

WEST COAST TOWN COUNCIL



ANNUAL REPORT



FY 20/21



**WEST COAST
TOWN COUNCIL**

VISION

**Making West Coast our
Best Home, together.**

MISSION

West Coast Town Council will enhance our estates and improve our infrastructure to support the well-being of our residents.

We will

- 1. Build a safe and conducive living environment through sustainable practices.**
- 2. Uphold the highest standards of governance and integrity.**
- 3. Nurture a caring town and a cohesive community.**

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CHAIRMAN'S MESSAGE



Financial Year 2020/2021 has been an extraordinary year in many ways. Just weeks into 2020, we faced unforeseen challenges that came along with the COVID-19 pandemic. In the same year, Singapore held the General Elections, with Town boundaries being re-drawn. On this note, I would like to extend my warmest welcome to the residents of Nanyang and Gek Poh estates into our fold, joining Ayer Rajah, Boon Lay, Pioneer, Telok Blangah and West Coast under West Coast Town Council.

This year, West Coast Town Council continues to receive top ratings in our Town Council Management Report (TCMR), scoring all green in corporate governance, estate maintenance, estate cleanliness, lift maintenance and service and conservancy charges (S&CC) arrears management.

Such stellar performance would not have been possible if not for the support from our community. Our cleaners ramped up the cleaning efforts, staff worked diligently to address residents' feedback, contractors strived to keep up with project schedules and most importantly, residents played a big part in keeping the town clean and tidy.

COVID-19 has also made us more aware of our vulnerability and made sustainability a necessity. We believe that only when we safeguard our community and environment through responsible business practices, can we flourish as an organisation. Hence, we have weaved in multiple sustainability works into many of our current and upcoming town projects to benefit our residents. On top of our growing sustainability efforts, we are also committed to improving and extending our communication with residents to keep them informed of the latest developments in our Town. Building on traditional medium and new technologies, West Coast Town Council constantly searches for new ways to connect and relate to our residents of diverse backgrounds.

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

It is a privilege that we have a team of staff and councilors who are dedicated and passionate about making West Coast the best town to live in. I would also like to take this opportunity to extend my gratitude to all our residents for your unwavering support that has made our work possible. We will continue to work hard for you and alongside you to make West Coast a homely Town.

OUR MEMBERS OF PARLIAMENT



Mr S Iswaran
Elected Member
Minister for Transport
(formerly Minister for
Communications
and Information)
Minister-in-charge of
Trade Relations
MP for West Coast GRC



Mr Desmond Lee
Elected Member
Minister for National
Development
Minister in-charge of
Social Services Integration
MP for West Coast GRC



**Mr Patrick Tay
Teck Guan, BBM**
Chairman
MP for Pioneer Constituency



Mr Ang Wei Neng
Vice-Chairman
MP for West Coast GRC



**Ms Rachel Ong
Sin Yen**
Vice-Chairperson
MP for West Coast GRC



Ms Foo Mee Har
Elected Member
MP for West Coast GRC

TOWN COUNCILLORS

Effective leadership is crucial for the execution of duties in the different key functions of Town Council work. West Coast Town Council has seven committees that oversee the critical functions of our operations. Members for each committee are nominated by the elected members and matched to their expertise and skillsets. To ensure our West Coast residents are well heard, residents from the HDB estate makes up two-thirds of the appointed members.

The current term is from 15 August 2020 to 14 August 2022:

EXECUTIVE COMMITTEE

Chairman:

Mr Patrick Tay Teck Guan, BBM

Vice-Chairpersons:

Mr Ang Wei Neng
Ms Rachel Ong Sin Yen

Members:

Mr Chua Thiam Chwee Andrew, BBM
Mr Lim Heng Hui Dylan, PBM
Mr Kuek Chiew Peng, BBM(L)
Mr Pek Ting Li Desmond, PBM
Ms Tan Kwee Lian Rosalind, PBM
Assoc Prof Yu Shi Ming, BBM

AUDIT COMMITTEE

Chairperson:

Ms Tan Kwee Lian Rosalind, PBM

Vice-Chairperson:

Ms Goh Yiam Hong Shirley, PBM

Members:

Mr Fong Tat Hoe Zane
Mr Lawrence Wayne @ Lim Joo How
Mr Lim Thean Ee Steven, BBM
Dr Yang Phey Hong

COMMUNITY RELATIONS & DEVELOPMENT COMMITTEE

Chairman:

Mr Lim Heng Hui Dylan, PBM

Vice-Chairman:

Mr Tan Ah Chor, PBM

Members:

Ms Aw Siew Har Catherina
Mr Eric Chin Kok Mun, PBM
Ms Michelle Lau Wei Teng
Mr Thiruprakas S/O Suppiah

TENDER & CONTRACTS COMMITTEE

Chairman:

Mr Kuek Chiew Peng, BBM(L)

Vice-Chairman:

Mr Neo Say Leng Simon, PBM

Members:

Mr Chan Sin Chan Anthony, PBM
Mr Chee Haw Poh Paul
Mr Ng Chor Teck, PBM
Ms Wong Li Shun

FINANCE & ADMIN COMMITTEE

Chairman:

Mr Chua Thiam Chwee Andrew, BBM

Vice-Chairman:

Mr Chang Kong Meng Thomas

Members:

Mr Ang Khoo Wee, PBM
Mr Zhou Zhi Bin Joel
Ms Kong Wai Yee
Mr Zhang Lihong Ronson

PRESS & PUBLICATIONS COMMITTEE

Chairman:

Mr Pek Ting Li Desmond, PBM

Vice-Chairman:

Mr Ng Leng Kim Jimmy

Members:

Ms Chua Poh Leng Christina
Mr Ivan Goh Wee Siang
Ms Lim Yee Pei Justina, PBM
Ms Quek Mei Mei Elaine, PBM
Mr Ong Boon Han Edwin, PBM
Mr Yeo Thiam Huat Victor, PBM
Ms Lee Nai Yi Valerie
Mr Tan Kim Seng Kelvin
Mr Kor Chun Heng

ESTATE MAINTENANCE & MANAGEMENT COMMITTEE

Chairman:

Assoc Prof Yu Shi Ming, BBM

Vice-Chairman:

Mr Ng Keng Boon, PBM

Members:

Mr A R Dinesh
Mr Lim Kay Chong Louis
Mr Neo Swee Eng, BBM
Mr Shamendra Shivanna
Mr Song Cherng Song William, PBM
Mr Tan Thia Hwee James, PBM
Mr Tang Jia Fai Calvin
Mr Tee Kok Chuan
Mr David Yu

FISCAL MANAGEMENT

The background of the page is a collage of financial-related images. In the top right, a portion of a grey calculator is visible, showing buttons for 'CA', 'C/IC', '0', '1', '4', and '00'. Below the calculator, there is a stack of silver coins. To the right of the coins, a document with a list of dates is visible, including '20', '201', '2011', '2011.1', '2011.1', '2012.03', '2012.06.30', and '2012.09'. The entire page has a yellow diagonal stripe running from the top left towards the bottom right.

For the financial year ended 31 March 2021, the Council recorded an operating surplus of \$3.39 million after government grant(s). Without the government grant, an operating deficit of \$1.76 million would have been registered.

Despite the challenges posed by the COVID-19 pandemic, Town Council continued to exercise financial prudence, improvement works were planned and prioritised to enhance the facilities in the estate which benefit the residents. The Council also conducts routine reviews of the forecasted projects to ensure their relevance to residents current needs.

Service & Conservancy Charges (S&CC)

To help our nation tide over difficult times, the government extended the provision of S&CC grants for FY20/21 for all eligible Singapore citizen lessees/tenants of HDB flats. Depending on the HDB flat type, eligible Singaporean households received rebates between one-and-a-half and three-and-a-half months.

Stallholders affected by the temporary closure of the Market and Cooked Food Centre for upgrading, improvement and cyclical maintenance works were given a waiver for the S&CC for the period of closure.

Arrears Management

Owing to the strong partnership and hard work of our Town Councilors, Grassroots Leaders, agencies and staff, we managed to keep our arrears in check.

At the end of FY 20/21, 12.94% of the S&CC accounts were in arrears, amounting to \$2.29 million in total. As compared to the previous year, the number of accounts in arrears saw a decrease of 0.19%; while the amount in arrears had an increase of 15.98%.

While the Council keeps a close watch on the arrears and takes steps to recover them, we also acknowledge difficulties faced by some of our residents. With COVID-19 making the financial situation even more challenging, the Council remained sympathetic towards residents with genuine hardship and offered payment schemes and assistance referrals where possible. Our team had and will also continue to practice due diligence in conducting house visits to identify these groups of residents.

The Council also appreciates the support of residents for timely payment of their S&CC.

Investment of Funds

As part of the Council's long-term financial planning, surplus funds are placed into fixed deposits and with appointed professional fund managers as investments to generate returns. Our conservative investment strategy that complies with the Town Council Financial Rules and guidelines issued by the Ministry of National Development.

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

Returns of all investments are regularly reviewed at the Council meeting.

\$145.15m

Fixed Deposits

\$39.27m

Fund Managers

MAINTENANCE & ESTATE IMPROVEMENT

One of the core responsibilities of the Town Council is the maintenance of the HDB public housing estates common property and open spaces. Our team of property officers conduct daily inspections of the estate to ensure maintenance issues are identified and rectified promptly.

Our property team also oversees a team of Term Contractors and regularly monitor and review their performance. Residents are also encouraged to provide feedback on maintenance issues directly to the Town Council for issues to be duly attended to.



