



WEST COAST  
TOWN COUNCIL

Making West Coast our Best Home, Together



ANNUAL  
*Report*

21/22

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# Vision

Making West Coast our Best Home, Together

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# Mission

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

We will:

01

Build a safe and conducive living environment through sustainable practices.

02

Uphold the highest standards of governance and integrity.

03

Nurture a caring town and a cohesive community.



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# CHAIRMAN'S *Message*



We have come a long way since COVID-19 first encroached onto our shores in January 2020. After more than two years of battling the pandemic, we are now able to go to work, dine out and attend social gatherings again. This is a welcome improvement from before, and we could not have achieved this without your collective effort and sacrifices.

Even though we are in a much better position now, certain impacts of the pandemic have become endemic. For instance, we are still grappling with a manpower crunch in the construction sector that had caused delays in several of our Town's improvements and upgrading works over the past two years. However, I am grateful to all residents for your patience and understanding as we continue to push forward. Thankfully, with the success of our national vaccination programme and your cooperation in practicing social responsibility, living with COVID-19 has now become more manageable. The manpower situation is also stabilising and I am glad to announce that we are back on track with the majority of our planned works.

The aftermath of COVID-19, coupled with rising inflation amid global economic volatility, means that we are still not out of the woods yet. The Government has provided several support measures and grants such as S&CC and U-Save rebates, medical top-ups, and CDC vouchers to help shoulder some of your financial load.

We have also continued to take affirmative steps towards enhancing sustainability. Alongside fifteen town councils, West Coast is participating in the Action for Green Towns (AGT) initiative to achieve goals set out in the Singapore Green Plan 2030, by focusing on 3+1 pillars: Zero Waste, Energy Efficiency, Green Environment and Education. Our first Sustainability Report published on the West Coast Town Council website in the fourth quarter of 2021 details the actions we have taken on the sustainability front, as well as future plans on how we intend to reach our sustainability goals. A big thank you to all who have come forward to lend their expertise and volunteer their time. With all of you chipping in, I am confident that we become a zero-waste, energy-efficient and greener Town.

On this note, I am pleased to announce that West Coast Town Council continued to achieve the best score for the annual Town Council Management Report (TCMR), scoring "Green" in key areas - lift performance, estate cleanliness, estate maintenance, and S&CC arrears management.

On behalf of the Town Council, I thank you for your continuous support and look forward to working closely with you to upkeep and improve your living environment. Together, we can make West Coast GRC and Pioneer SMC our best home!

**Mr Patrick Tay Teck Guan, BBM**  
Chairman of West Coast Town Council

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# OUR MEMBERS OF *Parliament*



**Mr S Iswaran**  
Elected Member  
Minister for Transport  
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

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# OUR TOWN

## Councillors

### 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 Lawrance 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 Thiruprakasch S/O Suppiah

### Tender & Contracts Committee

#### Chairperson

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, PBM  
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 Khoon 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, PBM

#### 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 Edvin, PBM  
Mr Yeo Thiam Huat Victor, PBM  
Mr Selvakumar s/o Pannerselvam, PBM  
Ms Lee Nai Yi Valerie  
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, PBM  
Mr David Yu



# FISCAL *Management*

For the financial year ended 31 March 2022, the Town Council recorded an operating surplus of \$5.03 million after government grant(s). Without the government grant, an operating deficit of \$0.84 million would have been registered.

The Town Council continues to exercise financial prudence despite seeing an increase in expenditure as the estates mature.

Forecasted projects are routinely reviewed to ensure their relevance to residents' current needs, and improvement works are prioritised based on what benefits residents most.

Investment of Funds

**\$206.22M**

invested

Arrears Management

**11.78%**

in arrears

Service & Conservancy Charges

**1.5 - 3.5 months**

in S&CC rebates

### **Service & Conservancy Charges (S&CC)**

For FY21/22, the Government extended the provision of S&CC grants to all eligible Singapore citizen lessees/tenants of HDB flats. Depending on the HDB flat type, eligible Singaporean households received rebates of between 1.5 to 3.5 months.

From FY2022, S&CC rebates will be made a permanent component of the GST Voucher (GSTV) scheme. Eligible Singaporean HDB households can expect to receive the same quantum of S&CC rebates in FY2022.

### **Arrears Management**

At the end of FY 21/22, 11.78% of S&CC accounts were in arrears, amounting to \$2.10 million. Year-on-year, the number of accounts and amount in arrears saw a decrease of 1.16% and 3.45%, respectively.

The reduction in the number of accounts in arrears, particularly during the COVID-19 pandemic, would not have been possible if not for the strong partnership and hard work of our Town Councillors, Grassroots Leaders, agencies and staff. By conducting regular house visits to those in need, we were able to offer customised assistance directly to them, which helped lessen their financial burden.

### **Investment of Funds**

As part of the Town Council's long-term financial planning, surplus funds are placed into fixed deposits as well as investments overseen by appointed professional fund managers to generate returns.

Our conservative investment strategy, which includes institutional and strategic diversification as well as asset class allocation, complies with the Town Council Financial Rules and guidelines issued by the Ministry of National Development.

For FY21/22, \$59.27 million was invested with fund managers and \$146.95 million was placed in fixed deposits.

# MAINTENANCE & ESTATE *Improvement*

Maintaining the common property and open spaces of HDB public housing estates remains one of the key responsibilities of the Town Council. Estate inspections are conducted daily by our team of property officers to ensure maintenance issues are promptly rectified.

The Town Council works with various Term Contractors for maintenance and estate improvement works. Supervised by our team of property officers, the performance of the Term Contractors is monitored and reviewed regularly to ensure safety regulations and practices are adhered to. Residents who encounter maintenance issues can contact the Town Council directly via our hotline, email, our online feedback form, the one service application or simply walk into any of our Town Council offices, to address your concerns so that they can be attended to.



Upgraded Fitness Corner near  
Blk 209 Boon Lay Place



New Covered Linkway from Blk 1 to Blk 2A Dover Road



Repairs & Redecoration at Blks 80A,B,C  
Telok Blangah Street 31

## Cyclical Maintenance Works

The Town Council also undertakes a wide range of cyclical works to make our estates your best home while prolonging the lifespans of our buildings and facilities. Cyclical works include repairs and redecoration (R&R), re-roofing, rewiring, lift upgrading, replacement of lift parts, booster pumps, water pipes and refuse chute systems.

A total of \$17.82 million was spent on cyclical works in FY21/22, with \$0.80 million used for lift replacement works and \$6.41 million on R&R.



Replacement of Refuse Handling Equipment



Lift Replacement at Blk 713 Jurong West Street 71



Repairs & Redecoration at Blks 103A/B, 104A/B, 106A/B, 113 and 114 Depot Road

## Town Improvement Projects

Town Improvement Projects (TIP) rejuvenate neighbourhoods with the provision of essential amenities and recreational facilities. Projects are prioritised based on the needs of our residents.

West Coast Town Council spent a total of \$2.62 million on town improvement projects in FY21/22. These projects include the construction and/or upgrading of community gardens, playgrounds and fitness corners for the enjoyment of our residents. We have also constructed additional bicycle racks, footpaths, covered linkways and barrier-free access facilities to improve connectivity for our residents, including cyclists and the mobility-impaired.

### New Covered Linkways



From Jurong West Primary School to Blk 601A MSCP



Between Blk 64 & Blk 67 Telok Blangah Drive



From Blk 2A Dover Road to LTA High Covered Linkway

### New Barrier Free Access Ramps



Blk 52 Telok Blangah Drive



Blk 111A Depot Road

### New Overhead Fan



In front of Blk 688 Jurong West Central 1

# MAINTENANCE & ESTATE *Improvement*

## Upgraded Fitness Corners



Blk 669B Jurong West Street 64



Blk 629 Jurong West Street 65



Blk 509/510 West Coast Drive

## Upgraded Childrens' Playground



Blk 652C Jurong West Street 61



Blk 663B Jurong West Street 65

# MAINTENANCE & ESTATE *Improvement*

## Upgraded Childrens' Playground



Blk 610 Jurong West Street 65



Blk 650A Jurong West Street 61



Blk 941/944 Jurong West Street 91



Blk 272C Jurong West Street 24



Blk 275A Jurong West Street 25



New Childrens' Playground near Blk 268C Boon Lay Drive





In November 2021, the first rooftop community allotment garden atop a multi-storey carpark at **Block 183 Boon Lay Avenue** was completed. The garden has been very popular with Boon Lay residents, with overwhelming bids for the available plots. It has also enabled residents staying in the estate to develop closer bonds with each other through their love of gardening.

