers.

## Mosquito Control

The Council sustained its mosquito control efforts in the common areas and open spaces, as part of the island-wide combat led by the National Environment Agency against dengue transmission.

The Council spent about \$24,000 per month on the Dedicated Mosquito Control work. 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 to prevent mosquito breeding in receptacles that are disposed indiscriminately in the common areas and open spaces.

### Keeping our Estate Obstruction and Hazard Free

Bulky items indiscriminately discarded at common areas are a source of fire hazard. They also could obstruct emergency escape routes, thereby impeding life-saving efforts and evacuation in emergencies.

For the safety of all our residents, the Council will persevere in our efforts to reduce potential fire hazards and obstruction in the common areas and shop fronts. To encourage all our residents to dispose their bulky household items responsibly, the Council offers a free bulky household items removal service, up to three items per household per month.

The Council expended much efforts in public education to raise the awareness among all our residents. The Council appeals to all our residents and shop lessees/tenants to heed the fire safety guidelines issued by the Singapore Civil Defence Force (SDCF) to keep our estate free from obstructions and hazards for a safer living environment.

### National Recycling Programme

The Council works with the National Environment Agency and its appointed Public Waste Collectors on the implementation of the recycling programme within our housing estates. Centralized recycling depositories are provided at various locations in our HDB estate for our residents to dispose of their recyclables at their convenience.

### Closed-circuit Televisions (CCTVs) Network

The island-wide police cameras (PoICams) project rolled out by Singapore Police Force to install CCTVs at all HDB blocks and HDB multi-storey car parks started in 2012, and is scheduled to be completed by 2016. The PoICams 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 in the Town.

# Feedback & Communication

In order to engage all our residents and encourage relationship building, the Council adopts various modes and channels of communication to reach out to our residents effectively. Besides the more traditional modes of communication, the Council also explored the use of new technology.

## Launch of iTown@SG

With the widespread adoption of the smartphone technology, the Council, together with the other PAP Town Councils launched the iTown@SG mobile application in June 2013. The free app which is available on both Apple iOS and Android platforms, provides a convenient feedback channel for residents to connect with the Town Council while on the go. Residents are able to take a photo of the maintenance issue that they would like to feedback on and submit it to the Council using their smartphones. Residents would also be able to check on the status of their feedback. This app also allows residents to access information shared by the Council in iGallery and iNews functions.

## iFeedback

The Council makes available the iFeedback system to allow 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 identify and rectify them more quickly.

## Town News

The Council publishes its quarterly newsletter - Town News, which features Town Council news as well as community updates. The newsletter is distributed to the lessees/tenants of all HDB residential and commercial properties within the Town.

## Website

The West Coast Town Council website provides essential information including Council's services and responsibilities, annual report, by-laws, and the Meet-the-People sessions of the Members of Parliament. It serves as a convenient source of information and another feedback channel for residents.

## West Coast GRC & Pioneer SMC Family Day

Residents of West Coast GRC and Pioneer SMC got together on 13 September 2014 to enjoy a day of bonding at Universal Singapore Studios. More than 4,000 residents, comprising families and neighbours, participated in the event. The residents were joined by the Members of Parliament for West Coast GRC and Pioneer Constituency, and the community leaders.

## 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 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 2014  
To  
31 March 2015**

Financial statements

**WEST COAST TOWN COUNCIL**

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

For the year ended 31 March 2015

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

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

**Report on the financial statements**

We have audited the accompanying financial statements of West Coast Town Council ("the Town Council"), which comprise the statement of financial position as at 31 March 2015, the income and expenditure statement, statement of comprehensive income, statement of changes in Town Council funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Town Councils Act, Cap. 329A ("the Act") and Singapore Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town Council's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Town Council as at 31 March 2015, and of the results, changes in funds and cash flows of the Town Council for the financial year ended on that date.

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

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

**Report on Other Legal and Regulatory Requirements**

*Management's responsibility for compliance with legal and regulatory requirements*

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

*Auditor's responsibility*

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 Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on management's compliance.

*Opinion*

In our opinion,

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Town Council during the 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.



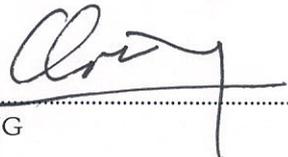
**AT ADLER**  
Public Accountants and Chartered Accountants

Singapore, 25 August 2015

## Statement of financial position as at 31 March 2015

	Note	2014/2015 \$	2013/2014 \$
<b>TOWN COUNCIL FUND</b>			
<b>RESIDENTIAL PROPERTY FUNDS</b>			
Accumulated surplus	3	187,461	-
Sinking fund	4	83,417,267	85,972,238
Town improvement and project fund	5	850,950	-
		<b>84,455,678</b>	<b>85,972,238</b>
<b>COMMERCIAL PROPERTY FUNDS</b>			
Accumulated surplus	3	2,539,625	1,011,405
Sinking fund	4	25,500,636	24,758,681
Town improvement and project fund	5	49,050	1,098,125
		<b>28,089,311</b>	<b>26,868,211</b>
<b>CARPARK FUNDS</b>			
Accumulated surplus	3	-	-
<b>NEIGHBOURHOOD RENEWAL PROGRAMME FUND</b>			
	6	1,400,076	555,226
		<b>113,945,065</b>	<b>113,395,675</b>
<b>Represented by:</b>			
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	315,005	570,713
Held-to-maturity financial assets	8	8,000,000	5,000,000
		<b>8,315,005</b>	<b>5,570,713</b>
<b>Current Assets</b>			
Financial assets at fair value through profit or loss	9	38,414,111	40,298,461
Conservancy and service fees receivables	10	1,323,080	1,312,456
Other receivables	11	7,596,230	5,703,053
Interest receivable		169,482	127,604
Cash and bank balances	12	68,473,037	66,875,667
		<b>115,975,940</b>	<b>114,317,241</b>
<b>TOTAL ASSETS</b>		<b>124,290,945</b>	<b>119,887,954</b>
<b>Less:</b>			
<b>CURRENT LIABILITIES</b>			
Conservancy and service fees received in advance		741,744	678,866
Creditors and accrued expenses	13	8,588,339	4,924,653
Current tax payable		1,015,797	888,760
		<b>10,345,880</b>	<b>6,492,279</b>
<b>NET CURRENT ASSETS</b>		<b>105,630,060</b>	<b>107,824,962</b>
		<b>113,945,065</b>	<b>113,395,675</b>