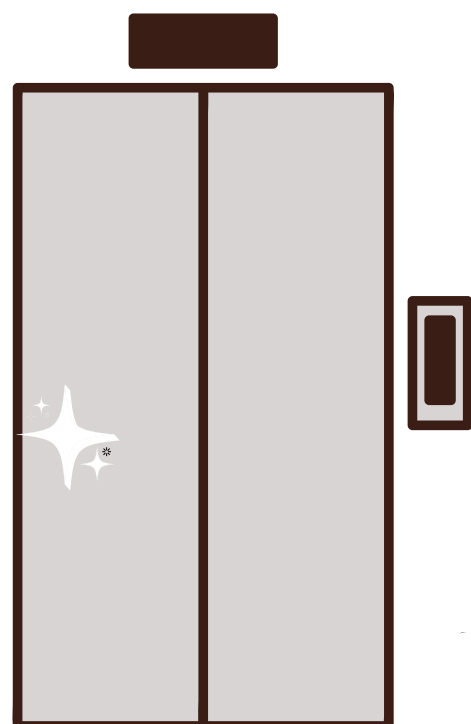
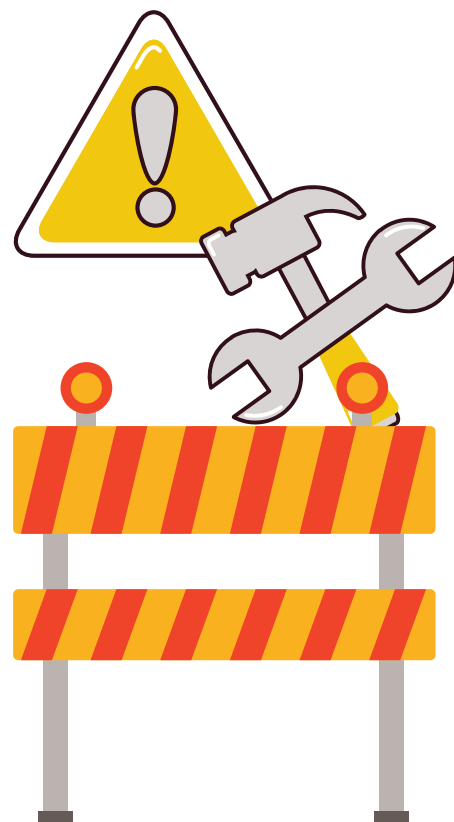
\$12.73m

expended in estate improvement work, including Cyclical Maintenance Works, Town Improvement Projects and other Upgrading Programmes

Cyclical Maintenance Works

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

The Town Council also performs a wide range of cyclical works to keep our estates in good working condition to prolong the lifespan of our building and facilities, mitigating costly repair works in the long run. Examples of cyclical works include repairs and repainting (R&R), re-roofing, rewiring, lift upgrading, replacement of lift parts, booster pumps, water pipes and refuse chute systems. Last year, a total sum of \$11.36 million was committed towards cyclical works.



Lift Enhancement Programme (LEP)

Co-funded by the HDB and Town Council, Lift Enhancement Programme (LEP) was rolled out to modernise and enhance the safety, reliability and performance of the older lifts. Under this programme, lifts that have been in operation for 18 years or less would be fitted with components identified and recommended by the Building and Construction Authority (BCA), to bring older lifts to be on par with the newer ones.

For the safety and to minimise the inconvenience caused to our residents, lift enhancement programmes are carried out in phases.

In FY20/21, we completed enhancements to 108 lifts in West Coast Town.

MAINTENANCE & ESTATE IMPROVEMENT

Town Improvement Projects

Town improvement projects are prioritised based on what is most beneficial to our residents' physical and social wellbeing. In FY20/21, West Coast Town Council spent a total of \$1.37million on the completion of 80 town improvement projects.

These projects include the construction and/or upgrading of recreational spaces, BBQ pits, playgrounds and fitness corners for the enjoyment of our residents as well as the construction of additional bicycle racks, footpaths, drop-off porches, covered linkways and barrier-free access facilities to improve connectivity within the town.

Covered Linkways



Blk 45/48 Teban Gardens Road



Blk 934 Jurong West Street 91



Blk 57/61 Teban Place

Drop-off Points



Blk 980 Jurong West Street 93



Blk 605 Clementi West Street 1



Blk 979 Jurong West Street 93

MAINTENANCE & ESTATE IMPROVEMENT

Fitness Corners



Blk 20 Dover Crescent



Blk 603 Jurong West Street 62



Blk 20 Dover Crescent



Blk 640 Jurong West Street 61



Blk 14 Dover Close East



Blk 4 Dover Road



Blk 28D Dover Crescent



Blk 26/28 Dover Crescent

Playgrounds



Blk 658 Jurong West St 65



Blk 13 Dover Close East



Blk 658 Jurong West St 65



Blk 28C Dover Crescent

Neighbourhood Renewal Programme (NRP)

The Neighbourhood Renewal Programme (NRP) selects mature estate to undergo rejuvenation. Under this programme, residents are involved in a consultative process and given the flexibility to suggest improvement works in their estate. Fully funded by the Government and executed by the Town Council, residents benefit from an improved living environment with enhanced facilities upon completion of the project.

In Progress

Blk 732 to 751 Jurong West St 73 /75

Expected to complete in Q1 2022

Blk 711 to 731 Jurong West St 71 /72

Expected to complete in Q2 2022

Blk 812 to 832, 828A & 830A Jurong West St 81

Expected to complete in Q2 2023

Completed: Blk 257 to 267 & 257A Boon Lay Drive

Covered Walkways



Blk 260 Boon Lay Drive



Blk 257/262A & 257A/264
Boon Lay Drive



Blk 257/257A Boon Lay Drive

Playgrounds



Blk 262 Boon Lay Drive



Blk 262A Boon Lay Drive

MAINTENANCE & ESTATE IMPROVEMENT

Fitness Corners



Blk 262 Boon Lay Drive



Blk 262 Boon Lay Drive



Blk 265 Boon Lay Drive



Blk 260 Boon Lay Drive



Blk 259 Boon Lay Drive



Blk 259 Boon Lay Drive

Bicycle Sheds



Blk 257 Boon Lay Drive



Blk 258 Boon Lay Drive



Blk 259 & 260 Boon Lay Drive



Blk 262 Boon Lay Drive



Blk 263 Boon Lay Drive



Blk 265 Boon Lay Drive



Blk 264 Boon Lay Drive

MAINTENANCE & ESTATE IMPROVEMENT

Other New Facilities



Ramp with Railings
Blk 262/261 Boon Lay Drive



Community Garden
Blk 266 Boon Lay Drive



Park Shelter
Blk 260 Boon Lay Drive



Jogging Track
Blk 260 Boon Lay Drive



Basketball/Badminton Court
Blk 262A Boon Lay Drive



Sheltered Drop-off Point
Blk 267 Boon Lay Drive



Pavilion
Blk 262B Boon Lay Drive

Other Government Upgrading Programmes in the Town

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

This year, residents benefitted from the completion of 2 HIPs, and 1 LUP and looking forward to another 4 HIPs and 1 SERS.

HOME IMPROVEMENT PROGRAMME (HIP)

Block 501, 504 and 505 West Coast Drive	Completed
Block 721, 722, 725 and 727 Clementi West Street 2	Completed
Block 401 to 408 Pandan Gardens	In Progress. Expected to complete in Q1 2022
Block 409 to 416 Pandan Gardens	In Progress. Expected to complete in Q1 2022
Block 43 to 54 Teban Gardens Road	In Progress. Expected to complete in Q1 2022
Block 732 to 751 Jurong West Street 73/75	Expected to commence in Q2 2022

LIFT UPGRADING PROGRAMME (LUP)

Block 501 and 505 West Coast Drive and Block 721, 725 and 727 Clementi West Street 2	Completed
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SELECTIVE EN BLOC REDEVELOPMENT SCHEME

Block 513 to 520 West Coast Road	In Progress. Expected to complete in Q2 2024
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SAFEGUARDING PUBLIC'S INTEREST

Risk Management

To effectively manage risks, West Coast Town Council has carried out an assessment of key risks covering four major categories of the duties of the Council - Strategic, Operational, Financial and Compliance. A Risk Management framework with internal controls is put in place to ensure effectiveness and adequacy in addressing potential risks of the Town Council.

At West Coast Town Council, we implemented internal controls to safeguard the interest of our residents as well as assets and facilities of the Town Council.

Whistle-Blowing Policy

West Coast Town Council has a Whistle-Blowing Policy to protect bona fide whistle-blowers, for the interest of our residents and the Town Council. Under this policy, the Town Council takes on an impartial approach to complaints investigations. The implementation of this policy underpins the Council's efforts towards upholding a transparent and honest organisation culture, with zero tolerance for improper practice and misconduct.

Our Whistle-Blowing Policy aims to provide :

- (a) An avenue for the employees, Council members, contractors and residents to report to the Town Council if he/she observes or discovers any suspected improper or inappropriate practice and misconduct of employees, Council member or contractors of the Town Council; and
- (b) Assurance that no adverse personnel action would be taken against the Whistle-blower in retaliation to his/her disclosure, in good faith, of any suspected improper or inappropriate practice and misconduct.

Data Privacy and Protection

West Coast Town Council's Personal Data Protection Act (PDPA) framework governs the collection, use and disclosure of personal data to safeguard the public's interest. The methodological framework helps create robust data protection practices to suit our regulatory needs. These practices include the processes for handling personal data and defines the roles and responsibilities in relation to personal data protection.

Both our policies are made publicly available on our Town Council website.

Vendor Management

Town Council works with a myriad of vendors to ensure we address the needs of our diverse range of functions. Prior to all tender and quotation processes, vendors will be communicated their roles, responsibilities, and expectations.

The Town Council also have transparent policies and formalised processes in place for all our tender, quotation and appointment process to ensure effective selection, consideration and award of our vendors. Invitations and results of our tender are made publicly available.





ENVIRONMENTAL SUSTAINABILITY

The COVID-19 pandemic has made us realise the importance of sustainability to ensure the resilience of our organization. With sustainability strategically integrated into our operations, West Coast Town Council has become more agile in responding to unexpected events.

The Town Council formed an Eco Sustainability Team consisting of both management and non-management staff, with representatives from the different functions of the Town Council. The team specialises in planning and overseeing new initiatives to raise awareness and make the Town Council offices more environmentally friendly and sustainable.

Reducing Waste

Keep Clean, Singapore! 2020

The Keep Clean, Singapore! 2020 event held in September was jointly organized by the Public Hygiene Council (PHC), in collaboration with the National Environment Agency (NEA) and Town Councils. This annual month-long flagship initiative aims to raise awareness and encourage everyone to not litter and to take personal responsibility and ownership for the cleanliness of shared public spaces by conducting cleanup activities.

PHC also launched the inaugural National CleanSG Day on 26 April 2020 as part of the Keep Singapore Clean Movement. On CleanSG Day, general cleaning on ground floors common areas and open spaces of the public housing estate was suspended. This is so that residents could observe the actual state of cleanliness and hygiene in their estate before and after the general cleaning has been suspended for a day.

To show support for CleanSG Day, Residents' Networks (RN) also took the lead by organising litter picking events at various locations in the neighbourhood.



CASH FOR TRASH

Starting this July, **bring clean recyclables** to our collection stations at designated timings, and **get paid** for helping us save the environment.

A WASTE COLLECTION
PROGRAMME
BY
ALBA **WEE**
Step up for a zero waste nation



Cash-for-Trash

Cash for Trash is an incentive programme by the NEA's Public Waste Collector (PWC), ALBA, in collaboration with the Town Council and RNs. Under this programme, residents bring their recyclables to the Cash-for-Trash stations and cash is given in exchange for recyclables.

