

Chairman's Review

Over the years, we have seen a shift in Singaporean's expectations and aspirations as our country enjoyed continued economic progress. This has posed new challenges to the role of the Town Council, how the Council is managed, as well as how we operate.

It is now ever more crucial for the Council to stay grounded and focus on our core functions and responsibilities. The Council needs to carefully manage multi-fold challenges to balance rising expectations and cost, while discharging our functions and responsibilities.

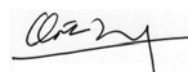
The Council believes that we need to focus on "service from the heart" and to serve with empathy. We will internalize the need for continual improvement in the delivery of our services.

West Coast Town Council has been very mindful of keeping costs down, while ensuring that residents still receive value-for-money services. We will continue to enhance the physical living environment in West Coast Town, through constant upgrading and improvements to the common property of the HDB estate, to provide quality living environment for our residents.

This report provides an overview of our achievements in FY 2010/11 in terms of fiscal management, our efforts in the maintenance and upkeep of the Town, environmental management and community relations.

I am confident that we will be able to face and overcome the challenges ahead with the invaluable support from our residents, and the partnership forged over the years with the various public agencies, Town Councillors, grassroots leaders and the staff of the two Managing Agents. I would also like to thank my Parliamentary colleagues for their invaluable support.

We welcome residents' feedback and suggestions on how we can serve you and continue to implement improvements that are beneficial, to make our estate an even better home for all us.



Arthur Fong
Chairman



Town Council Appointments

In recognition of their service and contributions to the community, the following Town Councillors were awarded the National Day Awards in August 2010:

Bintang Bakti Masyarakat (Lintang) or Public Service Star (Bar)

Mr Ng Kim Chang

Bintang Bakti Masyarakat or Public Service Star

Mr Low Yan How

The Council extends our congratulations to Mr Ng Kim Chang, BBM(L) and Mr Low Yan How, BBM and we welcome their continued service in the Council.

The Council would like to place on record, our warm welcome to the following Town Councillors who were appointed with effect from 1 June 2010:

Mr Cheong Sun Tze Jackson

Ms Ho Soon Kwee Margaret

Mr Koh Leong Joon Richard

Ms Leong Oon Ho, PBM

Mr Low Soon Sim, PBM

Mr Ng Chor Teck

Mr Rosli Bin Kechik

Mr Wong Mun Yip Terence

The Council would also like to express our appreciation for the invaluable services and contributions rendered by the following Councillors who stepped down on 31 May 2010:

Mr Mohamed Ariffin Bin Sani

Mr Chneo Eng Tiong Steven

Mr Handra Sapri Bin Salamat

Mr Koo Kock Meng

Mr Tan Wah Sng Watson

Mr Yeo Kim Seng Eric, PBM

Mr Ong Ann Pang, PBM

Mr Tan Guee Pang, PBM

Town Council Offices

The West Coast Town Council (Clementi Office) has been relocated to Block 441A Clementi Avenue 3 #02-01 Singapore 121441, with effect from 11 April 2011.

The other office remained at Block 509 Jurong West Street 51 #01-159 Singapore 640509, serving the residents of Boon Lay and Pioneer.

In addition, residents in Telok Blangah and Depot Road Estates are now served via a Service Centre set up at Block 82 Telok Blangah Drive. This will allow the Town Council to better respond to maintenance feedback on the ground within a shorter time.

Fiscal Management

The Council has always practised prudent and judicious management of our finances. We will continue to adopt a balanced and cautious approach in our investment strategy and channel the returns towards improvements to the living environment in the Town.

For the financial year ended 31 March 2011, the Council recorded an operating surplus of \$1.75 million, after government grant. This was a decrease from \$3.45 million in the previous financial year, due mainly to a 16 per cent increase in electricity tariff compared to FY 2009/10. Without the government grant, the Council would have incurred an operating deficit of \$3.63 million.

Service & Conservancy Charges (S&CC)

In spite of tremendous pressure posed by rising costs, the Council held on to the existing S&CC since its last revision in September 2004. This is achieved through prudent management of expenditure and adopting energy saving initiatives like the use of LED block number and directional signs which are more energy efficient, replacing existing common area and outdoor lighting with energy saving T5 fluorescent tubes and amalgam lamps and installing Energy Saving Devices in switch rooms.

Since 1 July 2007, the Council has been absorbing the two per cent increase in GST from five per cent to seven per cent on the S&CC for HDB residential properties. We will continue to do so, to provide some relief for our residents.

The Council continued to receive S&CC grants from the government for the one-room to four-room HDB flats. The government also provided S&CC rebates ranging from half a month net S&CC to two months net S&CC to eligible Singapore citizen lessees/tenants staying in one-room to Executive flats.