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

  
.....  
ARTHUR FONG  
Chairman

  
.....  
TAY ENG HWA  
Secretary

Date: 25 August 2015

## Income and expenditure statement for the financial year ended 31 March 2015

	Note	2014/2015 \$	2013/2014 \$
<b>OPERATING INCOME</b>			
Conservancy and service fees		45,552,770	44,532,530
Less: Operating transfer to sinking fund (minimum required by law)	4	15,374,871	15,014,480
		<b>30,177,899</b>	<b>29,518,050</b>
Agency fees	14	3,932,106	4,008,998
Other income	15	3,142,746	3,098,095
		<b>37,252,751</b>	<b>36,625,143</b>
Less:			
<b>OPERATING EXPENDITURE</b>			
Cleaning works		6,821,366	6,873,931
Managing agent's fees	16	5,141,035	5,045,944
Lift maintenance		5,900,074	5,546,309
Other works and maintenance		6,569,809	6,321,329
Water and electricity		13,141,381	13,816,200
General and administrative expenditure	18	2,346,772	2,232,031
		<b>39,920,437</b>	<b>39,835,744</b>
<b>OPERATING DEFICIT</b>			
		<b>(2,667,686)</b>	<b>(3,210,601)</b>
Add:			
<b>NON-OPERATING INCOME</b>			
Interest income		24,119	38,650
Less:			
Town improvement project works	5	-	2,097,055
<b>DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS</b>			
		<b>(2,643,567)</b>	<b>(5,269,006)</b>
Less:			
Income tax	20	296,780	291,143
<b>DEFICIT AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS</b>			
		<b>(2,940,347)</b>	<b>(5,560,149)</b>
Add:			
Government Grants	21	10,916,261	10,641,342
Less: Transfer to sinking fund	4	2,720,382	2,649,295
Less: Transfer to town improvement and project fund	5	2,396,956	2,346,127
		<b>5,798,923</b>	<b>5,645,920</b>
<b>SURPLUS FOR THE YEAR</b>			
		<b>2,858,576</b>	<b>85,771</b>
Add:			
Accumulated surplus at 1 April		1,011,405	1,220,649
Less:			
Appropriation to town improvement and project fund	5	1,142,895	295,015
<b>ACCUMULATED SURPLUS AT 31 MARCH</b>			
		<b>2,727,086</b>	<b>1,011,405</b>

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

**Statement of comprehensive income**  
**for the financial year ended 31 March 2015**

Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY		CARPARK		NEIGHBOURHOOD RENEWAL PROGRAMME FUND	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
Surplus/(deficit) for the year:										
- Accumulated surplus	3	85,771	1,861,203	(758,690)	552,231	531,023	445,142	313,438	-	-
- Sinking fund	4	(2,700,247)	(2,554,971)	(2,912,917)	741,955	212,670	-	-	-	-
- Town improvement and project fund	5	(1,341,020)	(1,267,934)	-	(73,086)	(120,877)	-	-	-	-
- Neighbourhood renewal programme fund	6	291,846	-	-	-	-	-	-	844,850	291,846
Total surplus/(deficit) for the year		(2,443,507)	(1,961,702)	(3,671,607)	1,221,100	622,816	445,142	313,438	844,850	291,846
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year attributable to Town Council Fund		(2,443,507)	(1,961,702)	(3,671,607)	1,221,100	622,816	445,142	313,438	844,850	291,846

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

**Statement of changes in funds**  
for the financial year ended 31 March 2015

	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY		CARPARK		NEIGHBOURHOOD RENEWAL PROGRAMME FUND	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
Balance at 1 April	113,395,675	115,839,182	85,972,238	88,885,155	26,868,211	26,690,647	-	-	555,226	263,380
Total comprehensive income/(loss)	549,390	(2,443,507)	(1,961,702)	(3,671,607)	1,221,100	622,816	445,142	313,438	844,850	291,846
Add/(Less) : Inter-fund transfer	-	-	445,142	758,690	-	(445,252)	(445,142)	(313,438)	-	-
Balance at 31 March	113,945,065	113,395,675	84,455,678	85,972,238	28,089,311	26,868,211	-	-	1,400,076	555,226