We look forward to bringing more exciting projects to the Town, and will continue to proactively engage you to find out how we can improve your homes and lives.



## Lift Enhancement Programme (LEP)

Co-funded by the HDB and Town Council, the Lift Enhancement Programme (LEP) was first rolled out in 2016 with the purpose of modernising older lifts, and enhancing their safety, reliability and performance. Under this programme, lifts that have been in operation for 18 years or less (as of the date of commencement of the LEP), and are assessed to require upgrading, will be eligible for the programme.

The LEP will be done in phases to minimise inconvenience to our residents, and more importantly, ensure that it is safe for use.

As of 31 March 2022, we have refurbished 324 lifts across our Town. All lifts in the town will progressively undergo improvement works in due course.



**Neighbourhood Renewal Programme (NRP)**

The Neighbourhood Renewal Programme (NRP) is a programme fully funded by the Government and executed by the Town Council, where mature estates are selected to undergo rejuvenation. Under the NRP, residents are consulted, and can suggest improvement works in their estate. Through these exercises, the Town Council is able to shape the ideal neighbourhood for residents based on their feedback and suggestions. New improvements under the NRP comprise covered walkways, playgrounds and fitness corners among other facilities.



Gek Poh NRP Residents Engagement Workshop

Residents of Gek Poh and Nanyang can look forward to refurbishments in their estate with several NRP projects in the pipeline.

<b>Neighbourhood Renewal Programme</b>	
Blks 711 to 731 Jurong West Street 71/72	In Progress. Expected to complete in Q3 2022
Blks 732 to 751 Jurong West Street 73/75	In Progress. Expected to complete in Q3 2022
Blks 812 to 832, 828A & 830A Jurong West Street 81	In Progress. Expected to complete in Q4 2023
Blks 752 to 761, 764 to 766, MSCPs 760A & 765A Jurong West Street 74	Launching stage
Blk 84 Telok Blangah Heights Blks 810, 811, 854 to 866, 854A (MSCP), 859A (MSCP) & 865A (MSCP) Jurong West Street 81	Launching stage



**Completed HIPs**

- Blk 401 to 408 Pandan Gardens
- Blk 409 to 416 Pandan Gardens
- Blk 43 to 54 Teban Gardens Road
- Blk 24 to 25 Teban Gardens Road

**Other Government Upgrading Programmes**

As part of our continual efforts to rejuvenate the living environment of residents living in older estates, we have commenced various Government upgrading programmes such as the Home Improvement Programme (HIP), Lift Upgrading Programme (LUP) and Selective En bloc Redevelopment Scheme (SERS).

FY 21/22 saw the completion of 4 HIPs. Residents can look forward to the completion of another 2 HIPs and 1 SERS over the next 2 financial years.



Completed HIP at Blk 416 Pandan Gardens

**Works in Progress**

HIP	Blks 732 to 751 Jurong West Street 73/75	Expected to complete in Q2 2023
HIP	Blks 933 to 950, 952 & 953 Jurong West Street 91	Expected to complete in Q4 2023
SERS	Blks 513 to 520 West Coast Road	Expected to complete in Q2 2023

# CORPORATE *Governance*

In the performance of our fiduciary responsibilities, West Coast Town Council adopts best practices in corporate governance to promote greater accountability and transparency, and to raise overall governance standards.

Policies and processes were developed and implemented in line with the guiding principles of the Town Council's Code of Governance across four key domains - Council Effectiveness, Internal Controls & Processes, Financial Management and Vendor Management.

West Coast Town Council has seven committees that oversee the critical functions of our operations. Members for each committee are nominated by the elected MPs through a referral process and are appointed and/or reappointed after a thorough evaluation that takes into consideration their relevant experiences, skills, competencies and time commitment. To ensure that West Coast residents are well-represented, two-thirds of appointed members in the Council must be residents of HDB estates within the Town.

M/s Mazars LLP was appointed as a consultant to develop a Risk Management policy and framework for West Coast Town Council. The new West Coast Town Council Risk Management Policy is in line with the Ministry of National Development's Code of Governance recommended framework. The Risk Management policy clearly dictates the roles and responsibilities of the different stakeholders in the overall risk management process.

By adopting a structured risk assessment methodology, the Town Council was able to speedily identify potential key risks, as well as adopt effective and practical controls to address them. The Risk Management policy will also be monitored and reviewed periodically.

To align stakeholders on the Town Council's Risk Management policy, training will be conducted for management staff and councillors.



# SUSTAINABILITY *Efforts*

Sustainability is the core value of West Coast Town Council, and it has been integrated into our improvement and maintenance works. Throughout the year, the Town Council actively explored new initiatives on the sustainability front while raising awareness in our community. Through these activities, we hope to inculcate a sense of ownership of the environment in our residents.



## SGRecycle Machines

SGRecycle machines were introduced in West Coast Town in December 2021. Members of the public can use them to recycle waste paper and earn a token sum when doing so - \$0.06 per kilogram of waste paper recycled.

Just three months after their introduction, the six SGRecycle machines across West Coast Town collectively collected more than 15,000kg of waste paper to be recycled, which is equivalent to saving 264 trees.

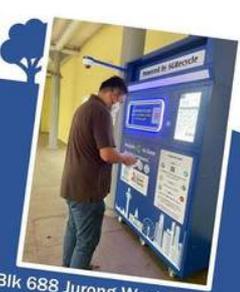
## TOGETHER, WE'RE TAKING ACTION FOR GREEN TOWNS

Through the use of the SGRecycle Machines from January to March, we have recycled:

**2,635 kg** = **44**  
of paper trees saved  
(Average per machine)



RECYCLE YOUR PAPER NOW @  
Blk 61 Teban Place  
Blk 221 Boon Lay Place  
Blk 77 Telok Blangah Drive  
Blk 688 Jurong West Central 1  
Blk 726 Clementi West St. 2  
Blk 931 Jurong West St. 92



Blk 688 Jurong West Central 1



New Bicycle Shed with Double-Tier Bicycle Racks near Blk 990 Jurong West St 93 (MSCP)



New Bicycle Shed with Double-Tier Bicycle Racks near Blk 625 Jurong West Street 61

## Green Commuting

To promote greener ways of commuting, we have introduced more bicycle racks in our estates over the past year.

Some estates have also been equipped with a dual bicycle rack, which enables two parked bicycles to be stacked safely and securely. Taking up only half the space of a normal bicycle rack, it allows more bicycles to be parked within the same amount of space.

More pedestrian pathways have also been incorporated into our town improvement projects to encourage people to walk for shorter distances.

“This shelter provides great convenience to us especially during raining days”



Upgraded Sheltered Barrier-Free Access Ramp near Blk 667C Jurong West Street 65.

**Barrier-Free Access Town**

Improving connectivity within Towns is imperative to championing sustainable development.

Pioneer Town is taking the lead with the introduction of Barrier-Free Access (BFA) within its constituency. A connectivity route map has been drawn up to illustrate how residents can walk to their venues or homes easily via BFA and sheltered links, even during inclement weather. This initiative benefits all residents, in particular the elderly, differently abled, and parents with young children or with strollers.

The Town Council have also been prioritising the construction of BFA Ramps for all other WCTC-managed estates to convenient our less mobile residents.



**LEGEND**

	HIGH LINKWAY		LOW LINKWAY		WALK2RIDE		BFA RAMP
	DROP OFF POINT		OVERHEAD BRIDGE				

### **New Allotment Garden**

The first rooftop allotment garden atop a multi-storey carpark at Block 183 Boon Lay Avenue was introduced into our Town in November 2021. The allotment garden has been very popular among Boon Lay residents, with overwhelming bids for the available plots.

This exercise not only creates more green space amid the urban jungle, it also promotes food sustainability and security in the long run. Residents get to bond with each other while enjoying the physical and psychological benefits of gardening.

Following the success of the allotment garden, plans are underway to convert more underutilised MSCP roof decks to green spaces such as community gardens and urban farms.



**"Residents have not only started planting their plots, but they have gotten to know their neighbouring plot owners as well. It is through this rooftop garden that people staying in this estate have managed to bond with each other."**





## Tree Planting

In support of the OneMillionTrees movement to plant a million trees across the island by 2030, and as part of our ongoing efforts to create a greener and more sustainable living environment for our residents, we planted over 600 trees across all divisions in West Coast GRC last year.