Residents can now take a step towards saving our environment by visiting any of the 16 collection points around West Coast and Pioneer Town.

Energy Efficiency

LED Light Fittings and Motion Sensors

To make our Town energy efficient, West Coast Town Council has made a switch from fluorescent lighting to LED lightings for all light fittings at common areas such as common corridors, lifts, link ways, multi-storey car parks and open spaces. The switch that started back in 2011 saw a 60% decrease in energy usage. To further save electricity, motion sensors have also been installed at areas such as the half-staircase landing. Apart from the smaller carbon footprint from the overall reduction in our power consumption, the savings from energy efficiency helps mitigate rising operating costs.



Rooftop Solar Panels

Furthering our commitment to cut back on carbon emissions to fight climate change, the Town Council is working closely with HDB on clean energy generation through the use of solar power. Under the latest HDB Solar Nova tender, West Coast Town will see 458 blocks with rooftop solar panels installations. As of 31 March 2021, Installations at 203 blocks have been completed. The energy generated is used to power common services such as lifts, pumps, and lights in common areas in the day time.

Elevator Energy Regenerative System (EERS)

EERS is a system that captures the excess energy generated when the lift descends, converting the extra energy to electricity instead of heat. With this new initiative in play, we can expect to see a 19% to 29% energy generation, lowering our overall net energy consumption and greenhouse gas emission. The conversion of energy to electricity instead of heat helps lower the temperature of the lift equipment which increases the lifespan of our capital equipment. In the long run, this will be the most cost-effective measure. While this is a new initiative, we have already seen some 40-storey blocks in Teban Gardens engaging in trials for this new system.

Greener Environment

Community Gardens/ Green Roof (MSCP)/ Urban Farming

With the launch of the Singapore Green Plan 2030, we aim to make West Coast a greener town by including more green spaces within the estate. Currently, West Coast Town has 54 community gardens run by RNs at ground floor open spaces and at MSCP rooftop gardens. 2 blocks in West Coast Town have also been shortlisted for the building of MSCP Rooftop Urban Farm by the HDB. In land-scarce Singapore, having urban farms aims to grow more with less to allow for food sustainability and security in the long run.

Working closely with the RNs, Town Council also studied the suitability of spaces for setting up allotment gardens in the estate. Under the allotment garden programme, residents are able to ballot for a small plot of land to grow their own garden. Not only does this exercise bring about more green space, residents also get to bond with other members of the community and enjoy the physical and psychological benefits that come from gardening activities.



Tree Planting Events

The OneMillionTrees movement seeks to foster strong community stewardship by engaging all Singapore residents to plant a million trees across the island by 2030. In support of the movement, a total of 327 residents planted over 600 trees at 8 tree planting events across the divisions in West Coast GRC this year. The tree planting event conducted by Town Council annually educates residents on the significance of planting, the benefits that trees can bring to our living environment and the impact of climate change on Singapore.

Greener Environment

Eco Burners

Besides greening spaces through planting activities, Town Council also looked into ways to keep the environment clean and green by keeping pollution levels in check. West Coast Town introduced low-emission Eco Burners which helps cut down on the smoke by half during burning activities. The eco-friendly incense paper burners have lids to prevent ash from flying out and holes to improve airflow for more efficient burning. Compared to conventional open-top metal burners, only 3% of ash is produced with the eco-burners.



Eco-Sustainability Office

We are proud to announce that WCTC(CL) has been awarded the Eco-Office certification by the Singapore Environment Council for the period of 1 February 2021 to 31 January 2023 for our green efforts. With an internal eco-sustainability team, West Coast Town Council aims to increase eco-consciousness amongst our staff and implement more effective sustainable.

Reducing, Reusing and Recycling

We encourage all our staff to think before they print and have reduced the printing of documents. All our printers are also set to double-sided with smaller margins and grayscale colour print. Single-sided non-confidential documents are also kept for staff use as draft papers to cut down on paper waste.

Apart from the recycling of non-confidential documents, West Council Town Council also practices recycling old newspapers and empty toner cartridges.

With the onset of COVID-19, taking out of food has become a new norm. To reduce our environmental footprint, staff are issued reusable utensils and encouraged to use reusable, bags and containers for taking away of food.

Energy Efficiency and Water Conservation

Similar to the light fittings in our Town's common spaces, West Coast Town Council offices are also equipped with energy-saving LED light fittings. Most electrical appliances such as lights, air-cons, computers and printers are switched off when not in use. When in use, all our air-conditioner temperatures are set to 25 degrees Celsius for optimal energy efficiency, saving electricity and cost.

All Town Council offices also abide by an office eco-hour when lights are turned off during lunch hour on working days to save energy. In efforts to become more energy-efficient, the Town Council is also progressively replacing electrical appliances with more energy-efficient models.

Conserving the use of water is another aspect the Town Council is working on to become more sustainable. Currently, bathrooms in all of the offices are fitted with auto self-closing water taps and a dual flush system for toilets.



COMMUNITY ENGAGEMENT

Recognising the importance of regular communication to keep our communities connected and informed, West Coast Town Council values every opportunity we get to engage with our residents. COVID-19 forces us to look into remote communications to engage with our residents. To embrace new realities and keep up with the changing landscape, we have employed new modes of communication to engage our residents while continuing to improve our traditional modes of engagement.

Digital Display Notice Boards

Besides traditional modes of communication, the Council went the extra mile to keep in touch with our residents through adopting new technologies. With 1235 Digital Display Notice Boards (DDNB) making their appearance in lifts and at ground floor lift lobbies across our HDB estates, it provided us with an additional channel to covering a wider group of audience and enhancing the overall communication experience of our residents. Contents pushed out through the DDNB are also targeted to local issues to better connect with our residents.



One Service App

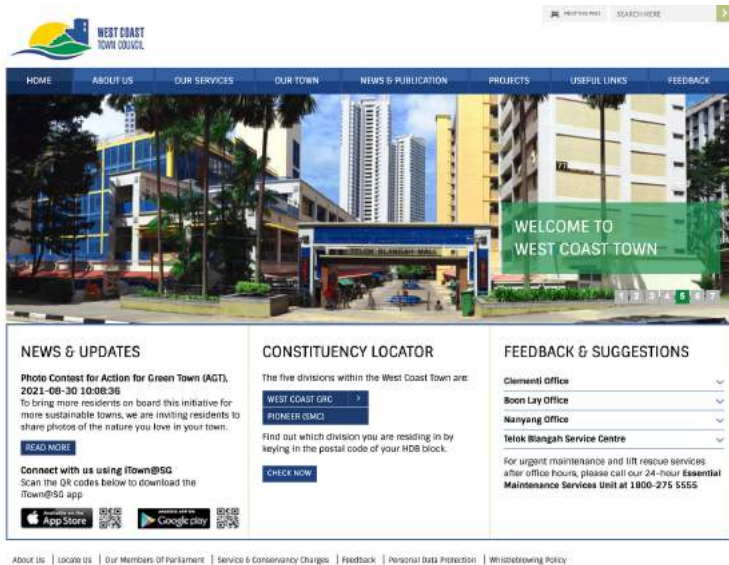
As part of the government's ongoing efforts to improve the delivery of municipal services in Singapore, the Municipal Services Office (MSO) works with various agencies including Town Councils, to fine-tune and enhance the current processes to better manage and address public feedback on municipal issues.

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



Town News

Our newsletter offers a platform for residents to be in touch with both community and national news. Through the newsletter, residents are also updated on the latest estate improvements that they can look out for or look forward to in their estate. Maintenance information and contact information are also made available in the newsletters which might come in handy to residents when the need arises. We continue to feature community stories across all six divisions to engage residents and encourage community building.



Website

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

Residents who are unsure of which division they reside in or wish to locate their Members of Parliament(MP) for Meet-the-People Session (MPS), can also key in the postal code of their HDB block under the Constituency Locator page to get more information on the MPS.

We Hear You

We value and take all feedback from our residents seriously. Residents are welcome to reach out to us directly via the various channels of communication. Alternatively, concerns, feedback and suggestions can also be raised through our Town Councillors, grassroots leaders and MPs during house visits, dialogue sessions, community events and Meet-the-People sessions.



AUDITED FINANCIAL STATEMENTS



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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

WEST COAST TOWN COUNCIL

**FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 MARCH 2021**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WEST COAST TOWN COUNCIL****Report on the Audit of Financial Statements***Opinion*

We have audited the financial statements of West Coast Town Council (the "Town Council"), which comprise the statement of financial position of the Town Council as at 31 March 2021, and the statements of income and expenditure, comprehensive income, changes in funds and cash flows of the Town Council for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Town Council are properly drawn up in accordance with the provisions of the Town Councils Act, Cap 329A (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Town Council as at 31 March 2021 and of the financial performance, changes in funds and cash flows of the Town Council for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

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

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

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

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

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

Report on the Audit of Financial Statements (Continued)

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

The Town Council is established under the Town Councils Act and may be dissolved by the Minister's order published in the Gazette. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Audit of Financial Statements (Continued)

Report on Other Legal and Regulatory Requirements

Basis for Opinion

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

In our opinion:

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

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditors' Responsibilities for the Compliance Audit

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

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



MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
18 October 2021

WEST COAST TOWN COUNCIL

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Note	2021 S\$	2020 S\$
TOWN COUNCIL FUNDS			
Residential property			
Accumulated surplus	3	7,025,929	5,700,963
Sinking fund	4	122,471,807	84,893,920
Lift replacement fund	5	48,594,062	28,868,987
Town improvement and project fund	6	1,044,801	809,254
		179,136,599	120,273,124
Commercial property			
Accumulated surplus	3	920,091	771,263
Sinking fund	4	24,866,382	18,554,053
Lift replacement fund	5	7,988,919	4,516,232
Town improvement and project fund	6	47,199	40,746
		33,822,591	23,882,294
Carpark			
Accumulated surplus	3	-	-
		212,959,190	144,155,418
REPRESENTED BY:			
Non-current assets			
Property, plant and equipment	8	1,051,737	1,449,489
Intangible asset	9	617,561	-
		1,669,298	1,449,489
Current assets			
Financial assets at amortised cost	10	-	-
Financial assets at fair value through income and expenditure	11	40,256,465	37,287,172
Conservancy and service fee receivables	12	2,026,962	1,269,320
Receivable for Neighbourhood Renewal Programme	7	1,253,407	902,434
Other receivables	13	13,151,884	7,599,228
Interest receivable		274,216	930,697
Cash and bank balances	14	173,827,458	108,440,111
		230,790,392	156,428,962
Total assets		232,459,690	157,878,451
Less:			
Non-current liability			
Lease liabilities	15(b)	415,083	943,172
Current liabilities			
Conservancy and service fee received in advance		1,021,015	741,064
Advances received for Neighbourhood Renewal Programme	7	1,001,967	6,595
Lease liabilities	15(b)	530,134	503,112
Payables and accrued expenses	16	15,273,774	9,803,467
Current tax payable		1,258,527	1,725,623
		19,085,417	12,779,861
Net current assets		211,704,975	143,646,982
		212,959,190	144,155,418