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

## Statement of cash flows

for the financial year ended 31 March 2015

	Note	2014/2015 \$	2013/2014 \$
<b>Cash Flows from Operating Activities</b>			
Deficit in income and expenditure statement before taxation and government grants		(2,643,567)	(5,269,006)
Adjustments for:			
Conservancy and service fees transferred to sinking fund	4	15,374,871	15,014,480
Depreciation of plant and equipment	18	270,912	263,957
Plant and equipment written off		120	232
Interest income	3	(24,119)	(38,650)
Operating surplus before working capital changes		12,978,217	9,971,013
Decrease in conservancy and service fees and other receivables		580,720	1,735,739
Increase/(Decrease) in creditors and conservancy and service fees received in advance		3,814,606	(4,002,568)
Cash generated from operations		17,373,543	7,704,184
Income tax paid		(384,644)	(365,581)
Sinking fund income	17(a)	412	820
Sinking fund expenditure	17(b)	(22,005,547)	(20,925,882)
Town improvement and project fund expenditure	5	(3,737,976)	(2,467,004)
Neighbourhood renewal programme expenditure	6	(2,053,450)	(52,157)
Net cash used in operating activities		(10,807,662)	(16,105,620)
<b>Cash Flows from Investing Activities</b>			
Purchase of plant and equipment	7	(15,324)	(71,162)
Interest received		640,716	453,576
Purchase of bonds	8	(3,000,000)	(5,000,000)
Redemption of bonds	8	-	1,000,000
Proceeds from fund manager	9	15,420	12,808
Net cash used in investing activities		(2,359,188)	(3,604,778)
<b>Cash Flows from Financing Activities</b>			
Cash restricted in use	12	-	(214)
Government grants received		11,293,808	10,245,009
Neighbourhood renewal programme funds received	6	-	344,003
Net cash generated from financing activities		11,293,808	10,588,798
Net decrease in cash and cash equivalents		(1,873,042)	(9,121,600)
Cash and cash equivalents at beginning of year		65,952,216	75,073,816
Cash and cash equivalents at end of year	12	64,079,174	65,952,216

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

## **Notes to the financial statements**

### for the financial year ended 31 March 2015

#### **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 2011/2012, there were changes in the boundary of the Town due to the General Elections in May 2011. 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 2015 were authorised for issue by the members of Town Council on 25 August 2015.

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

##### **(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- (i) The preparation of financial statements in conformity with generally accepted accounting principles 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 at the end of this footnote, where applicable.

**(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)****(ii) Adoption of new and revised standards**

On 1 April 2014, the Town Council has adopted the new or revised FRS 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.

**(c) FUNDS****TOWN COUNCIL FUND**

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

Residential Property  
Commercial Property

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, Town Improvement and Project Fund and Neighbourhood Renewal Programme 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 Town Councils Act, a separate Sinking Fund is established for the improvement to, management and maintenance of Residential Property and Commercial Property.

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

Currently, the minimum amounts to be paid into the Sinking Fund are as follows:

- |      |                  |  |
|------|------------------|--|
| (i)  | 1-room to 3-room | 30% of service and conservancy charges and grants-in-aid |
| (ii) | 4-room to 5-room | 35% of service and conservancy charges and grants-in-aid |

## (c) FUNDS (CONT'D)

## SINKING FUND (Cont'd)

(iii)	Multi-generation	35% of service and conservancy charges
(iv)	Executive	35% of service and conservancy charges
(v)	Shop with living accommodation	35% of service and conservancy charges
(vi)	Commercial property	35% of service and conservancy charges

These minimum contributions are treated as operating transfers and netted off against the service and conservancy charges and government grants in the income and expenditure statement.

The Sinking Fund are utilised for cyclical major repainting, renewal or replacement of roofing system, water tanks, pumps and water supply system, rewiring, lightning protection system and lifts, installation of any sensor and starter controller to the time-controlled booster pumping system, installation or replacement of any video lift monitoring devices, major repairs and maintenance of the common area and contributions to the HDB in respect of general upgrading works carried out on the common property under the Housing and Development Act.

## TOWN IMPROVEMENT AND PROJECT FUND

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

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

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

## NEIGHBOURHOOD RENEWAL PROGRAMME FUND

The Neighbourhood Renewal Programme Fund is established and maintained in respect of the Neighbourhood Renewal Programme (NRP), an upgrading initiative to improve the quality of older HDB estates. It is implemented by the Town Council with full funding from the Government.

The Town Council receives a funding of \$3,400 per dwelling unit to cover NRP construction costs, professional and consultancy fees. In addition, the Town Council shall be entitled to a sum of \$150 per dwelling unit or \$125,000, whichever is higher, to cover miscellaneous costs relating to the NRP project.

**(d) ALLOCATION OF GENERAL OVERHEADS**

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

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

Five percent of overheads are allocated to the sinking fund.

**(e) GOVERNMENT GRANTS**

The Town Council receives three types of grants from Government, namely, service and conservancy charge grant, payments from citizens' consultative committees and GST subvention grant.

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. Service and conservancy charge grants to meet the current year's operating expenditure are taken to the income and expenditure statement.

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

**(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.

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%

**(f) PLANT AND EQUIPMENT (CONT'D)**

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 an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other 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 ASSETS**

Initial recognition and measurement:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value, normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss is expensed immediately. The transactions are recorded at the trade date method. When the settlement date accounting is applied, any change in the fair value of the asset to be received during the period between the trade date and the settlement date is recognised in net profit or loss for assets classified as trading.

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

## (h) FINANCIAL ASSETS (CONT'D)

Initial recognition and measurement: (cont'd)

- #1. Financial assets at fair value through profit or loss: Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. These assets are carried at fair value by reference to the transaction price or current bid prices in an active market. All changes in fair value relating to assets at fair value through profit or loss are recognised directly in the income and expenditure statement. They are classified as non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period. Short term investments in equity shares and bonds are classified in this category.
- #2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the income and expenditure statement. Conservancy and services receivables, other receivables, interest receivable, cash and bank balances are classified in this category.
- #3. Held-to-maturity financial assets: These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention and ability to hold to maturity. Financial assets that upon initial recognition are designated as at fair value through profit or loss or available for sale and those that meet the definition of loans and receivables are not classified in this category. These assets are carried at amortised costs using the effective interest method minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred. If that is the case, the carrying amount of the asset is reduced through use of an allowance account. The gains and losses are recognised in income and expenditure statement when the investments are derecognised or impaired, as well as through the amortisation process. Long-term investments in bonds are classified in this category.
- #4. Available for sale financial assets: As at year end date, there were no financial assets classified in this category.

(h) FINANCIAL ASSETS (CONT'D)

Derecognition of financial assets:

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the “substance over form” based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

Cash and cash equivalents:

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

(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.