Through such activities, residents can learn about the benefits that trees can bring to our living environment, and the impact of climate change on Singapore. By participating in the actual act of planting a tree, residents can develop a sense of ownership of the environment and recognise the significance of conservation and sustainability.

Working alongside NParks and PA, we will continue striving towards our goal of planting 600 trees every year.

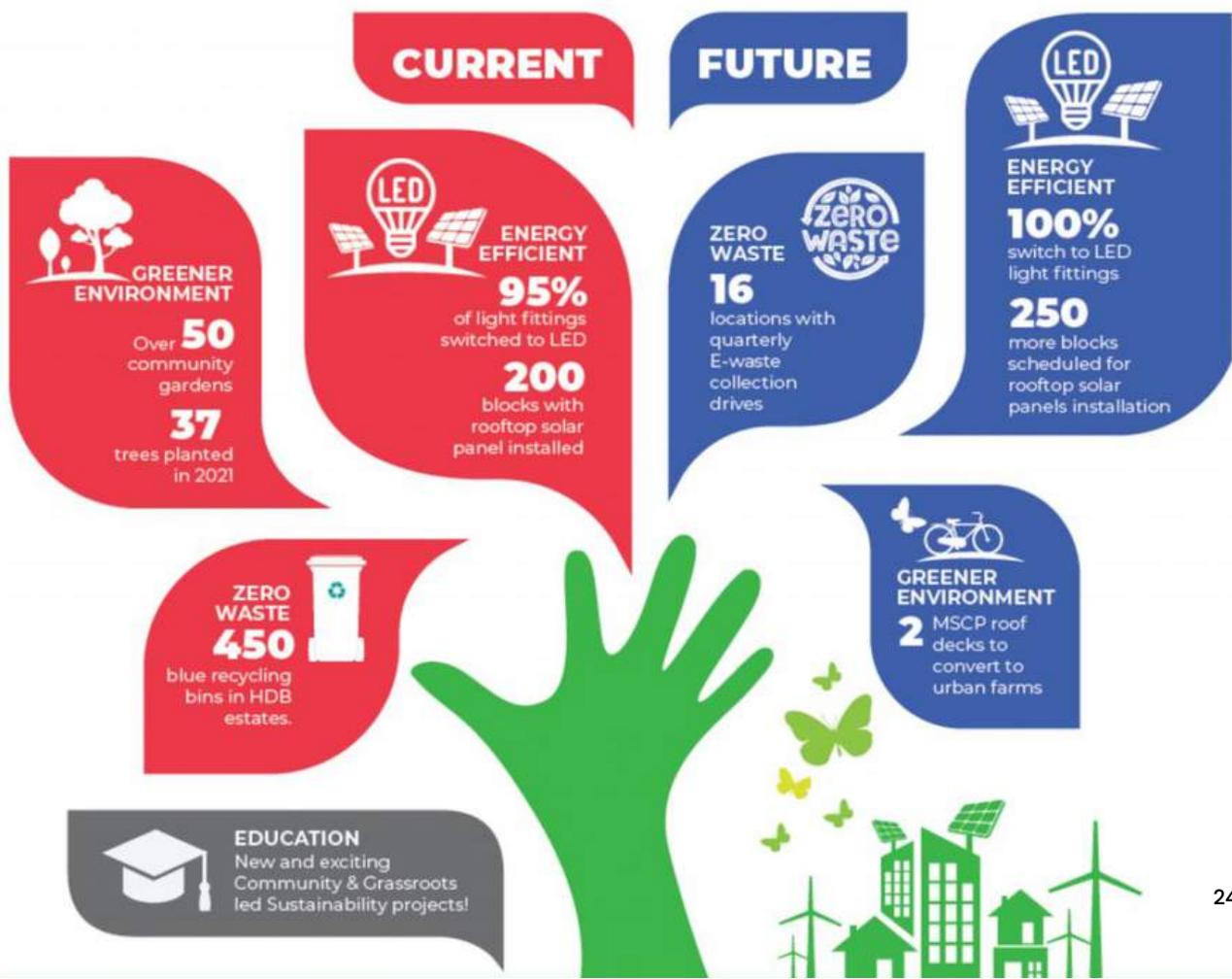


**Actions for Green Town (AGT)**

West Coast Town Council joined hands with 14 PAP Town Councils to form the Action for Green Towns (AGT) initiative last year. AGT will work with residents and sustainability experts to make every estate zero-waste, energy-efficient, and greener by 2025.

In December 2021, we published our very first Sustainability Report, and shared our Sustainability Plan for West Coast Town leading up to 2025. We have also formed an AGT Sustainability Team comprising volunteers and environmental experts who are passionate about contributing to the sustainability effort in our Town. To find out more about the AGT Team, our sustainability plans and report, please visit [wctc.org.sg/action-for-green-towns-plan/](http://wctc.org.sg/action-for-green-towns-plan/)

Greening our Town requires a collective effort, and we encourage our residents to come forward to discuss issues, share ideas and volunteer with us. If you are keen to join us on this journey or have any ideas or suggestions on how to make West Coast a more sustainable town, please write to [wctccl@wctc.org.sg](mailto:wctccl@wctc.org.sg).



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# COMMUNITY *Engagement*



West Coast Town Council recognises the importance of engaging our residents and providing timely updates on important Town information.

Hence we have further expanded our avenues for engagement to keep residents updated while encouraging residents' participation in the Town Council's works.



## Photo Campaigns

Our residents are what makes our Town uniquely West Coast.

That is why our residents take pride of place on our key collaterals such as the 2022 Wall Calendar as well as National Day bannerettes and billboards. By showcasing the myriad personalities of West Coast, we convey our appreciation to our residents via a medium that is easily noticed and aesthetically eye-catching.

The Town Council has also initiated photo campaigns to collect photos from residents for our National Day collaterals this year as well as the 2023 Wall Calendar.





## Green Activities

Championing sustainability can also be fun! There's nothing like coming together for a good cause after all.

Sustainability is everyone's responsibility, but this does not mean that it cannot be fun. Green activities such as tree planting and, community gardening can be places where we come together as one West Coast family to do good for the environment while enjoying a day out with everyone as well.



## Consensus Gathering

The execution of Neighbourhood Renewal Programmes (NRPs) is one of the major functions of the Town Council. NRP rejuvenates mature estates by upgrading key amenities. Residents' feedback are instrumental in the planning process of the Programme. Localised consensus gatherings are held to better understand what residents want to improve within their estate.

With upcoming NRP projects in Gek Poh and Nanyang, we aim to obtain comprehensive inputs from our residents, and come up with upgrading proposals that are best suited to their needs.



## Letters from your MP

Hear about the latest community initiatives, improvement projects, town-wide updates as well as selected parliamentary highlights in a bi-monthly letter penned by your MP.

Letters from your MP, which was first introduced in late 2021, can be found on the Digital Display Boards at the lift lobbies of every HDB block. You can also visit West Coast Town Council's website at [wctc.org.sg](http://wctc.org.sg) to view past MP letters.



### Letters from MP – S Iswaran



Dear residents of West Coast,  
With the easing of COVID-19 Safe Management Measures (SMMs), we are finally seeing light at the end of what has been at times a very dark and dreary tunnel.  
I would like to share on some upcoming projects in West Coast, please read more about it, as well as other updates, in my letter to you on the lift notice board.  
I wish everyone, especially our Muslim friends, Selamat Hari Raya Aidilfitri and a happy time of gathering with family and friends.  
Making West Coast our best Home together.

February / March 2022

**HELLO!  
FROM RACHEL ONG**

Dear Residents of Telok Blangah,

May the Lunar New Year bring you much joy and good health!

I am excited to share that we've completed the Repairs & Redecoration (R&R) programme for the following blocks:

- Blks 805A-B to 806A-B, 113 & 114 Despot Road
- Blks 804-C, Telok Blangah Street 31

I hope you enjoy the refreshed look of the blocks and I look forward to seeing your photos of our reimagined estates!

As part of a national initiative to improve barrier-free access to hospitals and polyclinics, we are pleased to share with you that the installation of lifts at the Pedestrian Overhead Bridge across the AVE linking to the National University Hospital (NUH) has been completed. This is especially beneficial to patients, seniors and friends who are less mobile as it enables them to travel independently to their medical appointments.

At the Parliament Sitting in January 2022, I stated in support the Motion on Singapore's transition towards a low-carbon economy. I suggested reviewing eligibility steps for undergraduates, and greater integration of sustainability-focused courses across all institutes of Higher Learning, specifically through our Pre-Employment Training (PET) as well as Continuing Education and Training (CET) offers to boost undergraduate employment rates in green sectors.