PATRICK TAY TECK GUAN, BBM
Chairman

Singapore

11.8 OCT 2021


SEE YEW KWEE DEXTER
Secretary

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

WEST COAST TOWN COUNCIL

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	2021 S\$	2020 S\$
Operating income			
Conservancy and service fees		49,850,884	43,464,275
Less: Operating transfer to:			
- Sinking fund (minimum required by law)	4	12,961,230	11,300,712
- Lift replacement fund (minimum required by law)	5	6,979,124	6,084,999
		<u>29,910,530</u>	<u>26,078,564</u>
Agency fees	17	4,192,400	3,768,290
Other income	18	<u>2,864,710</u>	<u>2,483,036</u>
		<u>36,967,640</u>	<u>32,329,890</u>
Less:			
Operating expenditure			
Cleaning works		6,920,294	5,944,849
Managing agent's fees	19	6,067,274	5,032,430
Lift maintenance		7,243,385	6,823,091
Other works and maintenance		6,574,601	5,519,367
Water and electricity		9,209,725	10,539,352
General and administrative expenditure	22	<u>2,468,727</u>	<u>1,872,374</u>
		<u>38,484,006</u>	<u>35,731,463</u>
Operating deficit		<u>(1,516,366)</u>	<u>(3,401,573)</u>
Add:			
Non-operating income			
Interest income		67,664	171,361
Deficit before taxation and government grants		<u>(1,448,702)</u>	<u>(3,230,212)</u>
Less:			
Income tax	24	<u>306,885</u>	<u>278,183</u>
Deficit after taxation but before government grants		<u>(1,755,587)</u>	<u>(3,508,395)</u>
Add:			
Government grants	26	<u>13,794,193</u>	<u>14,229,695</u>
Less: Transfer to sinking fund	4	<u>2,228,042</u>	<u>2,004,742</u>
Less: Transfer to lift replacement fund	5	<u>5,221,827</u>	<u>4,666,391</u>
Less: Transfer to town improvement and project fund	6	<u>1,202,689</u>	<u>2,932,236</u>
		<u>5,141,635</u>	<u>4,626,326</u>
Surplus for the year		<u>3,386,048</u>	<u>1,117,931</u>
Add:			
Accumulated surplus at 1 April		6,472,226	6,259,219
Add:			
Transfer of reserves as at 27 October 2020 from Chua Chu Kang Town Council		1,726,944	-
Less:			
Section 34 Accumulated surplus transferred to:			
Sinking fund	4	2,222,648	-
Lift replacement fund	5	1,196,811	-
Appropriation to town improvement and project fund	6	<u>219,739</u>	<u>904,924</u>
Accumulated surplus at 31 March		<u>7,946,020</u>	<u>6,472,226</u>

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

WEST COAST TOWN COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S\$	Total 2020 S\$	Residential Property		Commercial Property		Carpark	
				2021 S\$	2020 S\$	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Surplus/(Deficit) for the year:									
- Accumulated surplus	3	3,386,048	1,117,931	2,263,300	714,758	289,629	190,997	833,119	212,176
- Sinking fund	4	11,937,075	4,093,074	11,196,299	4,082,666	740,776	10,408	-	-
- Lift replacement fund	5	8,170,932	5,797,837	7,587,392	5,255,005	583,540	542,832	-	-
- Town improvement and project fund	6	(169,381)	(754,924)	(162,352)	(718,613)	(7,029)	(36,311)	-	-
Total surplus for the year		23,324,674	10,253,918	20,884,639	9,333,816	1,606,916	707,926	833,119	212,176
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-
Total comprehensive income for the year attributable to Town Council Funds		23,324,674	10,253,918	20,884,639	9,333,816	1,606,916	707,926	833,119	212,176

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

WEST COAST TOWN COUNCIL

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	<u>Total</u> <u>S\$</u>	<u>Residential</u> <u>Property</u> <u>S\$</u>	<u>Commercial</u> <u>Property</u> <u>S\$</u>	<u>Carpark</u> <u>S\$</u>
Balance at 1 April 2019	133,901,500	110,727,132	23,174,368	-
Total comprehensive income for the year	10,253,918	9,333,816	707,926	212,176
Add/(Less):				
Inter-fund transfer	-	212,176	-	(212,176)
Balance at 31 March 2020	<u>144,155,418</u>	<u>120,273,124</u>	<u>23,882,294</u>	<u>-</u>
Balance at 1 April 2020	144,155,418	120,273,124	23,882,294	-
Total comprehensive income for the year	23,324,674	20,884,639	1,606,916	833,119
Add/(Less):				
Inter-fund transfer	-	2,291,103	-	(2,291,103)
Transfer of reserves as at 27 October 2020 from Chua Chu Kang Town Council	45,479,098	35,687,733	8,333,381	1,457,984
Balance at 31 March 2021	<u>212,959,190</u>	<u>179,136,599</u>	<u>33,822,591</u>	<u>-</u>

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

WEST COAST TOWN COUNCIL

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$
Operating activities			
Deficit in income and expenditure statement before taxation and government grants		(1,448,702)	(3,230,212)
Adjustments for:			
Conservancy and service fees transferred to sinking fund	4	12,961,230	11,300,712
Conservancy and service fees transferred to lift replacement fund	5	6,979,124	6,084,999
Amortisation of intangible asset	9	26,850	-
Depreciation of property, plant and equipment	8	563,391	135,856
Plant and equipment written off		1,627	8
Lease interest expense	15(c)	60,914	19,096
Interest income	3	(67,664)	(171,361)
Rent concession income	18	(94,000)	-
Operating surplus before working capital changes		18,982,770	14,139,098
Decrease in conservancy and service fee and other receivables		(6,783,874)	(948,314)
Increase in creditors and conservancy and service fee received in advance		5,753,058	1,610,206
Net movement in receivable/advances received for Neighbourhood Renewal Programme		644,399	(465,783)
Cash generated from operations		18,596,353	14,335,207
Income tax paid		(1,068,448)	(487,091)
Sinking fund income		-	388,033
Sinking fund expenditure	4	(7,033,778)	(10,062,664)
Lift replacement fund expenditure	5	(4,322,174)	(5,386,440)
Town improvement and project fund expenditure	6	(1,372,070)	(3,687,160)
Net cash generated from/(used in) operating activities		4,799,883	(4,900,115)
Cash flows from investing activities			
Proceed from fund manager		6,753	-
Purchase of plant and equipment		(164,749)	(1,806)
Purchase of intangible asset	9	(644,411)	-
Interest received		1,810,520	1,357,005
Redemption of quoted bonds	10	-	3,000,000
Net cash generated from investing activities		1,008,113	4,355,199
Cash flows from financing activities			
Payment of lease principal		(470,550)	(141,000)
Government grants received		14,231,764	13,078,861
Net cash generated from financing activities		13,761,214	12,937,861
Net increase in cash and cash equivalents		19,569,210	12,392,945
Transfer of reserves from Chua Chu Kang Town Council		45,479,098	-
Cash and cash equivalents at beginning of year		107,120,887	94,727,942
Cash and cash equivalents at end of year	14	172,169,195	107,120,887

Reconciliation of liability arising from financing activities

	<u>1</u> <u>April 2020</u> S\$	<u>Financing</u> <u>cash</u> <u>outflows</u> S\$	<u>Non-cash movement</u>			<u>31</u> <u>March</u> <u>2021</u> S\$
			<u>Rent</u> <u>concession</u> S\$	<u>Acquisition</u> S\$	<u>Interest</u> <u>expenses</u> S\$	
Liability						
Lease liabilities	1,446,284	(470,550)	(94,000)	2,569	60,914	945,217

	<u>1</u> <u>April 2019</u> S\$	<u>Financing</u> <u>cash</u> <u>outflows</u> S\$	<u>Non-cash movement</u>			<u>31</u> <u>March</u> <u>2020</u> S\$
			<u>Rent</u> <u>concession</u> S\$	<u>Acquisition</u> S\$	<u>Interest</u> <u>expenses</u> S\$	
Liability						
Lease liabilities	-	(141,000)	-	1,568,188	19,096	1,446,284

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1 General information

The Town Council was established on 13 November 2001 under the Town Councils Act (Chapter 329A) and commenced operations on 1 January 2002. The name was changed from West Coast-Ayer Rajah Town Council to West Coast Town Council on 26 May 2006. In FY 2015/2016, the electoral boundaries were redrawn following the General Elections in September 2015. The Clementi Division and seven blocks in the Ghim Moh Link estate were handed over to the Jurong-Clementi Town Council and Holland-Bukit Panjang Town Council respectively. The legal date of handing over of the maintenance of the common properties for handed over properties was on 1 December 2015.

In FY 2020/2021, the electoral boundaries were redrawn following the General Elections in July 2020. With effect from 28 October 2020, 18,212 and 197 units of residential and commercial properties respectively, including 15,157 units of car parks lots and motorcycle lots under the jurisdiction of Chua Chu Kang Town Council were transferred to West Coast Town Council. The Town now comprises the constituencies of West Coast GRC comprising the five divisions of Ayer Rajah-Gek Poh, Boon Lay, Nanyang, Telok Blangah and West Coast, and the 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 2021 were authorised for issue by the members of Town Council on 18 October 2021.

The head office of the Town Council is situated at:

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

2 Summary of significant accounting policies

(a) Accounting convention

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

(b) Basis of preparation of financial statements

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

(ii) Adoption of new and revised standards

On 1 April 2020, the Town Council has adopted the new or revised FRSs that are mandatory for application from that date.

2 Summary of significant accounting policies (Continued)

(b) Basis of preparation of financial statements (Continued)

(ii) Adoption of new and revised standards (Continued)

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 and maintained for improvements to and the management and maintenance of the various types of properties. The types of properties under the management of the Town Council are as follows:

Residential Property; and
Commercial Property

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

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

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

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

Sinking Fund

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

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

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

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

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

2 Summary of significant accounting policies (Continued)

(c) Funds (Continued)

Lift Replacement Fund

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

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

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

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

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

Town Improvement and Project Fund

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

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

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

(d) Allocation of general overheads

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

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

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

2 Summary of significant accounting policies (Continued)

(e) Government grants

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

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

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

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

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

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

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

(f) Property, plant and equipment

Property, 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 property, 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 property, 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 recognised 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%
Leasehold premises	Over remaining lease period
Leasehold equipment	Over remaining lease period

2 Summary of significant accounting policies (Continued)

(f) Property, plant and equipment (Continued)

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. property, 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.