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) HEDGING

The Town Council is exposed to interest rate risks. There is no arrangement to reduce interest rate exposures through derivatives and other hedging instruments.

(k) 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.

**(l) FINANCIAL LIABILITIES**

Initial recognition and measurement:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss is expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

- #1. Liabilities at fair value through profit or loss: As at year end date, there were no financial liabilities classified in this category.
- #2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Creditors and accrued expenses are classified in this category. Items classified within current payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

**(m) 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.

**(n) 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.

**(o) 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 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).

**(p) RECOGNITION OF INCOME**

The revenue 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, estimated returns, discounts and volume rebates.

- (i) Conservancy and service fees are recognised when due.
- (ii) Agency fees are fees received for routine maintenance of HDB's carparks and are recognised when due.
- (iii) Interest income from fixed deposits and bonds is recognised on a time proportion basis that takes into account the effective yield on the asset.
- (iv) Income from funds placed with fund managers is recognized on accrued basis.

**(q) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES**

There were no critical judgements made in the process of applying the Town Council's accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(q) **CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONT'D)**

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(i) Allowance for bad and doubtful debts

Allowance for doubtful conservancy and service debts amounting to \$420,975 (2013/2014 - \$440,108) have been estimated on the basis of age of debts, results recovery efforts and historical experience. Where the expected outcome is different from the original estimate, such difference will impact the carrying value of conservancy and service and other receivables, and the doubtful debt expenses in the period in which such estimate has been changed.

(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.

(iii) Classification of held-to-maturity financial assets

The Town Council follows the guidance of FRS 39 on classifying non-derivatives financial assets with fixed or determinable payments with fixed maturity as held-to-maturity.

This classification requires judgement. In making this judgement, the Town Council evaluates its intention and ability to hold such investments to maturity. If the Town Council fails to keep investments to maturity other than for specific circumstances, it will be required to reclassify these investments as available-for-sale. The investments would then be measured at fair value, and not amortised cost.

(iv) Impairment of held-to-maturity financial assets

The Town Council follows the guidance of FRS 39 on determining when a financial asset is impaired. This determination requires significant judgement. The Town Council evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

**(r) INTER-FUND TRANSFER**

Under Section 33(9) of the Town Councils Act (Cap. 329A), the Town Council may transfer an amount not exceeding the surplus from any of its other funds established by the Town Council, to a fund which is in deficit to make good the deficit in that fund.

**(s) 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.

**WEST COAST TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2015**

**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		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY		CARPARK	
		2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
		\$	\$	\$	\$	\$	\$	\$	\$
<b>OPERATING INCOME</b>									
Conservancy and service fees		45,552,770	44,532,530	42,048,284	41,147,225	3,504,486	3,385,305	-	-
Less: Operating transfer to sinking fund (minimum required by law)	4	15,374,871	15,014,480	14,148,301	13,829,623	1,226,570	1,184,857	-	-
Agency fees	14	3,932,106	4,008,998	-	-	-	-	3,932,106	4,008,998
Other income	15	3,142,746	3,098,095	2,300,812	2,235,111	806,633	828,003	35,501	34,981
		37,252,751	36,625,143	30,200,595	29,552,713	3,084,549	3,028,451	3,967,607	4,043,979
Less: OPERATING EXPENDITURE		39,920,437	39,835,744	33,905,217	33,644,603	2,518,899	2,485,005	3,496,321	3,706,136
Operating (deficit)/surplus		(2,667,686)	(3,210,601)	(3,704,622)	(4,091,890)	565,650	543,446	471,286	337,843
Add: NON-OPERATING INCOME –interest income		24,119	38,650	20,618	33,000	1,183	1,901	2,318	3,749
Less: Town improvement project works	5	-	2,097,055	-	2,097,055	-	-	-	-
<b>(DEFICIT)/SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS</b>		<b>(2,643,567)</b>	<b>(5,269,006)</b>	<b>(3,684,004)</b>	<b>(6,155,945)</b>	<b>566,833</b>	<b>545,347</b>	<b>473,604</b>	<b>341,592</b>
Less: INCOME TAX	20	296,780	291,143	253,716	248,665	14,602	14,324	28,462	28,154
<b>(DEFICIT)/SURPLUS AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS</b>		<b>(2,940,347)</b>	<b>(5,560,149)</b>	<b>(3,937,720)</b>	<b>(6,404,610)</b>	<b>552,231</b>	<b>531,023</b>	<b>445,142</b>	<b>313,438</b>
Add: Government grants	21	10,916,261	10,641,342	10,785,627	10,513,478	130,634	127,864	-	-
Less: Transfer to Sinking fund	4	2,720,382	2,649,295	2,720,382	2,649,295	-	-	-	-
Town improvement and project fund	5	2,396,956	2,346,127	2,266,322	2,218,263	130,634	127,864	-	-
		5,798,923	5,645,920	5,798,923	5,645,920	-	-	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>2,858,576</b>	<b>85,771</b>	<b>1,861,203</b>	<b>(758,690)</b>	<b>552,231</b>	<b>531,023</b>	<b>445,142</b>	<b>313,438</b>
Add: Accumulated surplus at 1 April		1,011,405	1,220,649	-	-	1,011,405	1,220,649	-	-
Less/(Add): Appropriation to/(from) town improvement and project fund	5	1,142,895	295,015	2,118,884	-	(975,989)	295,015	-	-
Inter-Fund Transfer		-	-	445,142	758,690	-	(445,252)	(445,142)	(313,438)
Accumulated surplus at 31 March		2,727,086	1,011,405	187,461	-	2,539,625	1,011,405	-	-