It has been a joy working with our team at the West Coast Town Council together with a committed group of volunteers. We welcome feedback, comments, or suggestions, please feel free to reach out to me at [rachelong7@gmail.com](mailto:rachelong7@gmail.com), and I will follow up.

Much blessings to you and your family,  
Rachel

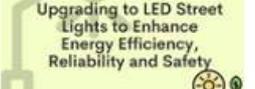



Completed R&R for Blks 805A-C, Telok Blangah Street 31

New Lifts for Pedestrian Overhead Bridge across the AVE linking to NUH



Start to read more!

<p><b>LETTER FROM S ISWARAN</b> April / May 2022</p> <p>Letter from S Iswaran Apr / May 2022</p>	<p>Upcoming Upgrading Works for Ayer Rajah Food Centre</p>  <p>Upgrading Works for Ayer Rajah Food Centre</p>	<p>Conversion of Zebra Crossing along West Coast Drive to signalised crossing</p>  <p>Conversion of Zebra Crossing along West Coast Drive to signalised crossing</p>
<p><b>LETTER FROM S ISWARAN</b> February / March 2022</p> <p>Letter from S Iswaran Feb / Mar 2022</p>	<p>Upcoming Covered Linkways in West Coast</p>  <p>Upcoming Covered Linkways in West Coast</p>	<p>Upgrading to LED Street Lights to Enhance Energy Efficiency, Reliability and Safety</p>  <p>Upgrading to LED Street Lights to Enhance Energy Efficiency, Reliability and Safety</p>
<p>SG Recycle Machine in West Coast</p> 	<p>E-Payment Learning Journey (EPLJ) for our seniors in West Coast</p> 	<p><b>LETTER FROM S ISWARAN</b> December 2021 / January 2022</p> <p>Letter from S Iswaran Dec 2021/ Jan 2022</p>
<p>Pedestrian Overhead Bridge lifts in West Coast</p> 	<p>New Elderly Fitness Corner near Blks 509 and 510 West Coast Drive</p>  <p>New Elderly Fitness Corner near Blks 509 and 510 West Coast Drive</p>	<p>Silver Zone Project in West Coast</p>  <p>Silver Zone Project in West Coast</p>

**We Hear You**

We value and take all feedback from our residents seriously. We welcome our residents to reach out to us directly via the various channels of communication- email, phone call and online feedback form.

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 1988)

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**MAZARS LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

**WEST COAST TOWN COUNCIL**

**FINANCIAL STATEMENTS  
FINANCIAL YEAR ENDED 31 MARCH 2022**

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

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**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 2022, 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 1988 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 2022 and of the financial performance, changes in funds and cash flows of the Town Council for the financial year ended on that date.

*Basis for Opinion*

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

*Other Information*

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

Our opinion on the financial statements does not cover the other information and we 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  
15 September 2022

WEST COAST TOWN COUNCIL

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2022

	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
<b>TOWN COUNCIL FUNDS</b>			
<b>Residential property</b>			
Accumulated surplus	3	11,079,865	7,025,929
Sinking fund	4	127,682,928	122,471,807
Lift replacement fund	5	57,638,634	48,594,062
Town improvement and project fund	6	923,071	1,044,801
		197,324,498	179,136,599
<b>Commercial property</b>			
Accumulated surplus	3	1,549,640	920,091
Sinking fund	4	25,330,707	24,866,382
Lift replacement fund	5	8,604,226	7,988,919
Town improvement and project fund	6	41,929	47,199
		35,526,502	33,822,591
<b>Carpark</b>			
Accumulated surplus	3	-	-
		<u>232,851,000</u>	<u>212,959,190</u>
<b>REPRESENTED BY:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	529,824	1,051,737
Intangible asset	9	510,159	617,561
		1,039,983	1,669,298
<b>Current assets</b>			
Financial assets at fair value through income and expenditure	10	60,424,075	40,256,465
Conservancy and service fee receivables	11	1,699,086	2,026,962
Receivable for Neighbourhood Renewal Programme	7	4,329,467	1,253,407
Other receivables	12	9,534,465	13,151,884
Interest receivable		336,995	274,216
Cash and bank balances	13	177,179,045	173,827,458
		253,503,133	230,790,392
<b>Total assets</b>		254,543,116	232,459,690
<b>Less:</b>			
<b>Non-current liability</b>			
Lease liabilities	14(b)	34,396	415,083
<b>Current liabilities</b>			
Conservancy and service fee received in advance		1,124,362	1,021,015
Advances received for Neighbourhood Renewal Programme	7	279,270	1,001,967
Lease liabilities	14(b)	437,940	530,134
Payables and accrued expenses	15	18,627,190	15,273,774
Current tax payable		1,188,958	1,258,527
		21,657,720	19,085,417
<b>Net current assets</b>		231,845,413	211,704,975
		<u>232,851,000</u>	<u>212,959,190</u>



PATRICK TAY TECK GUAN, BBM  
Chairman



DR YU SHI MING, BBM  
Secretary

Singapore  
15 September 2022

*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 2022**

	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
<b>Operating income</b>			
Conservancy and service fees		58,687,577	49,850,884
Less: Operating transfer to:			
- Sinking fund (minimum required by law)	4	15,258,770	12,961,230
- Lift replacement fund (minimum required by law)	5	8,216,261	6,979,124
		<u>35,212,546</u>	<u>29,910,530</u>
Agency fees	16	5,070,606	4,192,400
Other income	17	3,395,952	2,864,710
		<u>43,679,104</u>	<u>36,967,640</u>
Less:			
<b>Operating expenditure</b>			
Cleaning works		7,834,177	6,920,294
Managing agent's fees	18	6,822,063	6,067,274
Lift maintenance		8,804,066	7,243,385
Other works and maintenance		7,335,506	6,574,601
Water and electricity		10,891,896	9,209,725
General and administrative expenditure	21	2,545,454	2,468,727
		<u>44,233,162</u>	<u>38,484,006</u>
<b>Operating deficit</b>		(554,058)	(1,516,366)
Add:			
<b>Non-operating income</b>			
Interest income		78,702	67,664
<b>Deficit before taxation and government grants</b>		(475,356)	(1,448,702)
Less:			
Income tax	23	364,911	306,885
<b>Deficit after taxation but before government grants</b>		(840,267)	(1,755,587)
Add:			
Government grants	25	16,727,571	13,794,193
Less: Transfer to sinking fund	4	2,541,788	2,228,042
Less: Transfer to lift replacement fund	5	6,173,138	5,221,827
Less: Transfer to town improvement and project fund	6	2,146,980	1,202,689
		<u>5,865,665</u>	<u>5,141,635</u>
<b>Surplus for the year</b>		5,025,398	3,386,048
Add:			
Accumulated surplus at 1 April		7,946,020	6,472,226
Add:			
Transfer of reserves as at 27 October 2020 from Chua Chu Kang Town Council		-	1,726,944
Less:			
Section 48 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	341,913	219,739
<b>Accumulated surplus at 31 March</b>		<u>12,629,505</u>	<u>7,946,020</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 2022

	Note	Total		Residential Property		Commercial Property		Carpark	
		2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$
<b>Surplus/(Deficit) for the year:</b>									
- Accumulated surplus	3	5,025,398	3,386,048	2,641,377	2,263,300	643,739	289,629	1,740,282	833,119
- Sinking fund	4	5,675,446	11,937,075	5,211,121	11,196,299	464,325	740,776	-	-
- Lift replacement fund	5	9,659,879	8,170,932	9,044,572	7,587,392	615,307	583,540	-	-
- Town improvement and project fund	6	(468,913)	(169,381)	(449,453)	(162,352)	(19,460)	(7,029)	-	-
Total surplus for the year		19,891,810	23,324,674	16,447,617	20,884,639	1,703,911	1,606,916	1,740,282	833,119
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year attributable to Town Council Funds</b>		<b>19,891,810</b>	<b>23,324,674</b>	<b>16,447,617</b>	<b>20,884,639</b>	<b>1,703,911</b>	<b>1,606,916</b>	<b>1,740,282</b>	<b>833,119</b>