For right-of-use assets for which ownership of the underlying asset is not transferred to the Town Council by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease period is disclosed in Note 15.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in the income and expenditure statement. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

(g) Intangible asset

Acquired computer software is initially capitalised on the basis of the costs incurred to acquire and prepare the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications, and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income and expenditure statement over their estimated useful lives of 6 years.

The amortisation charge is recognised in the income and expenditure statement and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal, with any gain or loss arising from the derecognition of an intangible asset, being the difference between the net disposal proceeds and the carrying amount of the asset, recognised in the income and expenditure statement.

2 Summary of significant accounting policies (Continued)

(h) Impairment of non-financial assets

The Town Council reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Town Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or 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.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised immediately in income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Financial instruments

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

Effective interest method

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

2 Summary of significant accounting policies (Continued)

(i) Financial instruments (Continued)

Financial assets

Initial recognition and measurement

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

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

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

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

Financial assets at amortised cost

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

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

Financial assets at FVTIE

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

Gains or losses are recognised in income and expenditure.

2 Summary of significant accounting policies (Continued)

(i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

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

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

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

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

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

For details on the Town Council's accounting policy for its impairment of financial assets, refer to Note 29.

Impairment of conservancy and service fees receivables

Conservancy and service fees receivables are recognized when they are due and payable to the Town Council. The Town Council applies FRS 109, where appropriate, in the measurement and recognition of ECL on these receivables, through the application of an allowance matrix derived based on their historical credit low experience, adjusted for current conditions and forecasts of future economic conditions. For details, refer to Note 29.

Derecognition of financial assets

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

2 Summary of significant accounting policies (Continued)

(i) Financial instruments (Continued)

Financial liabilities

Initial recognition and measurement

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

Financial liabilities are classified as either financial liabilities at fair value through income and expenditure or other financial liabilities.

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

Other financial liabilities

Trade and other payables

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

Derecognition of financial liabilities

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

(j) Funds with fund managers

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

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

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

2 Summary of significant accounting policies (Continued)

(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) Provisions

Provisions are recognised when the Town Council has a present legal or constructive obligation as a result of a past event, it is probable that the Town Council will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Leases as a lessee

At inception of a contract, the Town Council assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Town Council allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Town Council applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Town Council recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangements for which the Town Council is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Town Council applied the recognition exemption allowed under FRS 116 Leases. For these leases, the Town Council recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

2 Summary of significant accounting policies (Continued)

(m) Leases as a lessee (Continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Town Council by the end of the lease term or the cost of the right-of-use asset reflects that the Town Council will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Town Council generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Town Council obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Town Council is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Town Council is reasonably certain to terminate early and lease payments for an optional renewal period if the Town Council is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Town Council remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

2 Summary of significant accounting policies (Continued)

(m) Leases as a lessee (Continued)

Amendment to FRS 116: Covid-19 Related Rent Concessions

On 28 May 2020, the Accounting Standards Council Singapore ("ASC") issued an amendment to FRS 116 Leases to make it easier for lessees to account for COVID-19-related rent concessions such as rent holidays and temporary rent reductions. The amendment is effective for annual reporting periods beginning on or after 1 June 2020. In the current financial year ended 31 March 2021, the Town Council early adopted the amendments to the existing standards.

With the amendments, the Town Council as a lessee may elect, as a practical expedient, not to assess whether a rent concession which occurs as a direct consequence of the COVID-19 and which meets all of the following conditions, is a lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June; and
- there is no substantive change to other terms and conditions of the lease.

Where the Town Council makes this election, any changes in lease payments resulting from the rent concession is accounted the same way applying FRS 116 Leases if the change were not a lease modification. The Town Council applied the practical expedient to all rent concessions that meet the conditions above.

There is no material impact from the application of this amendment.

(n) Income tax

Income tax is provided on the following income:

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

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

2 Summary of significant accounting policies (Continued)

(n) Income tax (Continued)

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

(o) Recognition of income

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

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

- (i) Conservancy and service fees are recognised when due and payable, in accordance with the then applicable conservancy and service rates.
- (ii) Agency fees are fees received for routine maintenance of HDB's carparks and common property within the Town, and are recognised when due and payable. The fees are measured based on the consideration to which the Town Council expects to be entitled in exchange for transferring the promised services to the counterparty, excluding amounts collected on behalf of third parties, if applicable. It is recognised when or as the Town Council satisfies a performance obligation by transferring a promised service to the counterparty, which is when or as the counterparty obtains control of the service.
- (iii) Interest income from fixed deposits and bonds is recognised using the effective interest method.
- (iv) Income from funds placed with fund managers is recognised in the income and expenditure statement/Sinking Fund/Lift Replacement Fund.
- (v) Other income comprises mainly temporary occupation licenses ("TOL"), liquidated damages and other miscellaneous income and are recognised when due.

(p) Inter-fund transfer

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

(q) 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.

(r) Receivable/advances received for neighbourhood renewal programme

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

2 Summary of significant accounting policies (Continued)

(r) Receivable/advances received for neighbourhood renewal programme (Continued)

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

(s) Critical judgements, assumptions and estimation uncertainties

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

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

(i) ECL for conservancy and service fees receivables

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Town Council's historical credit loss experience and forecast of economic conditions may also not be representative of receivable's actual default in the future. The information about the ECLs on the Town Council's receivables is disclosed in Note 29.

The expected loss allowance on the Town Council's receivables as at 31 March 2021 is S\$1,072,311 (31 March 2020: S\$313,594).

(ii) Income tax

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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		Garpark	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$	2021 S\$	2020 S\$	2021 S\$	2020 S\$
OPERATING INCOME								
Conservancy and service fees	49,850,884	43,464,275	46,795,022	40,560,126	3,055,862	2,904,149	-	-
Less: Operating transfer to:								
- Sinking fund (minimum required by law)	12,961,230	11,300,712	12,166,706	10,545,633	794,524	755,079	-	-
- Lift replacement fund (minimum required by law)	6,979,124	6,084,999	6,551,303	5,678,418	427,821	406,581	-	-
Agency fees	29,910,530	26,078,564	28,077,013	24,336,075	1,833,517	1,742,489	-	-
Other income	4,192,400	3,768,290	-	-	-	-	4,192,400	3,768,290
	2,864,710	2,483,036	2,260,577	1,973,406	540,985	480,499	63,148	29,131
	36,967,640	32,329,890	30,337,590	26,309,481	2,374,502	2,222,988	4,255,548	3,797,421
Less:								
Operating expenditure	38,484,006	35,731,463	32,998,899	30,119,821	2,086,766	2,037,133	3,398,341	3,574,509
Operating (deficit)/surplus	(1,516,366)	(3,401,573)	(2,661,309)	(3,810,340)	287,736	185,855	857,207	222,912
Add:								
Non-operating income – interest income and government grants	67,664	171,361	58,131	146,688	2,721	7,409	6,812	17,264
Less:								
Income tax	(1,448,702)	(3,230,212)	(2,603,178)	(3,663,652)	290,457	193,264	864,019	240,176
(Deficit)/surplus after taxation but before government grants	306,885	278,183	264,535	238,141	11,450	12,042	30,900	28,000
Add:								
Government grants	(1,755,587)	(3,508,395)	(2,867,713)	(3,901,793)	279,007	181,222	833,119	212,176
Less: Transfer to	13,794,193	14,229,695	13,513,039	13,864,647	281,154	365,048	-	-
- Sinking fund	2,228,042	2,004,742	2,223,439	2,000,506	4,603	4,236	-	-
- Lift replacement fund	5,221,827	4,666,391	5,005,810	4,456,395	216,017	209,996	-	-
- Town improvement and project fund	1,202,689	2,932,236	1,152,777	2,791,195	49,912	141,041	-	-
	5,141,635	4,626,326	5,131,013	4,616,551	10,622	9,775	-	-
Surplus for the year	3,386,048	1,117,931	2,263,300	714,758	289,629	190,997	833,119	212,176
Add:								
Accumulated surplus at 1 April	6,472,226	6,259,219	5,700,963	5,635,426	771,263	623,793	-	-
(Less)/Add:								
Transfer of reserves as at 27 October 2020 from Chua Chu Kang Town Council Section 34 accumulated surplus transferred to:	1,726,944	-	(21,831)	-	290,791	-	1,457,984	-
Sinking fund	(2,222,648)	(1,948,041)	(1,948,041)	-	(274,607)	-	-	-
Lift replacement fund	(1,196,811)	(1,048,945)	(1,048,945)	-	(147,866)	-	-	-
Appropriation to town improvement and project fund	(219,739)	(904,924)	(210,620)	(861,397)	(9,119)	(43,527)	-	-
Inter-fund transfer	-	-	2,291,103	212,176	-	-	(2,291,103)	(212,176)
Accumulated surplus at 31 March	7,946,020	6,472,226	7,025,929	5,700,963	920,091	771,263	-	-

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4 Sinking fund

	Note	Total		Residential property		Commercial property	
		2021 S\$	2020 S\$	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Balance at 1 April		103,447,973	99,354,899	84,893,920	80,811,254	18,554,053	18,543,645
Add:							
Section 34 accumulated surplus transferred to sinking fund	3	2,222,648	-	1,948,041	-	274,807	-
Transfer of reserves as at 27 October 2020 from Chua Chu Kang Town Council		29,730,493	-	24,433,547	-	5,296,946	-
		135,401,114	99,354,899	111,275,508	80,811,254	24,125,606	18,543,645
Add:							
Income		4,022,330	1,145,624	3,850,281	1,091,062	172,049	54,562
Operating transfers from:	20(a)						
- Conservancy and service fees (minimum required by law)	3	12,961,230	11,300,712	12,166,706	10,545,633	794,524	755,079
- Transfer from government grants	3	2,228,042	2,004,742	2,223,439	2,000,506	4,603	4,236
		19,211,602	14,451,078	18,240,426	13,637,201	971,176	813,877
Less:							
Expenditure	20(b)	7,033,778	10,062,664	6,813,415	9,273,401	220,363	789,263
Less:							
Income tax		240,749	295,340	230,712	281,134	10,037	14,206
Surplus for the year	24	11,937,075	4,093,074	11,196,299	4,082,666	740,776	10,408
Balance at 31 March		147,338,189	103,447,973	122,471,807	84,893,920	24,866,382	18,554,053
Represented by:							
Non-current assets		-	-	-	-	-	-
Financial assets at amortised cost	10						
Current assets							
Financial assets at amortised cost	10						
Financial assets at fair value through income and expenditure	11						
Conservancy and service fee receivables		40,256,465	37,287,172				
Amount owing from Routine Fund		555,563	266,071				
Other receivables		4,120,505	2,957,923				
Interest receivable		566,549	482,649				
Cash and bank balances		189,843	625,281				
		103,998,462	64,467,124				
		149,687,367	106,086,220				
Less:							
Current liabilities							
Current tax payable		536,115	742,351				
Payables and accrued expenses		1,813,083	1,895,896				
		2,349,198	2,638,247				
Net current assets		147,338,189	103,447,973				
		147,338,189	103,447,973				