**WEST COAST TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2015**

**4 Sinking fund**

	2014/2015	TOTAL	2013/2014	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY
Note	\$	\$	\$	2014/2015	2013/2014
Balance at 1 April	110,730,919	113,431,166	88,885,155	24,758,681	24,546,011
Add:					
INCOME					
OPERATING TRANSFERS FROM:					
- Conservancy and service fees	2,312,179	770,425	732,302	116,500	38,123
- (minimum required by law)	15,374,871	15,014,480	13,829,623	1,226,570	1,184,857
- Transfer from Government Grants	2,720,382	2,649,295	2,649,295	-	-
	20,407,432	18,434,200	17,211,220	1,343,070	1,222,980
Less:					
EXPENDITURE	22,005,547	20,925,882	19,926,934	589,399	998,948
Less:					
INCOME TAX	214,901	208,565	197,203	11,716	11,362
(DEFICIT)/SURPLUS FOR THE YEAR	(1,813,016)	(2,700,247)	(2,912,917)	741,955	212,670
Balance at 31 March	108,917,903	110,730,919	85,972,238	25,500,636	24,758,681

Represented by:					
NON-CURRENT ASSETS					
Held-to-maturity financial assets	8	8,000,000	5,000,000		
CURRENT ASSETS					
Financial assets at fair value through profit or loss	9	38,414,111	40,298,461		
Conservancy and service fees receivables		411,847	409,727		
Amount owing from Routine Fund		3,953,244	4,503,231		
Other receivables		903,924	926,832		
Interest receivable		169,393	121,778		
Cash and bank balances		60,744,864	61,976,039		
		104,597,383	108,236,068		
Less:					
CURRENT LIABILITIES					
Current tax payable		427,748	355,276		
Creditors and accrued expenses		3,251,732	2,149,873		
		3,679,480	2,505,149		
NET CURRENT ASSETS		100,917,903	105,730,919		
		108,917,903	110,730,919		

**WEST COAST TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2015**

**5 Town improvement and project fund**

	Note	2014/2015 \$	TOTAL 2013/2014 \$	RESIDENTIAL PROPERTY 2014/2015 \$	RESIDENTIAL PROPERTY 2013/2014 \$	COMMERCIAL PROPERTY 2014/2015 \$	COMMERCIAL PROPERTY 2013/2014 \$
Balance at 1 April		1,098,125	923,987	-	-	1,098,125	923,987
Add :							
Transfer from Government Grants	3	2,396,956	2,346,127	2,266,322	2,218,263	130,634	127,864
Less :							
Payment to contractors		3,737,976	4,564,059	3,534,256	4,315,318	203,720	248,741
Add :							
Town improvement project works transferred to income and expenditure statement	3	-	2,097,055	-	2,097,055	-	-
Deficit for the year		(1,341,020)	(120,877)	(1,267,934)	-	(73,086)	(120,877)
Appropriation from/(to) accumulated surplus	3	1,142,895	295,015	2,118,884	-	(975,989)	295,015
Balance at 31 March		900,000	1,098,125	850,950	-	49,050	1,098,125
Represented by :							
CURRENT ASSETS							
Other receivables		2,106,952	3,221,860				
Less:							
CURRENT LIABILITIES							
Amount owing to Routine Fund		765,838	1,608,987				
Creditors and accrued expenses		441,114	514,748				
		1,206,952	2,123,735				
		900,000	1,098,125				

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

Out of the total of \$3,737,976 (2013/2014 - \$4,564,059) spent on town improvement projects, \$2,396,956 (2013/2014 - \$2,346,127) was met by payment from CCC.

**6 Neighbourhood Renewal Programme Fund**

	2014/2015 \$	2013/2014 \$
Balance at 1 April	555,226	263,380
Funding from government	2,898,300	344,003
Payment to contractors	(2,053,450)	(52,157)
Surplus for the year	844,850	291,846
Balance at 31 March	1,400,076	555,226
Represented by:		
<b>Current Assets</b>		
Other receivables	3,028,331	-
Amount owing from Routine Fund	-	583,407
	3,028,331	583,407
Less:		
<b>Current Liabilities</b>		
Creditors and accrued expenses	1,152,134	28,181
Amount owing to Routine Fund	476,121	-
	1,628,255	28,181
	1,400,076	555,226

**7 Plant and equipment**

	Total \$	Furniture, fixtures and fittings \$	Data processing equipment \$	Office equipment \$	Renovation \$
<b>Cost</b>					
Balance at 1 April 2014	1,855,483	464,736	301,272	157,191	932,284
Additions during the year	15,324	-	15,324	-	-
Disposals/written off	(109,168)	(149)	(107,649)	(1,370)	-
Balance at 31 March 2015	1,761,639	464,587	208,947	155,821	932,284
<b>Accumulated depreciation</b>					
Balance at 1 April 2014	1,284,770	360,772	234,457	130,170	559,371
Depreciation for the year (Note 18)	270,912	49,192	23,628	11,635	186,457
Disposals/written off	(109,048)	(96)	(107,583)	(1,369)	-
Balance at 31 March 2015	1,446,634	409,868	150,502	140,436	745,828
<b>Net book value</b>					
Balance at 31 March 2015	315,005	54,719	58,445	15,385	186,456

**7 Plant and equipment (Cont'd)**

	<u>Total</u> \$	<u>Furniture, fixtures and fittings</u> \$	<u>Data processing equipment</u> \$	<u>Office equipment</u> \$	<u>Renovation</u> \$
<b><u>Cost</u></b>					
Balance at 1 April 2013	1,790,108	463,384	237,199	157,241	932,284
Additions during the year	71,162	1,650	68,312	1,200	-
Disposals/written off	(5,787)	(298)	(4,239)	(1,250)	-
Balance at 31 March 2014	1,855,483	464,736	301,272	157,191	932,284