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 2022

	<u>Total</u> S\$	<u>Residential</u> <u>Property</u> S\$	<u>Commercial</u> <u>Property</u> S\$	<u>Carpark</u> S\$
<b>Balance at 1 April 2020</b>	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
<b>Balance at 31 March 2021</b>	<u>212,959,190</u>	<u>179,136,599</u>	<u>33,822,591</u>	<u>-</u>
<b>Balance at 1 April 2021</b>	212,959,190	179,136,599	33,822,591	-
Total comprehensive income for the year	19,891,810	16,447,617	1,703,911	1,740,282
Add/(Less):				
Inter-fund transfer	-	1,740,282	-	(1,740,282)
<b>Balance at 31 March 2022</b>	<u>232,851,000</u>	<u>197,324,498</u>	<u>35,526,502</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 2022

	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
<b>Operating activities</b>			
Deficit in income and expenditure statement before taxation and government grants		(475,356)	(1,448,702)
Adjustments for:			
Conservancy and service fees transferred to sinking fund	4	15,258,770	12,961,230
Conservancy and service fees transferred to lift replacement fund	5	8,216,261	6,979,124
Amortisation of intangible asset	9	107,402	26,850
Depreciation of property, plant and equipment	8	595,624	563,391
Plant and equipment written off		6	1,627
Lease interest expense	14(c)	37,071	60,914
Interest income	3	(78,702)	(67,664)
Rent concession income	17	-	(94,000)
Operating surplus before working capital changes		23,661,076	18,982,770
Increase/(Decrease) in conservancy and service fee and other receivables		3,164,156	(6,783,874)
Increase in creditors and conservancy and service fee received in advance		3,451,603	5,753,058
Net movement in receivable/advances received for Neighbourhood Renewal Programme		(3,798,757)	644,399
Cash generated from operations		26,478,078	18,596,353
Income tax paid		(664,118)	(1,068,448)
Sinking fund expenditure	4	(12,831,637)	(7,033,778)
Lift replacement fund expenditure	5	(4,987,129)	(4,322,174)
Town improvement and project fund expenditure	6	(2,615,893)	(1,372,070)
<b>Net cash generated from/(used in) operating activities</b>		<u>5,379,301</u>	<u>4,799,883</u>
<b>Cash flows from investing activities</b>			
Proceed from fund manager		1,804	6,753
Purchase of plant and equipment		(3,649)	(164,749)
Purchase of intangible asset	9	-	(644,411)
Interest received		881,637	1,810,520
Placement with fund manager	10	(20,000,000)	-
<b>Net cash generated from investing activities</b>		<u>(19,120,208)</u>	<u>1,008,113</u>
<b>Cash flows from financing activities</b>			
Payment of lease principal		(580,020)	(470,550)
Government grants received		17,598,056	14,231,764
<b>Net cash generated from financing activities</b>		<u>17,018,036</u>	<u>13,761,214</u>
Net increase in cash and cash equivalents		3,277,129	19,569,210
Transfer of reserves from Chua Chu Kang Town Council		-	45,479,098
Cash and cash equivalents at beginning of year		172,169,195	107,120,887
Cash and cash equivalents at end of year	13	<u>175,446,324</u>	<u>172,169,195</u>

Reconciliation of liability arising from financing activities

	1 April 2021 S\$	Financing cash outflows S\$	Non-cash movement			31 March 2022 S\$
			Rent concession S\$	Acquisition S\$	Interest expenses S\$	
<b>Liability</b>						
Lease liabilities	945,217	(580,020)	-	70,068	37,071	472,336

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

## WEST COAST TOWN COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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#### 1 General information

The Town Council was established on 13 November 2001 under the Town Councils Act 1988 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, 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 2022 were authorised for issue by the members of Town Council on 15 September 2022.

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 1988. 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 47(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 47(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 47(5) 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 14.

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.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

**(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 27.

Impairment of conservancy and service fees receivables

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

Derecognition of financial assets

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

**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 arrangement 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 beyond 30 June 2021

In March 2021, 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 April 2021. In the financial year ended 31 March 2022, 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 47(12) and 57(1)(i) of the Town Councils Act 1988, 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 27.

The expected loss allowance on the Town Council's receivables as at 31 March 2022 is S\$1,051,020 (31 March 2021: S\$1,072,311).

(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 2022

3 Accumulated surplus

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

	Note	Total		Residential property		Commercial property		Carpark	
		2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$
<b>OPERATING INCOME</b>									
Conservancy and service fees		58,667,577	49,850,884	55,132,134	46,795,022	3,555,443	3,055,862	-	-
Less: Operating transfer to:									
- Sinking fund (minimum required by law)	4	15,258,770	12,961,230	14,334,355	12,166,706	924,415	794,524	-	-
- Lift replacement fund (minimum required by law)	5	6,216,261	6,979,124	7,718,499	6,551,303	497,762	427,821	-	-
		35,212,546	29,910,530	33,079,280	28,077,013	2,133,266	1,833,517	-	-
Agency fees	16	5,070,606	4,192,400	-	-	-	-	5,070,606	4,192,400
Other income	17	3,395,952	2,864,710	2,538,905	2,260,577	807,271	540,985	49,776	63,148
		43,679,104	36,967,640	35,618,185	30,337,590	2,940,537	2,374,502	5,120,382	4,255,548
Less:									
Operating expenditure		44,233,162	38,484,006	38,581,564	32,998,899	2,300,153	2,086,766	3,351,445	3,398,341
Operating (deficit)/surplus		(554,058)	(1,516,366)	(2,963,379)	(2,661,309)	640,384	287,736	1,768,937	857,207
Add:									
Non-operating income – interest income		78,702	67,664	67,876	58,131	2,939	2,721	7,887	6,812
(Deficit)/surplus before taxation and government grants		(475,356)	(1,448,702)	(2,895,503)	(2,603,178)	643,323	290,457	1,776,824	864,019
Less:									
Income tax	23	364,911	306,885	314,736	264,535	13,633	11,450	36,542	30,900
(Deficit)/surplus after taxation but before government grants		(840,267)	(1,755,587)	(3,210,239)	(2,867,713)	629,690	279,007	1,740,282	833,119
Add:									
Government grants	25	16,727,571	13,794,193	16,364,634	13,513,039	362,937	281,154	-	-
Less: Transfer to									
- Sinking fund	4	2,541,788	2,228,042	2,535,700	2,223,439	6,088	4,603	-	-
- Lift replacement fund	5	6,173,138	5,221,827	5,919,438	5,005,810	253,700	216,017	-	-
- Town improvement and project fund	6	2,146,980	1,202,689	2,057,880	1,152,777	89,100	49,912	-	-
		5,865,665	5,141,635	5,851,616	5,131,013	14,049	10,622	-	-
Surplus for the year		5,025,398	3,386,048	2,641,377	2,263,300	643,739	289,629	1,740,282	833,119
Add:									
Accumulated surplus at 1 April		7,946,020	6,472,226	7,025,929	5,700,963	920,091	771,263	-	-
(Less)/Add:									
Transfer of reserves as at 27 October 2020 from Chua Chu Kang Town Council		-	1,726,944	-	(21,831)	-	290,791	-	1,457,984
Section 48 accumulated surplus transferred to:									
- Sinking fund	4	-	(2,222,648)	-	(1,948,041)	-	(274,607)	-	-
- Lift replacement fund	5	-	(1,196,811)	-	(1,048,945)	-	(147,866)	-	-
Appropriation to town improvement and project fund	6	(341,913)	(219,739)	(327,723)	(210,620)	(14,190)	(9,119)	-	-
Inter-fund transfer		-	-	1,740,282	2,291,103	-	-	(1,740,282)	(2,291,103)
Accumulated surplus at 31 March		12,629,505	7,946,020	11,079,865	7,025,929	1,549,640	920,091	-	-