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5 Lift replacement fund

	Note	Total	2020 S\$	2021 S\$	Residential property 2020 S\$	Residential property 2021 S\$	Commercial property 2020 S\$	Commercial property 2021 S\$
Balance at 1 April								
			27,587,382	33,385,219	28,868,987	23,613,982	4,516,232	3,973,400
Add:								
Section 34 accumulated surplus transferred to lift replacement fund	3		-	1,196,811	1,048,945	-	147,866	-
Transfer of reserves as at 27 October 2020 from Chua Chu Kang Town Council			-	13,830,019	11,088,738	-	2,741,281	-
			27,587,382	48,412,049	41,006,670	23,613,982	7,405,379	3,973,400
Add:								
Income								
Operating transfer from Conservancy and service fees (minimum required by law)	21(a)		516,258	345,872	330,515	491,445	15,357	24,813
	3		6,084,999	6,979,124	6,551,303	5,678,418	427,821	406,581
			6,601,257	7,324,996	6,881,818	6,169,863	443,178	431,394
Add:								
Transfer from Government Grants – LRF Matching Grant								
– Other government grants	3		3,586,915	4,022,112	3,808,574	3,379,200	213,538	207,715
– Total			1,079,476	1,199,715	1,197,236	1,077,195	2,479	2,281
			4,666,391	5,221,827	5,005,810	4,456,395	216,017	209,996
Less:								
Expenditure	21(b)		5,386,440	4,322,174	4,248,748	5,291,892	73,426	94,548
Less:								
Income tax	24		83,371	53,717	51,488	79,361	2,229	4,010
Surplus for the year			5,797,837	8,170,932	7,587,392	5,255,005	583,540	542,832
Balance at 31 March			33,385,219	56,582,981	48,594,062	28,868,987	7,988,919	4,516,232
Represented by:								
Current assets								
Conservancy and service fee receivables			143,269	299,150				
Amount owing from Routine Fund			1,587,932	2,114,420				
Other receivables			1,309,313	6,012,827				
Interest receivable			239,075	82,225				
Cash and bank balances			31,575,028	51,105,175				
			34,854,617	59,613,797				
Less:								
Current liabilities								
Current tax payable			157,977	137,088				
Payables and accrued expenses			1,311,421	2,893,728				
			1,469,398	3,030,816				
Net current assets			33,385,219	56,582,981				
			33,385,219	56,582,981				

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

6 Town improvement and project fund

	<u>Note</u>	<u>Total</u>	<u>2020</u>	<u>2021</u>	<u>Residential property</u>	<u>Commercial property</u>
		<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>2020</u>	<u>2020</u>
					<u>S\$</u>	<u>S\$</u>
Balance at 1 April		850,000	700,000	809,254	666,470	40,746
33,530						
Add:						
Transfer of reserves as at 27 October 2020						
from Chua Chu Kang Town Council						
		191,642	-	187,279	-	4,363
		1,041,642	700,000	996,533	666,470	45,109
33,530						
Transfer from government grants	3	1,202,689	2,932,236	1,152,777	2,791,195	49,912
Less:						
Payment to contractors		1,372,070	3,687,160	1,315,129	3,509,808	56,941
Deficit for the year		(169,381)	(754,924)	(162,352)	(718,613)	(7,029)
Appropriation from accumulated surplus	3	219,739	904,924	210,620	861,397	9,119
Balance at 31 March		1,092,000	850,000	1,044,801	809,254	47,199
40,746						
Represented by:						
Current asset						
Other receivables		3,235,644	4,166,348			
Less:						
Current liabilities						
Amount owing to Routine Fund		1,234,516	2,384,150			
Payables and accrued expenses		909,128	932,198			
		2,143,644	3,316,348			
		1,092,000	850,000			

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

Out of the total of S\$1,372,070 (2020: S\$3,687,160) spent on town improvement projects, S\$1,202,689 (2020: S\$2,932,236) was met by payment from CCC.

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

7 (Receivable)/Advances received for Neighbourhood Renewal Programme

	<u>2021</u> S\$	<u>2020</u> S\$
Balance at 1 April	(895,839)	(430,056)
Transfer from Chua Chu Kang Town Council	1,443,104	-
Funding from government	335,260	1,824,052
Payment to contractors	<u>(1,133,965)</u>	<u>(2,289,835)</u>
Balance at 31 March	<u>(251,440)</u>	<u>(895,839)</u>
Represented by:		
Receivable for Neighbourhood Renewal Programme	(1,253,407)	(902,434)
Advances received for Neighbourhood Renewal Programme	<u>1,001,967</u>	<u>6,595</u>
Balance at 31 March	<u>(251,440)</u>	<u>(895,839)</u>

8 Property, plant and equipment

	<u>Total</u> S\$	<u>Furniture, fixtures and fittings</u> S\$	<u>Data processing equipment</u> S\$	<u>Office equipment</u> S\$	<u>Renovation</u> S\$	<u>Leasehold premises</u> S\$	<u>Leasehold equipment</u> S\$
Cost							
Balance at 1 April 2019	1,754,950	468,106	186,112	168,448	932,284	-	-
Additions during the year	1,569,994	1,806	-	-	-	1,568,188	-
Disposals/written off	<u>(15,242)</u>	<u>(2,796)</u>	<u>(8,656)</u>	<u>(3,790)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2020	3,309,702	467,116	177,456	164,658	932,284	1,568,188	-
Additions during the year	167,266	-	144,589	17,615	2,545	-	2,517
Disposals/written off	<u>(65,643)</u>	<u>(596)</u>	<u>(62,479)</u>	<u>(2,568)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2021	<u>3,411,325</u>	<u>466,520</u>	<u>259,566</u>	<u>179,705</u>	<u>934,829</u>	<u>1,568,188</u>	<u>2,517</u>
Accumulated depreciation							
Balance at 1 April 2019	1,739,591	465,437	185,988	155,883	932,283	-	-
Depreciation for the year (Note 22)	135,856	1,002	-	4,172	-	130,682	-
Disposals/written off	<u>(15,234)</u>	<u>(2,791)</u>	<u>(8,654)</u>	<u>(3,789)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2020	1,860,213	463,648	177,334	156,266	932,283	130,682	-
Depreciation for the year (Note 22)	563,391	1,333	32,556	5,659	590	522,729	524
Disposals/written off	<u>(64,016)</u>	<u>(592)</u>	<u>(62,397)</u>	<u>(1,027)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2021	<u>2,359,588</u>	<u>464,389</u>	<u>147,493</u>	<u>160,898</u>	<u>932,873</u>	<u>653,411</u>	<u>524</u>
Carrying amount							
Balance at 31 March 2021	<u>1,051,737</u>	<u>2,131</u>	<u>112,073</u>	<u>18,807</u>	<u>1,956</u>	<u>914,777</u>	<u>1,993</u>
Balance at 31 March 2020	<u>1,449,489</u>	<u>3,468</u>	<u>122</u>	<u>8,392</u>	<u>1</u>	<u>1,437,506</u>	<u>-</u>

WEST COAST TOWN COUNCIL

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9 Intangible asset

	<u>Computer software</u> S\$
Cost	
At 1 April 2019 and 31 March 2020	-
Additions	644,411
	<u>644,411</u>
Balance at 31 March 2021	<u>644,411</u>
Accumulated amortisation	
At 1 April 2019 and 31 March 2020	-
Amortisation charge for the year	26,850
	<u>26,850</u>
Balance at 31 March 2021	<u>26,850</u>
Carrying amount	
At 31 March 2020	-
At 31 March 2021	<u>617,561</u>

The amortisation expense, which is recognised over the remaining period of the use of the computer software has been included as "general and administrative expenditure" in the income and expenditure statement.

10 Financial assets at amortised cost

	<u>2020</u> S\$
Movements during the year - at amortised cost:	
Amortised cost at beginning of year	3,000,000
Redemption on maturity	<u>(3,000,000)</u>
Amortised cost at end of year	<u>-</u>
Balance is made up of:	
Quoted bonds maturing within one year: current	-
Quoted bonds maturing after one year: non-current	<u>-</u>
Balance at end of year	<u>-</u>
Fair value at end of year	<u>-</u>

In 2020, the fair values of quoted bonds are based on current bid prices in an active market at the end of reporting period. The bonds bear interest rate per annum of 2.223% to be received semi-annually in arrears.

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

The bonds is fully redeemed during the financial year ended 31 March 2020.

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

11 Financial assets at fair value through income and expenditure

Financial assets at fair value through income and expenditure 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 2025 and 30 September 2022, respectively.