**Accumulated depreciation**

Balance at 1 April 2013	1,026,368	311,978	221,820	119,656	372,914
Depreciation for the year (Note 18)	263,957	48,944	16,876	11,680	186,457
Disposals/written off	(5,555)	(150)	(4,239)	(1,166)	-
Balance at 31 March 2014	1,284,770	360,772	234,457	130,170	559,371

**Net book value**

Balance at 31 March 2014	570,713	103,964	66,815	27,021	372,913
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**8 Held-to-maturity financial assets**

	<b>2014/2015</b> \$	<b>2013/2014</b> \$
Movements during the year - at amortised cost :		
Amortised cost at beginning of year	5,000,000	1,000,000
Redemption on maturity	-	(1,000,000)
Additions at cost	3,000,000	5,000,000
Amortised cost at end of year	8,000,000	5,000,000
Balance is made up of:		
Quoted bonds maturing within one year : current	-	-
Quoted bonds maturing after one year : non-current	8,000,000	5,000,000
Balance at end of year	8,000,000	5,000,000
Fair value at end of year	8,021,500	5,043,500

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

None of the financial assets measured at amortised cost were reclassified to financial assets at fair value.

The bonds bear interest rate per annum of 2.223% and 2.365% (2013/2014 – 2.365%) to be received semi-annually in arrears. The maturity period of the bonds is in September 2018 and May 2019 (2013/2014 – September 2018).

The held-to-maturity financial assets are denominated in Singapore dollars, the functional currency of the Town Council.

**9 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 2015 and 30 September 2017, 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.

	2014/2015	2013/2014
	\$	\$
Balance at beginning of year	41,227,773	40,908,354
Proceeds from the fund manager	(15,420)	(12,808)
Investment income	1,285,266	1,350,353
Management fees	(138,678)	(134,341)
Other expenses	(10,879)	(12,851)
Fair value gain/(loss) (net)	517,583	(870,934)
Balance at end of year	<b>42,865,645</b>	<b>41,227,773</b>

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

	2014/2015	2013/2014
	\$	\$
Investments in :		
Quoted equities	9,546,997	9,446,511
Quoted bonds	28,867,114	30,851,950
Financial assets at fair value through profit or loss	<b>38,414,111</b>	<b>40,298,461</b>
Cash and deposits (Note 12)	4,342,182	871,770
Accrued interest and other receivables (Note 11)	233,608	269,840
Other Payables	(124,256)	(212,298)
Balance at 31 March	<b>42,865,645</b>	<b>41,227,773</b>

**10 Conservancy and service fees receivables**

	2014/2015	2013/2014
	\$	\$
Conservancy and service fees receivables	1,650,535	1,661,408
Interest receivable on late payments	93,520	91,156
Less : Allowance for impairment	(420,975)	(440,108)
	<b>1,323,080</b>	<b>1,312,456</b>
	\$	\$
Movements in above allowance :		
Balance at 1 April	(440,108)	(433,177)
Credited/(Charged) to income and expenditure statement (Note 18)	6,902	(22,259)
Allowance utilised	12,231	15,328
Balance at 31 March	<b>(420,975)</b>	<b>(440,108)</b>

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

Conservancy and service fees 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.

**11 Other receivables**

	2014/2015	2013/2014
	\$	\$
Deposits	246,918	717,891
Prepayments	185,942	220,132
Claims for Citizens' Consultative Committee funding receivable	2,117,451	2,495,413
Receivables from funds with fund managers (Note 9)	233,608	269,840
Claims for Neighbourhood Renewal Programme funding receivable	2,898,300	-
Recoverables from contractors	142,692	785,865
Goods and services tax receivable	475,958	252,632
GST subvention receivable	407,151	406,736
ROS costs recoverable (Note 13)	866,573	526,813
Others	21,637	27,731
	<b>7,596,230</b>	<b>5,703,053</b>

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

**12 Cash and bank balances**

	2014/2015 \$	2013/2014 \$
Cash and deposits held by fund managers (Note 9)	4,342,182	871,770
Fixed deposits	54,216,196	57,387,001
Cash and bank balances	9,914,659	8,616,896
	<b>68,473,037</b>	<b>66,875,667</b>

The fixed deposits have an average maturity of 5 months (2014 - 4 months) from the end of the financial year. The fixed deposits have weighted average effective interest rate of 0.91% (2014 - 0.68%) per annum. Fixed deposit amounting to \$51,681 (2014 - \$51,681) 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:

	2014/2015 \$	2013/2014 \$
Cash and bank balances as shown above	68,473,037	66,875,667
Cash and deposits held by fund managers (Note 9)	(4,342,182)	(871,770)
Pledged deposit	(51,681)	(51,681)
Cash and cash equivalents at end of year	<b>64,079,174</b>	<b>65,952,216</b>

**13 Creditors and accrued expenses**

	2014/2015 \$	2013/2014 \$
Trade creditors and accrued liabilities	8,111,382	4,009,079
Refundable deposits	260,275	257,501
Contributions for ROS**	91,094	441,779
Other creditors	125,588	216,294
	<b>8,588,339</b>	<b>4,924,653</b>

The average credit period taken to settle trade payables is about 30 days (2014 - 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. The share of project costs recoverable from HDB is disclosed under other receivables (Note 11).

**14 Agency fees**

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

**15 Other income**

	2014/2015	2013/2014
	\$	\$
Agency fees	25,754	30,627
Interest on late payment for sold flats	73,918	77,171
Interest on late payment for rented flats	17,046	16,398
Liquidated damages	232,531	225,404
Removal of debris	950	9,950
Sundry fines	70,808	61,003
Sundry income	77,689	89,109
Temporary Occupation Licence income	2,397,742	2,323,369
Temporary Occupation Licence income (one time payment)	71,228	96,664
Use of common property	6,980	6,140
Use of void decks	27,800	26,440
Use of water and electricity in void decks	140,300	135,820
	<b>3,142,746</b>	<b>3,098,095</b>

**16 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 \$5,141,035 (2013/2014 - \$5,045,944) for the current financial year.