**WEST COAST TOWN COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**4 Sinking fund**

	Note	2022 S\$	Total 2021 S\$	Residential property 2022 S\$	Residential property 2021 S\$	Commercial property 2022 S\$	Commercial property 2021 S\$
Balance at 1 April		147,338,189	103,447,973	122,471,807	84,893,920	24,866,382	18,554,053
Add:							
Section 48 accumulated surplus transferred to sinking fund	3	-	2,222,648	-	1,948,041	-	274,607
Transfer of reserves as at 27 October 2020 from Chua Chu Kang Town Council		-	29,730,493	-	24,433,547	-	5,296,946
		147,338,189	135,401,114	122,471,807	111,275,508	24,866,382	24,125,606
Add:							
Income	19(a)	889,430	4,022,330	852,519	3,850,281	36,911	172,049
Operating transfers from:							
- Consistency and service fees (minimum required by law)	3	15,258,770	12,961,230	14,334,355	12,166,706	924,415	794,524
- Transfer from government grants	3	2,541,788	2,228,042	2,535,700	2,223,439	6,088	4,603
		18,889,988	19,211,602	17,722,574	18,240,426	967,414	971,176
Less:							
Expenditure	19(b)	12,831,637	7,033,778	12,336,139	6,813,415	495,498	220,363
Less:							
Income tax	23	182,905	240,749	175,314	230,712	7,591	10,037
<b>Surplus for the year</b>		<b>5,675,446</b>	<b>11,937,075</b>	<b>5,211,121</b>	<b>11,196,299</b>	<b>464,325</b>	<b>740,776</b>
Balance at 31 March		153,013,635	147,338,189	127,682,928	122,471,807	25,330,707	24,866,382
Represented by:							
<b>Non-current assets</b>							
<b>Current assets</b>							
Financial assets at fair value through income and expenditure	10	60,424,075	40,256,465				
Consistency and service fee receivables		511,312	555,563				
Amount owing from Routine Fund		4,175,880	4,120,505				
Other receivables		716,725	566,549				
Interest receivable		193,035	189,843				
Cash and bank balances		90,315,236	103,998,462				
		156,336,263	149,687,387				
Less:							
<b>Current liabilities</b>							
Current tax payable		416,767	536,115				
Payables and accrued expenses		2,905,861	1,813,083				
		3,322,628	2,349,198				
		153,013,635	147,338,189				
<b>Net current assets</b>		<b>153,013,635</b>	<b>147,338,189</b>				

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

5 Lift replacement fund

	Note	Total		Residential property		Commercial property	
		2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Balance at 1 April		56,582,981	33,385,219	48,594,062	28,868,987	7,988,919	4,516,232
Add:							
Section 48 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
		56,582,981	48,412,049	48,594,062	41,006,670	7,988,919	7,405,379
Add:							
Income	20(a)	304,342	345,872	291,712	330,515	12,630	15,357
Operating transfer from Conservancy and service fees (minimum required by law)	3	8,216,261	6,979,124	7,718,499	6,551,303	497,762	427,821
		8,520,603	7,324,996	8,010,211	6,881,818	510,392	443,178
Add:							
Transfer from Government Grants – LRF Matching Grant		4,804,483	4,022,112	4,554,061	3,808,574	250,422	213,538
– Other government grants		1,368,655	1,199,715	1,365,377	1,197,236	3,278	2,479
– Total	3	6,173,138	5,221,827	5,919,438	5,005,810	253,700	216,017
Less:							
Expenditure	20(b)	4,987,129	4,322,174	4,840,283	4,248,748	146,846	73,426
Less:							
Income tax	23	46,733	53,717	44,794	51,488	1,939	2,229
<b>Surplus for the year</b>		<b>9,659,879</b>	<b>8,170,932</b>	<b>9,044,572</b>	<b>7,587,392</b>	<b>615,307</b>	<b>583,540</b>
Balance at 31 March		66,242,860	56,582,981	57,638,634	48,594,062	8,604,226	7,988,919

Represented by:

Current assets	
Conservancy and service fee receivables	299,150
Amount owing from Routine Fund	2,114,420
Other receivables	6,012,827
Interest receivable	82,225
Cash and bank balances	51,105,175
	59,613,797

Less:

Current liabilities	
Current tax payable	137,088
Payables and accrued expenses	2,893,728
	3,030,816

Net current assets

66,242,860	56,582,981
66,242,860	56,582,981

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

6 Town improvement and project fund

Note	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Balance at 1 April	1,092,000	850,000	1,044,801	809,254	47,199	40,746
Add:						
Transfer of reserves as at 27 October 2020 from Chua Chu Kang Town Council	-	191,642	-	187,279	-	4,363
	1,092,000	1,041,642	1,044,801	996,533	47,199	45,109
Transfer from government grants	2,146,980	1,202,689	2,057,880	1,152,777	89,100	49,912
Less:						
Payment to contractors	2,615,893	1,372,070	2,507,333	1,315,129	108,560	56,941
Deficit for the year	(468,913)	(169,381)	(449,453)	(162,352)	(19,460)	(7,029)
Appropriation from accumulated surplus	341,913	219,739	327,723	210,620	14,190	9,119
Balance at 31 March	965,000	1,092,000	923,071	1,044,801	41,929	47,199

Represented by:  
**Current asset**  
Other receivables

2,354,480 3,235,644

Less:  
**Current liabilities**  
Amount owing to Routine Fund  
Payables and accrued expenses

122,819	1,234,516
1,266,661	909,128
1,389,480	2,143,644
965,000	1,092,000

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\$2,615,893 (2021: S\$1,372,070) spent on town improvement projects, S\$2,146,980 (2021: S\$1,202,689) was met by payment from CCC.

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

7 (Receivable)/Advances received for Neighbourhood Renewal Programme

	<u>2022</u> S\$	<u>2021</u> S\$
Balance at 1 April	(251,440)	(895,839)
Transfer from Chua Chu Kang Town Council	-	1,443,104
Funding from government	367,683	335,260
Payment to contractors	<u>(4,166,440)</u>	<u>(1,133,965)</u>
Balance at 31 March	<u>(4,050,197)</u>	<u>(251,440)</u>
Represented by:		
Receivable for Neighbourhood Renewal Programme	(4,329,467)	(1,253,407)
Advances received for Neighbourhood Renewal Programme	<u>279,270</u>	<u>1,001,967</u>
Balance at 31 March	<u>(4,050,197)</u>	<u>(251,440)</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\$
<b>Cost</b>							
Balance at 1 April 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	3,411,325	466,520	259,566	179,705	934,829	1,568,188	2,517
Additions during the year	73,717	-	2,519	1,130	-	70,068	-
Disposals/written off	<u>(2,121)</u>	<u>(745)</u>	<u>(1,376)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2022	<u>3,482,921</u>	<u>465,775</u>	<u>260,709</u>	<u>180,835</u>	<u>934,829</u>	<u>1,638,256</u>	<u>2,517</u>
<b>Accumulated depreciation</b>							
Balance at 1 April 2020	1,860,213	463,648	177,334	156,266	932,283	130,682	-
Depreciation for the year (Note 21)	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	2,359,588	464,389	147,493	160,898	932,873	653,411	524
Depreciation for the year (Note 21)	595,624	847	49,171	6,613	1,379	536,354	1,260
Disposals/written off	<u>(2,115)</u>	<u>(740)</u>	<u>(1,375)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2022	<u>2,953,097</u>	<u>464,496</u>	<u>195,289</u>	<u>167,511</u>	<u>934,252</u>	<u>1,189,765</u>	<u>1,784</u>
<b>Carrying amount</b>							
Balance at 31 March 2022	<u>529,824</u>	<u>1,279</u>	<u>65,420</u>	<u>13,324</u>	<u>577</u>	<u>448,491</u>	<u>733</u>
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>

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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9 Intangible asset

	<b>Computer software S\$</b>
<b><u>Cost</u></b>	
At 1 April 2020	-
Additions	<u>644,411</u>
Balance at 31 March 2021	644,411
Additions	<u>-</u>
Balance at 31 March 2022	<u>644,411</u>
<b><u>Accumulated amortisation</u></b>	
At 1 April 2020	-
Amortisation charge for the year	<u>26,850</u>
Balance at 31 March 2021	26,850
Amortisation charge for the year	<u>107,402</u>
Balance at 31 March 2022	<u>134,252</u>
<b><u>Carrying amount</u></b>	
At 31 March 2022	<u>510,159</u>
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 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.