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

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

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

	<u>2021</u> S\$	<u>2020</u> S\$
Balance at beginning of year	38,778,038	39,166,072
Proceeds from fund manager	(6,753)	-
Investment income	404,864	1,327,390
Management fees	(93,860)	(95,726)
Other expenses	(12,499)	(11,448)
Fair value gain/(loss)	<u>2,983,324</u>	<u>(1,608,250)</u>
Balance at end of year	<u>42,053,114</u>	<u>38,778,038</u>

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

	<u>2021</u> S\$	<u>2020</u> S\$
Investments in:		
Quoted equities	10,688,249	6,316,870
Quoted bonds	<u>29,568,216</u>	<u>30,970,302</u>
Financial assets at fair value through income and expenditure	40,256,465	37,287,172
Cash and deposits (Note 14)	1,607,973	1,268,934
Accrued interest and other receivables (Note 13)	192,729	225,920
Other Payables (Note 16)	<u>(4,053)</u>	<u>(3,988)</u>
Balance at end of year	<u>42,053,114</u>	<u>38,778,038</u>

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

12 Conservancy and service fee receivables

	<u>2021</u> S\$	<u>2020</u> S\$
Conservancy and service fee receivables	2,890,817	1,494,728
Interest receivable on late payments	208,456	88,186
Less: Allowance for impairment	<u>(1,072,311)</u>	<u>(313,594)</u>
	<u>2,026,962</u>	<u>1,269,320</u>
	<u>2021</u> S\$	<u>2020</u> S\$
Movements in above allowance:		
Balance at 1 April	(313,594)	(413,563)
Amount transferred from Chua Chu Kang Town Council (Charged to)/Write back income and expenditure statement (Note 22)	(663,120)	-
Allowance utilised	<u>(102,354)</u>	<u>69,051</u>
	<u>6,757</u>	<u>30,918</u>
Balance at 31 March	<u>(1,072,311)</u>	<u>(313,594)</u>

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

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

13 Other receivables

	<u>2021</u> S\$	<u>2020</u> S\$
Deposits	132,244	103,350
Prepayments	165,633	243,157
Claims for Citizens' Consultative Committee funding receivable	3,193,161	4,063,603
Lift Enhancement Programme ("LEP") grant receivable	2,912,221	405,613
Selective Lift Replacement Programme ("SLRP") grant receivable	1,785,179	-
Electrical Load Upgrading disbursement receivable	1,361,678	-
LRF Matching grant receivable	1,075,402	787,259
Receivables for funds with fund managers (Note 11)	192,729	225,920
Recoverables from contractors	380,130	325,178
Goods and services tax receivable	569,637	278,214
GST subvention receivable	535,607	393,693
ROS costs recoverable	812,353	762,543
Others	<u>35,910</u>	<u>10,698</u>
	<u>13,151,884</u>	<u>7,599,228</u>

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

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

14 Cash and bank balances

	<u>2021</u> S\$	<u>2020</u> S\$
Cash and deposits held by fund managers (Note 11)	1,607,973	1,268,934
Fixed deposits	145,153,432	95,087,698
Cash and bank balances	<u>27,066,053</u>	<u>12,083,479</u>
	<u>173,827,458</u>	<u>108,440,111</u>

The fixed deposits have an average maturity of 6.1 months (2020: 4.8 months) from the end of the financial year. The fixed deposits have weighted average effective interest rate of 0.50% (2020: 1.72%) per annum. Fixed deposit amounting to S\$50,290 (2020: S\$50,290) has been pledged with a bank for the issue of letters of guarantee on behalf of the Town Council.

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

	<u>2021</u> S\$	<u>2020</u> S\$
Cash and bank balances as shown above	173,827,458	108,440,111
Cash and deposits held by fund managers (Note 11)	(1,607,973)	(1,268,934)
Pledged deposit	<u>(50,290)</u>	<u>(50,290)</u>
Cash and cash equivalents at end of year	<u>172,169,195</u>	<u>107,120,887</u>

15 The Town Council as a lessee

The Town Council leases office spaces under a 36-month lease arrangement, with option to renew after that date. Lease payments are made monthly and are at a fixed rate throughout the lease period.

Recognition exemptions

The Town Council has certain office rental and equipments with lease terms of 12 months or less and/or of low value. For such leases, the Town Council has elected not to recognise right-of-use assets and lease liabilities.

(a) Right-of-use asset

The carrying amount of right-of-use asset by class of underlying asset classified within property, plant and equipment as follows:

	<u>Total</u> S\$	<u>Leasehold premises</u> S\$	<u>Leasehold equipment</u> S\$
At 1 April 2019	-	-	-
Additions	1,568,188	1,568,188	-
Depreciation	<u>(130,682)</u>	<u>(130,682)</u>	<u>-</u>
At 31 March 2020	1,437,506	1,437,506	-
Additions	2,517	-	2,517
Depreciation	<u>(523,253)</u>	<u>(522,729)</u>	<u>(524)</u>
At 31 March 2021	<u>916,770</u>	<u>914,777</u>	<u>1,993</u>

The total cash outflow for leases during the financial year ended 31 March 2021 is S\$470,550 (2020 : S\$141,000).

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

15 The Town Council as a lessee (continued)

(b) Lease liabilities

	<u>2021</u> S\$	<u>2020</u> S\$
Lease liability – non-current	415,083	943,172
Lease liability - current	530,134	503,112
	<u>945,217</u>	<u>1,446,284</u>

The maturity analysis of lease liabilities is disclosed in Note 29.

(c) Amounts recognised in income and expenditure

	<u>2021</u> S\$	<u>2020</u> S\$
Interest expense on lease liabilities	60,914	19,096
Expense relating to short term assets	39,648	449,172
Expense relating to low-value assets	4,596	4,596
Rent concession income	94,000	-

16 Payables and accrued expenses

	<u>2021</u> S\$	<u>2020</u> S\$
Trade creditors and accrued liabilities – Third parties	12,820,113	7,861,329
Trade creditors and accrued liabilities – Related party (Note 25)	2,045,565	1,732,540
Refundable deposits	283,245	187,130
Payables from fund with fund managers (Note 11)	4,053	3,988
Contributions for ROS**	8,861	8,861
Service and conservancy charge grant payable	712	3,526
Other creditors	111,225	6,093
	<u>15,273,774</u>	<u>9,803,467</u>

The average credit period taken to settle trade payables is about 30 days (2019: 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.

17 Agency fees

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

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

18 Other income

	<u>2021</u> S\$	<u>2020</u> S\$
Administrative fees	11,474	16,731
Interest on late payment for sold flats	68,620	60,776
Interest on late payment for rented flats	16,059	16,641
Liquidated damages	259,490	162,605
Miscellaneous incentive and subsidies	121,443	73,115
Sundry fines	77,920	26,467
Sundry income	82,367	45,533
Rent concession income	94,000	-
Temporary Occupation Licence income	1,956,945	1,911,255
Temporary Occupation Licence income (one-time payment)	115,129	36,896
Use of common property	1,109	5,360
Use of void decks	(2,560)	19,600
Use of water and electricity in void decks	62,714	108,057
	<u>2,864,710</u>	<u>2,483,036</u>

During the financial year, the Town Council received rent concessions for the office leases from its landlords as assistance to tide over the impact of COVID-19. The Town Council applied the practical expedient for eligible rent concessions. The amount recognised in the income and expenditure statement for the financial year ended 31 March 2021 to reflect changes in lease payments that arose from rent concessions to which the Town Council has applied the practical expedient is S\$94,000.

19 Managing agent's fees

The Town Council does not have any employees on its payroll as all its daily operations have been outsourced to a managing agent for a fee of S\$6,067,274 (2020: S\$5,032,430) for the current financial year.

20 Sinking fund income and expenditure

(a) Income

	<u>2021</u> S\$	<u>2020</u> S\$
Interest Income - Bonds investments	-	10,871
Interest Income - Bank fixed deposits	740,503	1,134,753
Income/gain on investment with fund managers	3,281,827	-
	<u>4,022,330</u>	<u>1,145,624</u>

(b) Expenditure

	<u>2021</u> S\$	<u>2020</u> S\$
Reroofing works	266,255	21,270
Electrical rewiring	592,238	539,400
Replacement of water pumps	235,710	-
Replacement of booster pump	285,670	101,325
Redecoration and repainting	3,096,742	6,419,781
Replacement of water pipes	27,121	168,000
Replacement of refuse chute flushing system	147,530	74,838
Replacement of refuse handling equipment	1,478,856	1,663,832
Replacement of FRP water tanks	325,500	-
Project management fees	214,136	385,888
Other major works	186,098	134,365
General and administrative expenses (Note 22)	71,679	51,710
Unclaimable GST	106,243	114,222
Loss on financial assets at fair value through income and expenditure	-	388,033
	<u>7,033,778</u>	<u>10,062,664</u>

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

21 Lift replacement fund income and expenditure

(a) Income

	<u>2021</u> S\$	<u>2020</u> S\$
Interest Income - Bank fixed deposits	<u>345,872</u>	<u>516,258</u>

(b) Expenditure

	<u>2021</u> S\$	<u>2020</u> S\$
Replacement of main sheaves and ropes	1,426,503	1,008,955
Replacement of ARD batteries	142,262	339,056
Replacement of EBOPS batteries	65,653	205,016
Replacement of lift position display panels	717,057	671,500
Replacement of inverter units	433,806	209,125
Lift overhauls and replacement	679,883	2,421,414
Lift enhancement work	440,403	143,124
Project management fees	151,842	153,624
General and administrative expenses (Note 22)	38,595	27,844
Unclaimable GST	226,074	206,782
Others	96	-
	<u>4,322,174</u>	<u>5,386,440</u>

22 General and administrative expenditure

The general and administrative expenditure comprises the following:

	<u>2021</u> S\$	<u>2020</u> S\$
Advertising, publicity and public relations	217,007	206,185
Audit fee	50,000	42,000
Computer services fees	502,182	210,187
Depreciation of property, plant and equipment (Note 8)	563,391	135,856
Amortisation of intangible asset	26,850	-
Additional/(Write back) of doubtful debts (Note 12)	102,354	(69,051)
Lease expense	60,914	19,096
Plant and equipment not capitalised	3,329	3,409
Office expenses	272,731	274,341
Operating lease expense	39,648	444,429
Property tax	193,068	197,236
Unclaimable GST	180,439	163,604
Town Councillors' allowances*	166,800	144,000
Others	200,288	180,636
	<u>2,579,001</u>	<u>1,951,928</u>

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

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

22 General and administrative expenditure (continued)

This is allocated to the following expenditure:

	<u>2021</u> <u>S\$</u>	<u>2020</u> <u>S\$</u>
Operating expenditure	2,468,727	1,872,374
Sinking fund expenditure (Note 20(b))	71,679	51,710
Life replacement fund expenditure (Note 21(b))	38,595	27,844
	<u>2,579,001</u>	<u>1,951,928</u>

23 Goods and services tax

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore. The unclaimed portion is charged to sinking fund expenditure (Note 20 (b)), lift replacement fund expenditure (Note 21(b)) and general and administrative expenditure (Note 22) during the financial year.