**17 Sinking fund income and expenditure****(a) Income**

	2014/2015	2013/2014
	\$	\$
Interest Income - Bonds investments	174,068	63,956
Interest Income - Bank fixed deposits	484,407	373,423
Income/gain on investment with fund managers	1,653,292	332,226
Lift Upgrading Program Interest and Penalty	412	820
	<b>2,312,179</b>	<b>770,425</b>

**(b) Expenditure**

	2014/2015	2013/2014
	\$	\$
Reroofing works	2,208,700	453,987
Replacement of water pumps	764,650	907,651
Lift works	2,793,739	5,754,691
Replacement of booster pump	384,360	42,020
Redecoration and repainting	12,685,364	8,915,108
Replacement of water pipes	1,568,651	2,826,610
Project management fees	678,194	623,832
Other major works	22,490	347,220
General and administrative expenses	95,909	94,489
Unclaimable GST	803,490	960,274
	<b>22,005,547</b>	<b>20,925,882</b>

**18 General and administrative expenditure**

The general and administrative expenditure comprises the following:

	2014/2015 \$	2013/2014 \$
Advertising, publicity and public relations	185,747	194,617
Audit fee	37,000	37,000
Computer services fee	223,814	88,343
Depreciation of plant and equipment (Note 7)	270,912	263,957
Doubtful debts (Note 10)	(6,902)	22,259
Plant and equipment not capitalised	3,045	23,955
Office expenses	262,769	296,254
Operating lease expense	602,688	602,088
Property tax	279,634	233,928
Unclaimable GST	244,866	207,627
Town Councillors' allowances	174,900	176,400
Others	164,208	179,839
	<b>2,442,681</b>	<b>2,326,267</b>

This is allocated to the following expenditure :

	2014/2015	2013/2014
Operating expenditure	2,346,772	2,232,031
Sinking fund expenditure	95,909	94,236
	<b>2,442,681</b>	<b>2,326,267</b>

**19 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 17(b)) and general and administrative expenditure (Note 18) during the financial year.

**20 Income tax**

	Note	2014/2015 \$	2013/2014 \$
Current tax expense		511,681	499,708
Taken up in :			
Income and expenditure statement			
- Current financial year		296,785	291,263
- Overprovision in respect of prior years		(5)	(120)
	3	296,780	291,143
Sinking Fund			
- Current financial year		224,053	203,695
- (Over)/underprovision in respect of prior years		(9,152)	4,870
	4	214,901	208,565
		<b>511,681</b>	<b>499,708</b>

**20 Income tax (cont'd)**

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:

	2014/2015	2013/2014
	\$	\$
Investment and interest income	1,714,067	1,570,251
Dividend income	108,185	127,777
Grant and other income	12,885,568	12,553,676
Less:		
Allowable expenses/Exempt Income	(372,595)	(363,266)
	<b>14,335,225</b>	<b>13,888,438</b>
Tax at statutory rate of 17% (2013/2014 - 17%)	2,436,988	2,361,034
Concessionary tax relief	(81,630)	(78,399)
Tax remission of government grants under Section 92(2) of Singapore Income Tax Act	(1,834,520)	(1,787,677)
(Over)/underprovision in respect of prior years	(9,157)	4,750
	<b>511,681</b>	<b>499,708</b>

**WEST COAST TOWN COUNCIL**  
**(Established under the Town Councils Act, Cap. 329A)**  
**Notes to the financial statements for the financial year ended 31 March 2015**

**21 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		GOVERNMENT GST SUBVENTION	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
Government Grants received/receivable during the year	10,916,261	10,641,342	6,886,485	6,697,590	2,396,956	2,346,127	1,632,820	1,597,625
Less: Transfer to - Sinking fund	(2,720,382)	(2,649,295)	(2,170,972)	(2,112,316)	-	-	(549,410)	(536,979)
- Town improvement and project fund	(2,396,956)	(2,346,127)	-	-	(2,396,956)	(2,346,127)	-	-
	<b>5,798,923</b>	<b>5,645,920</b>	<b>4,715,513</b>	<b>4,585,274</b>	<b>-</b>	<b>-</b>	<b>1,083,410</b>	<b>1,060,646</b>

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

	2014/2015	2013/2014
Total grants received/receivable at 1 April	124,876,607	114,235,265
Grants received/receivable during the year	10,916,261	10,641,342
Total grants received/receivable as at 31 March	<b>135,792,868</b>	<b>124,876,607</b>

**22 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:

	2014/2015 \$	2013/2014 \$
Due within 1 year	827,250	808,856
Due after 1 year but within 5 years	1,337,822	1,944,338
Due after 5 years	18,395	239,128
	<b>2,183,467</b>	<b>2,992,322</b>

The leases of the Town Council's premises and computer system on which rentals are payable will expire on 31 December 2016 (2013/2014 - 31 December 2016) and 30 April 2020 (2013/2014 - 30 April 2020), respectively, and the current rent payable on the leases range from \$13,955 to \$36,588 (2013/2014 - \$13,955 to \$36,588) per month and \$18,394 (2013/2014 - \$18,394) per month, respectively, which are subject to revision and renewal.