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

10 Financial assets at fair value through income and expenditure (Continued)

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

	<u>2022</u> S\$	<u>2021</u> S\$
Balance at beginning of year	42,053,114	38,778,038
Additions during the year	20,000,000	-
Proceeds from fund manager	(1,804)	(6,753)
Investment income	1,350,700	404,864
Management fees	(78,220)	(93,860)
Other expenses	(11,658)	(12,499)
Fair value gain/(loss)	<u>(932,764)</u>	<u>2,983,324</u>
Balance at end of year	<u>62,379,368</u>	<u>42,053,114</u>

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

	<u>2022</u> S\$	<u>2021</u> S\$
Investments in:		
Quoted equities	11,486,744	10,688,249
Quoted bonds	<u>48,937,331</u>	<u>29,568,216</u>
Financial assets at fair value through income and expenditure	60,424,075	40,256,465
Cash and deposits (Note 13)	1,682,431	1,607,973
Accrued interest and other receivables (Note 12)	280,986	192,729
Other Payables (Note 15)	<u>(8,124)</u>	<u>(4,053)</u>
Balance at end of year	<u>62,379,368</u>	<u>42,053,114</u>

11 Conservancy and service fee receivables

	<u>2022</u> S\$	<u>2021</u> S\$
Conservancy and service fee receivables	2,558,779	2,890,817
Interest receivable on late payments	191,327	208,456
Less: Allowance for impairment	<u>(1,051,020)</u>	<u>(1,072,311)</u>
	<u>1,699,086</u>	<u>2,026,962</u>
	<u>2022</u> S\$	<u>2021</u> S\$
Movements in above allowance:		
Balance at 1 April	(1,072,311)	(313,594)
Amount transferred from Chua Chu Kang Town Council (Charged to)/Write back income and expenditure statement (Note 21)	-	(663,120)
Allowance utilised	8,337	(102,354)
	<u>12,954</u>	<u>6,757</u>
Balance at 31 March	<u>(1,051,020)</u>	<u>(1,072,311)</u>

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

**11 Conservancy and service fee receivables (Continued)**

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

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

**12 Other receivables**

	<u>2022</u> S\$	<u>2021</u> S\$
Deposits	108,588	132,244
Prepayments	198,765	165,633
Claims for Citizens' Consultative Committee funding receivable	2,331,824	3,193,161
Lift Enhancement Programme ("LEP") grant receivable	1,715,046	2,912,221
Selective Lift Replacement Programme ("SLRP") grant receivable	1,301,402	1,785,179
Electrical Load Upgrading disbursement receivable	-	1,361,678
LRF Matching grant receivable	1,067,844	1,075,402
Receivables for funds with fund managers (Note 10)	280,986	192,729
Recoverables from contractors	138,069	380,130
Goods and services tax receivable	486,790	569,637
GST subvention receivable	535,106	535,607
ROS costs recoverable	812,353	812,353
Others	557,692	35,910
	<u>9,534,465</u>	<u>13,151,884</u>

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

**13 Cash and bank balances**

	<u>2022</u> S\$	<u>2021</u> S\$
Cash and deposits held by fund managers (Note 10)	1,682,431	1,607,973
Fixed deposits	146,950,192	145,153,432
Cash and bank balances	<u>28,546,422</u>	<u>27,066,053</u>
	<u>177,179,045</u>	<u>173,827,458</u>

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

13 Cash and bank balances (Continued)

The fixed deposits have an average maturity of 8.8 months (2021: 6.1 months) from the end of the financial year. The fixed deposits have weighted average effective interest rate of 0.65% (2021: 0.50%) per annum. Fixed deposit amounting to S\$50,290 (2021: 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>2022</u> S\$	<u>2021</u> S\$
Cash and bank balances as shown above	177,179,045	173,827,458
Cash and deposits held by fund managers (Note 10)	(1,682,431)	(1,607,973)
Pledged deposit	<u>(50,290)</u>	<u>(50,290)</u>
Cash and cash equivalents at end of year	<u>175,446,324</u>	<u>172,169,195</u>

14 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 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	916,770	914,777	1,993
Additions	70,068	70,068	-
Depreciation	<u>(537,614)</u>	<u>(536,354)</u>	<u>(1,260)</u>
At 31 March 2022	<u>449,224</u>	<u>448,491</u>	<u>733</u>

The total cash outflow for leases during the financial year ended 31 March 2022 is S\$580,020 (2021 : S\$470,550).

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

14 The Town Council as a lessee (continued)

(b) Lease liabilities

	<u>2022</u> S\$	<u>2021</u> S\$
Lease liability – non-current	34,396	415,083
Lease liability - current	<u>437,940</u>	<u>530,134</u>
	<u>472,336</u>	<u>945,217</u>

The maturity analysis of lease liabilities is disclosed in Note 27.

(c) Amounts recognised in income and expenditure

	<u>2022</u> S\$	<u>2021</u> S\$
Interest expense on lease liabilities	37,071	60,914
Expense relating to short term assets	43,940	39,648
Expense relating to low-value assets	4,596	4,596
Rent concession income	<u>-</u>	<u>94,000</u>

15 Payables and accrued expenses

	<u>2022</u> S\$	<u>2021</u> S\$
Trade creditors and accrued liabilities – Third parties	16,944,855	12,820,113
Trade creditors and accrued liabilities – Related party (Note 24)	1,300,768	2,045,565
Refundable deposits	283,152	283,245
Payables from fund with fund managers (Note 10)	8,124	4,053
Contributions for ROS**	14,461	8,861
Service and conservancy charge grant payable	1,801	712
Other creditors	<u>74,029</u>	<u>111,225</u>
	<u>18,627,190</u>	<u>15,273,774</u>

The average credit period taken to settle trade payables is about 30 days (2021: 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.

16 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 2022

17 Other income

	<u>2022</u> S\$	<u>2021</u> S\$
Administrative fees	12,700	11,474
Interest on late payment for sold flats	72,905	68,620
Interest on late payment for rented flats	17,406	16,059
Liquidated damages	261,813	259,490
Miscellaneous incentive and subsidies	123,264	121,443
Sundry fines	74,700	77,920
Sundry income	118,539	82,367
Rent concession income	-	94,000
Temporary Occupation Licence income	2,240,018	1,956,945
Temporary Occupation Licence income (one-time payment)	183,262	115,129
Use of common property	2,540	1,109
Use of void decks	-	(2,560)
Use of water and electricity in void decks	288,805	62,714
	<u>3,395,952</u>	<u>2,864,710</u>

During the last 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.

18 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\$6,822,063 (2021: S\$6,067,274) for the current financial year.

19 Sinking fund income and expenditure

(a) Income

	<u>2022</u> S\$	<u>2021</u> S\$
Interest Income - Bank fixed deposits	561,371	740,503
Income/gain on investment with fund managers	328,059	3,281,827
	<u>889,430</u>	<u>4,022,330</u>

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

19 Sinking fund income and expenditure

(b) Expenditure

	<u>2022</u> S\$	<u>2021</u> S\$
Reroofing works	2,073,406	266,255
Electrical rewiring	1,882,420	592,238
Replacement of water pumps	-	235,710
Replacement of booster pump	129,150	285,670
Redecoration and repainting	6,412,247	3,096,742
Replacement of water pipes	135,550	27,121
Replacement of refuse chute flushing system	-	147,530
Replacement of refuse handling equipment	1,074,600	1,478,856
Replacement of FRP water tanks	-	325,500
Project management fees	404,757	214,136
Other major works	536,738	186,098
General and administrative expenses (Note 21)	71,138	71,679
Unclaimable GST	111,631	106,243
	<u>12,831,637</u>	<u>7,033,778</u>

20 Lift replacement fund income and expenditure

(a) Income

	<u>2022</u> S\$	<u>2021</u> S\$
Interest Income - Bank fixed deposits	<u>304,342</u>	<u>345,872</u>

(b) Expenditure

	<u>2022</u> S\$	<u>2021</u> S\$
Replacement of main sheaves and ropes	1,475,616	1,426,503
Replacement of ARD batteries	221,400	142,262
Replacement of EBOPS batteries	44,428	65,653
Replacement of lift position display panels	386,598	717,057
Replacement of inverter units	1,083,955	433,806
Lift overhauls and replacement	804,596	679,883
Lift enhancement work	358,458	440,403
Project management fees	297,370	151,842
General and administrative expenses (Note 21)	38,306	38,595
Unclaimable GST	271,176	226,074
Others	5,226	96
	<u>4,987,129</u>	<u>4,322,174</u>

**WEST COAST TOWN COUNCIL****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022****21 General and administrative expenditure**

The general and administrative expenditure comprises the following:

	<u>2022</u> S\$	<u>2021</u> S\$
Advertising, publicity and public relations	225,446	217,007
Audit fee	47,000	50,000
Computer services fees	421,366	502,182
Depreciation of property, plant and equipment (Note 8)	595,624	563,391
Amortisation of intangible asset	107,402	26,850
Additional/(Write back) of doubtful debts (Note 11)	(8,337)	102,354
Lease expense	37,071	60,914
Plant and equipment not capitalised	403	3,329
Office expenses	301,550	272,731
Operating lease expense	43,940	39,648
Property tax	256,130	193,068
Unclaimable GST	209,881	180,439
Town Councillors' allowances*	190,800	166,800
Others	226,622	200,288
	<u>2,654,898</u>	<u>2,579,001</u>

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

This is allocated to the following expenditure:

	<u>2022</u> S\$	<u>2021</u> S\$
Operating expenditure	2,545,454	2,468,727
Sinking fund expenditure (Note 19(b))	71,138	71,679
Life replacement fund expenditure (Note 20(b))	38,306	38,595
	<u>2,654,898</u>	<u>2,579,001</u>

**22 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 19 (b)), life replacement fund expenditure (Note 20(b)) and general and administrative expenditure (Note 21) during the financial year.