24 Income tax

	<u>Note</u>	<u>2021</u> <u>S\$</u>	<u>2020</u> <u>S\$</u>
Current financial year		594,409	657,176
Under/(Over) provision in respect of prior years		6,942	(282)
Tax expense		<u>601,351</u>	<u>656,894</u>
Taken up in:			
Income and expenditure statement			
- Current financial year		306,830	278,439
- Under/(Over) provision in respect of prior years		55	(256)
	3	306,885	278,183
Sinking Fund			
- Current financial year		233,862	295,366
- Under/(Over) provision in respect of prior years		6,887	(26)
	4	240,749	295,340
Lift Replacement Fund			
- Current financial year		53,717	83,371
- Under/(Over) provision in respect of prior years		-	-
	5	53,717	83,371
		<u>601,351</u>	<u>656,894</u>

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
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24 Income tax (Continued)

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

	<u>2021</u> S\$	<u>2020</u> S\$
Investment and interest income	2,150,750	2,800,933
Dividend income	48,821	25,976
Grant and other income	15,709,683	15,872,996
Less:		
Allowable expenses/Exempt Income	<u>(292,717)</u>	<u>(285,774)</u>
	<u>17,616,537</u>	<u>18,414,131</u>
 Tax at statutory rate of 17%	 2,994,811	 3,130,402
Concessionary tax relief	(69,763)	(68,314)
Tax remission of government grants under Section 92(2) of Singapore Income Tax Act	(2,330,639)	(2,404,912)
Under/(Over) provision in respect of prior years	<u>6,942</u>	<u>(282)</u>
	<u>601,351</u>	<u>656,894</u>

25 Significant related party transactions

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

	<u>2021</u> S\$	<u>2020</u> S\$
Energy saving cost charged by a related party*	2,702,673	4,201,839
Management agent fee charged by a related party	6,067,274	5,032,430
Project management fee charged by a related party	201,660	631,981
Contract for services and works charged by a related party	84,286	25,862
Repair and maintenance works charged by a related party	<u>831,265</u>	<u>906,494</u>

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

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

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 Government grants

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

	<u>2021</u> S\$	<u>2020</u> S\$	Conservancy and service grant		Payment from Citizens' consultative committee		Lift maintenance grant		Government GST subvention		LRF matching Grant	
			<u>2021</u> S\$	<u>2020</u> S\$	<u>2021</u> S\$	<u>2020</u> S\$	<u>2021</u> S\$	<u>2020</u> S\$	<u>2021</u> S\$	<u>2020</u> S\$	<u>2021</u> S\$	<u>2020</u> S\$
Government Grants received/receivable during the year	13,794,193	14,229,695	5,925,287	5,427,062	1,202,689	2,932,236	826,998	708,600	1,817,107	1,574,882	4,022,112	3,586,915
Less: Transfer to												
- Sinking fund	(2,228,042)	(2,004,742)	(1,540,575)	(1,411,037)	-	-	(215,019)	(184,236)	(472,448)	(409,469)	-	-
- Lift replacement fund	(5,221,827)	(4,866,391)	(829,540)	(756,789)	-	-	(115,780)	(99,204)	(254,395)	(220,483)	(4,022,112)	(3,586,915)
- Town improvement and project fund	(1,202,689)	(2,932,236)	-	-	(1,202,689)	(2,932,236)	-	-	-	-	-	-
	<u>5,141,635</u>	<u>4,626,326</u>	<u>3,555,172</u>	<u>3,258,236</u>	<u>-</u>	<u>-</u>	<u>496,199</u>	<u>425,160</u>	<u>1,090,264</u>	<u>944,930</u>	<u>-</u>	<u>-</u>

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

	<u>2021</u> S\$	<u>2020</u> S\$
Total grants received/receivable at 1 April	196,494,878	182,265,183
Grants received/receivable during the year	<u>13,794,193</u>	<u>14,229,695</u>
Total grants received/receivable as at 31 March	<u>210,289,071</u>	<u>196,494,878</u>

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

27 Operating lease commitments

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

	<u>2021</u> S\$	<u>2020</u> S\$
Due within 1 year	46,336	33,168
After one year but within five years	<u>5,362</u>	<u>9,958</u>
	<u>51,698</u>	<u>43,126</u>

The operating leases payments of the Town Council's represents rents payable by Town Council for office equipment on which the lease term is ranging from 1 to 5 years.

28 Commitments for capital expenditure

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

	<u>2021</u> S\$	<u>2020</u> S\$
Amounts approved and contracted for	22,061,878	14,702,130
Amounts approved but not contracted for	<u>91,723,447</u>	<u>33,294,058</u>
	<u>113,785,325</u>	<u>47,996,188</u>

29 Risk management policies for financial instruments

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

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

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

Credit risk

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

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

29 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

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

The Town Council has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 6 months or there is significant difficulty of the counterparty.

The Town Council categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 2 years past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

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

Note 1. Low credit risk

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

Note 2. Significant increase in credit risk

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

29 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

Note 2. Significant increase in credit risk (Continued)

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

Note 3. Credit impaired

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

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

Note 4. Write off

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

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

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

Conservancy and service fee receivables (Note 12)

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

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

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

29 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

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

	<u>Current</u>	<u>Past due < 6 months</u>	<u>Past due 6 months to 12 months</u>	<u>Past due 12 months to 24 months</u>	<u>Past due more than 24 months</u>	<u>Total</u>
31 March 2021						
Expected credit loss rates	0%	0%	25%	50%	100%	100%
Conservancy and service fee receivables (gross) (S\$)	871,550	346,159	441,187	539,812	692,109	2,890,817
Loss allowance (S\$)	-	-	110,296	269,906	692,109	1,072,311
31 March 2020						
Expected credit loss rates	0%	0%	25%	50%	100%	100%
Conservancy and service fee receivables (gross) (S\$)	670,840	251,176	226,373	178,676	167,663	1,494,728
Loss allowance (S\$)	-	-	56,593	89,338	167,663	313,594

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

	<u>Conservancy and service fee receivables</u>	
Internal credit risk grading	2021 S\$	2020 S\$
Loss allowance		
Balance at 1 April	313,594	413,563
Transfer from Chua Chu Kang Town Council	663,120	-
Write off/(back) recognised	102,354	(69,051)
Impairment loss recognised	(6,757)	(30,918)
Balance at 31 March	<u>1,072,311</u>	<u>313,594</u>
Gross carrying amount		
At 31 March	<u>2,890,817</u>	<u>1,494,728</u>
Net carrying amount		
At 31 March	<u>1,818,506</u>	<u>1,181,134</u>

Other receivables (Note 13) and Receivable for Neighbourhood Renewal Programme (Note 7)

As of 31 March 2021, the Town Council recorded other receivables excluding prepayments and GST receivables of S\$12,416,614 (31 March 2020: S\$7,077,857) and receivable for neighbourhood renewal programme of S\$1,253,407 (31 March 2020: S\$902,434).

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

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

29 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

Finance assets at amortised cost (Note 10) and financial assets at fair value through income and expenditure (Note 11)

The Town Council's finance assets at amortised cost and financial assets at fair value through income and expenditure are considered to be low risk investments as the Town Council's surplus funds are placed with reputable financial institutions or invested in Singapore government bonds. Accordingly, the loss allowance recognised is based on 12-months ECL. The Town Council did not recognise a loss allowance for the debt instruments as the Town Council does not expect the credit loss to be material.

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 (2020: 25) basis points lower/higher with all other variables held constant, the Town Council's deficit before government grants for the year would have been S\$288,668 (2020: S\$213,402) higher/lower, arising mainly as a result of lower/higher interest income from the Town Council's fixed deposits with banks.

Liquidity risk

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

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

	Total	Less than	Between
As at 31 March 2021	S\$	1 year	2 and 5
		S\$	years
			S\$
Conservancy and service receivables	2,026,962	2,026,962	-
Other receivables (excluding prepayments and GST receivables)	12,416,614	12,416,614	-
Receivable for Neighbourhood Renewal Programme	1,253,407	1,253,407	-
Interest receivable	274,216	274,216	-
Cash and bank balances	173,827,458	173,827,458	-
Lease liabilities	989,090	565,320	423,770
Payables and accrued expenses	15,273,774	15,273,774	-

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

29 Risk management policies for financial instruments (Continued)

Liquidity risk (Continued)

As at 31 March 2020	<u>Total</u> S\$	<u>Less than</u> <u>1 year</u> S\$	<u>Between</u> <u>2 and 5</u> <u>years</u> S\$
Conservancy and service receivables	1,269,320	1,269,320	-
Other receivables (excluding prepayments and GST receivables)	7,077,857	7,077,857	-
Receivable for Neighbourhood Renewal Programme	902,434	902,434	-
Interest receivable	930,697	930,697	-
Cash and bank balances	108,440,111	108,440,111	-
Lease liabilities	1,551,000	564,000	987,000
Payables and accrued expenses	9,803,467	9,803,467	-

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 income and expenditure.

Market price risk is applicable to investments in equity shares or similar instruments. As equities are invested through fund managers, the exposure to market price risk is minimal.

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.

30 Management of Town Council's funds

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

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

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

There were no changes in the Town Council's approach to funds management during the financial year. The Town Council is not subject to externally imposed requirements. As at the end of the reporting period, the Town Council's total funds amounted to S\$212,959,190 (2020: S\$144,155,418).

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

31 New or revised accounting standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following FRSs and FRSs INT that are relevant to the Town Council which were issued but not yet effective:

FRS	Title	Effective date (annual periods beginning on or after)
FRS 1	Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
FRS 8	Amendments to FRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
FRS 12	Amendments to FRS 12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
FRS 16	Amendments to FRS 16: <i>Property, Plant and Equipment- Proceeds before Intended Use</i>	1 January 2022
FRS 37	Amendments to FRS 37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
FRS 103	Amendments to FRS 103: <i>Reference to the Conceptual Framework</i>	1 January 2022
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
FRS 117	Insurance Contracts	1 January 2023
FRS 116	Amendments to FRS 116: <i>Covid-19-Related Rent Concessions</i>	1 April 2021
Various	Annual Improvements to FRSs 2018-2020	1 January 2022
Various	Amendments to FRS 117: <i>Insurance Contracts</i>	1 January 2023
Various	Amendments to FRS 1 and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Town Council does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Town Council in the year of their initial adoption.

32 Fair value of financial instruments

Fair values

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

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

Fair value hierarchy

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

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

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

32 Fair value of financial instruments (Continued)

Fair values (Continued)

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 2021.

	<u>Level 1</u> <u>S\$</u>	<u>Level 2</u> <u>S\$</u>	<u>Level 3</u> <u>S\$</u>	<u>Total</u> <u>S\$</u>
<u>Recurring fair value measurement</u>				
At 31 March 2021				
Financial assets, fair value through income and expenditure (Note 11)	40,256,465	-	-	40,256,465
<u>Recurring fair value measurement</u>				
At 31 March 2020				
Financial assets, fair value through income and expenditure (Note 11)	37,287,172	-	-	37,287,172

33 Development of COVID-19 outbreak and its impact on the Town Council

COVID-19 has brought about an unprecedented challenge for the Town Council. The Town Council is made more aware of its vulnerability and made sustainability a necessity. The Town Council, where possible, continues to support the Government's efforts in ensuring the smooth implementation of critical safe distancing measures at common areas to curb the spread of COVID-19. The Town Council will also continue to monitor and evaluate any possible impact of COVID-19 on its operations. Based on the latest assessment, there is no indicator that the going concern assumption used by the Town Council in preparing the financial statement is inappropriate.