**23 Commitments for capital expenditure**

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

	2014/2015 \$	2013/2014 \$
Amounts approved and contracted for	14,608,127	20,273,239
Amounts approved but not contracted for	22,908,570	19,819,013
	<b>37,516,697</b>	<b>40,092,252</b>

**24 Risk management policies for financial instruments**

GENERAL RISK MANAGEMENT PRINCIPLES

The Town Council's financial instruments comprise some cash and liquid resources, and various other items, including investment in financial assets, conservancy and services debtors and other receivables, trade payables and accrued expenses and other payables. The main purpose of these financial instruments is to raise finance for the Town Council's operations. The main risks arising from the Town Council's financial instruments are credit risk and market price risk comprising interest rate risk. The Town Council is not exposed to any foreign exchange risk and there is no significant liquidity risk as it maintains sufficient cash. The Town Council reviews and monitors policies for managing each of these risks and they are summarised below.

CREDIT RISK ON FINANCIAL ASSETS

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations consist principally of cash, cash equivalents, investments, conservancy and services and other accounts receivables.

Credit risk on bank balances is limited because the counter-parties are banks with high credit ratings.

The carrying amount of investments in bonds and funds with fund managers, conservancy and service receivables, other receivables, interest receivable, cash and bank balances represent the Town Council's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

**24 Risk management policies for financial instruments (Cont'd)**

## CREDIT RISK ON FINANCIAL ASSETS (CONT'D)

An ongoing credit evaluation is performed of the debtors' financial condition and a loss from impairment is recognised in the income and expenditure statement. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements.

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 fees 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 fees receivable with number of months of fees past due but not impaired is as follows:

	2014/2015 \$	2013/2014 \$
With less than three months of fees outstanding	378,872	364,188
With more than three months of fees outstanding	265,592	284,091
With more than six months of fees outstanding	328,437	302,223
	<u>972,901</u>	<u>950,502</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:

	2014/2015 \$	2013/2014 \$
Gross amount	420,975	440,108
Less: Allowance for impairment (Note 10)	(420,975)	(440,108)
	<u>-</u>	<u>-</u>

Other receivables as at 31 March 2015 are not past due to impaired as at 31 March 2015. These comprised mainly recoverables from statutory board and government agencies.

## OTHER RISK ON FINANCIAL INSTRUMENTS

The main risks arising from the Town Council's financial instruments are interest risk, price risk, liquidity risk and currency risk. There is exposure to interest rate price risk for financial instruments with a fixed interest rate. Interest rate swaps are not used to generate the desired interest profit and to manage the exposure to interest rate fluctuation. The Town Council reviews and agrees policies for managing each of these risks and they are summarised below.

**24 Risk management policies for financial instruments (Cont'd)**

OTHER RISK ON FINANCIAL INSTRUMENTS (CONT'D)

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 (2013/2014 - 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 \$96,727 (2013/2014 - \$93,091) 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 assets and liabilities based on contractual undiscounted cash flows:

	Total \$	Less than 1 year \$	Between 2 and 5 years \$
<b>As at 31 March 2015</b>			
Held-to-maturity financial assets	8,713,980	184,940	8,529,040
Conservancy and service receivables	1,323,080	1,323,080	-
Other receivables (excluding prepayments)	7,410,288	7,410,288	-
Interest receivable	169,482	169,482	-
Cash and bank balances	68,473,037	68,473,037	-
<b>Creditors and accrued expenses</b>	<b>8,588,339</b>	<b>8,588,339</b>	<b>-</b>
<b>As at 31 March 2014</b>			
Held-to-maturity financial assets	5,532,125	118,250	5,413,875
Conservancy and service receivables	1,312,456	1,312,456	-
Other receivables (excluding prepayments)	5,482,921	5,482,921	-
Interest receivable	127,604	127,604	-
Cash and bank balances	66,875,667	66,875,667	-
<b>Creditors and accrued expenses</b>	<b>4,924,653</b>	<b>4,924,653</b>	<b>-</b>

**24 Risk management policies for financial instruments (Cont'd)**

OTHER RISK ON FINANCIAL INSTRUMENTS (CONT'D)

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% (2013/2014 - 2%) lower/higher with all other variables held constant, the Town Council's deficit before government grants for the year would have been \$768,282 (2013/2014 - \$805,969) 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.

**25 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 capital for the purpose of strengthening the Town Council's risk management capability.

The Town Council actively and regularly reviews and manages its capital 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.

The Town Council is not subject to externally imposed capital requirements.

**26 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 that are relevant to the Town Council 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)
Amendments to FRS 1 Improvements to FRSs (January 2014)	Disclosure/Initiatives	1 January 2016
- FRS 24	Related Party Disclosures	1 July 2014
- FRS 113	Fair Value Measurement	1 July 2014
Improvements to FRSs (November 2014)		
- FRS 107	Financial Instruments: Disclosures	1 January 2016
FRS 16	Property, Plant and Equipment	1 January 2016
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2017

The Town Council does not anticipate that the adoption of the above in future periods will have a material impact on the financial statements of the Town Council in the period of their initial application, except for additional disclosures.

**27 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 (ie. as prices) or indirectly (ie. derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**27 Fair value of financial instruments (cont'd)****(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 2015.

	<u>Level 1</u> \$	<u>Level 2</u> \$	<u>Level 3</u> \$	<u>Total</u> \$
<b><u>Recurring fair value measurement</u></b>				
<b>At 31 March 2015</b>				
Financial assets, fair value through profit or loss (Note 9)	38,414,111	-	-	38,414,111
<b>At 31 March 2014</b>				
Financial assets, fair value through profit or loss (Note 9)	40,298,461	-	-	40,298,461

**(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 2015 but for which fair value is disclosed:

	<u>Level 1</u> \$	<u>Level 2</u> \$	<u>Level 3</u> \$	<u>Total</u> \$	<u>Carrying amount</u> \$
<b>As at 31 March 2015</b>					
Held-to-maturity financial assets (Note 8)	8,021,500	-	-	8,021,500	8,000,000
<b>As at 31 March 2014</b>					
Held-to-maturity financial assets (Note 8)	5,043,500	-	-	5,043,500	5,000,000