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

23 Income tax

	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
Current financial year		594,663	594,409
Under/(Over) provision in respect of prior years		(114)	6,942
		<u>594,549</u>	<u>601,351</u>
Tax expense			
Taken up in:			
Income and expenditure statement			
- Current financial year		364,886	306,830
- Under provision in respect of prior years		25	55
	3	<u>364,911</u>	<u>306,885</u>
Sinking Fund			
- Current financial year		183,044	233,862
- (Over)/Under provision in respect of prior years		(139)	6,887
	4	<u>182,905</u>	<u>240,749</u>
Lift Replacement Fund			
- Current financial year		46,733	53,717
- Under/(Over) provision in respect of prior years		-	-
	5	<u>46,733</u>	<u>53,717</u>
		<u>594,549</u>	<u>601,351</u>

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>2022</u> S\$	<u>2021</u> S\$
Investment and interest income	1,788,250	2,150,750
Dividend income	18,987	48,821
Grant and other income	19,000,746	15,709,683
Less:		
Allowable expenses/Exempt Income	(321,768)	(292,717)
	<u>20,486,215</u>	<u>17,616,537</u>
Tax at statutory rate of 17%	3,482,656	2,994,811
Concessionary tax relief	(59,068)	(69,763)
Tax remission of government grants under Section 92(2) of Singapore Income Tax Act	(2,828,925)	(2,330,639)
Under/(Over) provision in respect of prior years	(114)	6,942
	<u>594,549</u>	<u>601,351</u>

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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**24 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>2022</u> S\$	<u>2021</u> S\$
Energy saving cost charged by a related party*	1,923,122	2,702,673
Management agent fee charged by a related party	6,822,063	6,067,274
Project management fee charged by a related party	526,375	201,660
Contract for services and works charged by a related party	18,317	84,286
Repair and maintenance works charged by a related party	<u>932,605</u>	<u>831,265</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.

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 2022

25 Government grants

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

	Total		Conservancy and service grant		Payment from Citizens' consultative committee		Lift maintenance grant		Government GST subvention		LRF matching Grant	
	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$	2022 S\$	2021 S\$
Government Grants received/receivable during the year	16,727,571	13,794,193	6,649,998	5,925,287	2,146,980	1,202,689	985,200	826,998	2,140,910	1,817,107	4,804,483	4,022,112
Less: Transfer to												
- Sinking fund	(2,541,788)	(2,228,042)	(1,728,999)	(1,540,575)	-	-	(256,152)	(215,019)	(556,637)	(472,448)	-	-
- Lift replacement fund	(6,173,138)	(5,221,827)	(931,000)	(829,540)	-	-	(137,928)	(115,780)	(299,727)	(254,395)	(4,804,483)	(4,022,112)
- Town improvement and project fund	(2,146,980)	(1,202,689)	-	-	(2,146,980)	(1,202,689)	-	-	-	-	-	-
	<u>5,865,665</u>	<u>5,141,635</u>	<u>3,989,999</u>	<u>3,555,172</u>	<u>-</u>	<u>-</u>	<u>591,120</u>	<u>496,199</u>	<u>1,284,546</u>	<u>1,090,264</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:

	2022 S\$	2021 S\$
Total grants received/receivable at 1 April	210,289,071	196,494,878
Grants received/receivable during the year	<u>16,727,571</u>	<u>13,794,193</u>
Total grants received/receivable as at 31 March	<u>227,016,642</u>	<u>210,289,071</u>

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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26 Commitments for capital expenditure

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

	<u>2022</u> S\$	<u>2021</u> S\$
Amounts approved and contracted for	48,923,525	22,061,878
Amounts approved but not contracted for	<u>77,196,720</u>	<u>91,723,447</u>
	<u>126,120,245</u>	<u>113,785,325</u>

27 Risk management policies for financial instruments

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

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

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

***Credit risk***

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

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.

## 27 Risk management policies for financial instruments (Continued)

*Credit risk (Continued)*

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 <sup>Note 1</sup>	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 <sup>Note 2</sup> or financial asset is > 1 month past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired <sup>Note 3</sup>	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 <sup>Note 4</sup>	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.

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.

27 Risk management policies for financial instruments (Continued)

*Credit risk (Continued)*

Note 3. Credit impaired

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

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

Note 4. Write off

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

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

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

Conservancy and service fee receivables (Note 11)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
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## 27 Risk management policies for financial instruments (Continued)

*Credit risk (Continued)*Conservancy and service fee receivables (Note 11) (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 &lt; 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>
<b>31 March 2022</b>						
Expected credit loss rates	0%	0%	25%	50%	100%	100%
Conservancy and service fee receivables (gross) (S\$)	660,006	298,188	377,569	532,776	690,240	2,558,779
Loss allowance (S\$)	-	-	94,392	266,388	690,240	1,051,020
<b>31 March 2021</b>						
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

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>Internal credit risk grading</u>	<u>Conservancy and service fee receivables</u>	
	<u>2022 S\$</u>	<u>2021 S\$</u>
<b>Loss allowance</b>		
Balance at 1 April	1,072,311	313,594
Transfer from Chua Chu Kang Town Council	-	663,120
Write off/(back) recognised	(8,337)	102,354
Impairment loss recognised	(12,954)	(6,757)
Balance at 31 March	<u>1,051,020</u>	<u>1,072,311</u>
<b>Gross carrying amount</b>		
At 31 March	<u>2,558,779</u>	<u>2,890,817</u>
<b>Net carrying amount</b>		
At 31 March	<u>1,507,759</u>	<u>1,818,506</u>

Other receivables (Note 12) and Receivable for Neighbourhood Renewal Programme (Note 7)

As of 31 March 2022, the Town Council recorded other receivables excluding prepayments and GST receivables of S\$8,848,910 (31 March 2021: S\$12,416,614) and receivable for neighbourhood renewal programme of S\$4,329,467 (31 March 2021: S\$1,253,407).

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.

**27 Risk management policies for financial instruments (Continued)*****Credit risk (Continued)***Financial assets at fair value through income and expenditure (Note 10)

The Town Council's 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 (2021: 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\$367,489 (2021: S\$288,668) 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:

	<u>Total</u> S\$	<u>Less than</u> <u>1 year</u> S\$	<u>Between</u> <u>2 and 5 years</u> S\$
<b><u>As at 31 March 2022</u></b>			
Conservancy and service receivables	1,699,086	1,699,086	-
Other receivables (excluding prepayments and GST receivables)	8,848,910	8,848,910	-
Receivable for Neighbourhood Renewal Programme	4,329,467	4,329,467	-
Interest receivable	336,995	336,995	-
Cash and bank balances	177,179,045	177,179,045	-
	<hr/>	<hr/>	<hr/>
Lease liabilities	484,670	448,970	35,700
Payables and accrued expenses	18,627,190	18,627,190	-
	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 27 Risk management policies for financial instruments (Continued)

*Liquidity risk (Continued)*

	<u>Total</u> S\$	<u>Less than</u> <u>1 year</u> S\$	<u>Between</u> <u>2 and 5 years</u> S\$
<b>As at 31 March 2021</b>			
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	-

*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.

## 28 Management of Town Council's funds

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

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

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

There were no changes in the Town Council's approach to funds management during the financial year. The Town Council is not subject to externally imposed requirements. As at the end of the reporting period, the Town Council's total funds amounted to S\$232,851,000 (2021: S\$212,959,190).

**NOTES TO THE FINANCIAL STATEMENTS  
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**29 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
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.

**30 Fair value of financial instruments**

**Fair values**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
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**30 Fair value of financial instruments (Continued)****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)

**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 2022.

	<u>Level 1</u> S\$	<u>Level 2</u> S\$	<u>Level 3</u> S\$	<u>Total</u> S\$
<u>Recurring fair value measurement</u>				
<u>At 31 March 2022</u>				
Financial assets, fair value through income and expenditure (Note 10)	60,424,075	-	-	60,424,075
<u>Recurring fair value measurement</u>				
<u>At 31 March 2021</u>				
Financial assets, fair value through income and expenditure (Note 10)	40,256,465	-	-	40,256,465

**31 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 will 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.