Arrears Management

At the end of FY 2010/11, 13.8 per cent of the accounts were in arrears of \$1.06 million in total. This is a drop of 0.09 per cent and 12.40 per cent in terms of accounts and amount in arrears respectively, over FY 2009/2010.

For residents who are not in any financial hardship but chose not to pay their S&CC promptly, the Council took steps to recover S&CC in arrears from them, by imposing late payment penalty fee and administrative charges and initiating court actions. The Council would continue in our efforts to encourage residents to pay their S&CC promptly by exploring additional convenient payment modes besides GIRO, recurring credit card payment scheme, NETS, internet banking.

At the same time, we will remain sympathetic towards residents who are in arrears due to genuine financial hardship and will offer ready assistance to needy residents. The Council would allow these residents to pay off the S&CC arrears by instalment or even consider deferment of payment, based on individual merits.

The Council continues to refer residents who are in genuine financial hardship to welfare agencies, Community Development Council and other community-based organizations for welfare aid and job matching.

Investment of Funds

The Town Council continues to invest our funds conservatively, cautiously and prudently in strict compliance with the stipulations in the Town Councils Act, Town Councils Financial Rules and guidelines issued by the Ministry of National Development.

The key consideration is to generate returns to offset the rate of inflation and increase the long term value of our funds, so that the portion of funds that was not needed for immediate use could be better utilized to generate returns for future use.

The Council adopts asset class allocation viz cash, bonds issued by government/statutory boards, as well as fund management. The investments are further diversified in terms of institutional and strategic diversification. In FY 2010/11, \$7 million was invested in bonds; \$39 million was invested with fund managers and \$52.32 million placed in fixed deposits.

Maintenance Management and Estate Improvement

The Council has a comprehensive system comprising routine inspections to check on maintenance defects and work processes to ensure that defects that were spotted during our checks as well as maintenance feedback from the residents are addressed promptly. The Council will continue to pay close supervision to the performance of our Term Contractors and will strive to constantly review and to better our maintenance work methods.

Town Council Management Report (TCMR)

The Town Council Management Report (TCMR) framework was introduced by the Ministry of National Development (MND) in September 2009 to provide residents with information on key areas of how their town is managed. It will also help residents and Town Councils determine how their Town's performance improves over time.

The results of the second and third Town Council Management Report (TCMR) which cover the period of assessment from April 2010 to September 2010 and October 2010 to March 2011 were released in December 2010 and July 2011 respectively. West Coast Town Council's results were as follows:

April 2010 to September 2010			October 2010 to March 2011		
Assessment Criteria		Result	Assessment Criteria		Result
Cleanliness		Level 1	Cleanliness		Level 2
Maintenance		Level 3	Maintenance		Level 3
Lift Performance	Lift Breakdown	Level 1	Lift Performance	Lift Breakdown	Level 1
	ARD Failure	Level 1		ARD Failure	Level 1
S&CC Arrears Management	Amount in Arrears	Level 1	S&CC Arrears Management	Amount in Arrears	Level 1
	Households in Arrears	Level 1		Households in Arrears	Level 1

In the second TCMR, West Coast Town Council's performance for Cleanliness and S&CC Arrears Management (Accounts in Arrears) improved from Level 2 to Level 1.

For both TCMR assessment periods, the Council maintained our Level 1 performance for the other areas, and is among 10 of the 16 Town Councils which achieved “Level 3” in the area of Maintenance. However, our rating for cleanliness fell from Level 1 to 2 in the third TCMR assessment. Graffiti, stains on walls and floors, litter and indiscriminate pasting of advertisements on walls contribute significantly to the drop in cleanliness, placing West Coast Town Council among the seven Town Councils with Level 2 performance.

West Coast Town Council will review the reasons for the dip in cleanliness rating and work to improve our results in the area of Cleanliness. We will step up on our supervision of the cleaners and maintenance workers, and monitor their performance closely. There will also be more regular audits on the quality of cleaning and maintenance works.

At the same time, we will strive to maintain our results in the other areas that we have done well.

Our residents play an influential role in how well we will perform for TCMR. The cleanliness of our estate and the maintenance of our facilities are the shared responsibility of residents as well as the cleaners and maintenance workers, and require the cooperation and concerted efforts from all parties.

We appeal to our residents to help the Council in the upkeep of your estate, through simple acts such as keeping the common area clean, tidy, clear of obstruction and free of hazards; using the facilities with due care; not to erect unauthorized structures such as clothes drying racks, blinds, etc. at the common areas. These simple efforts will result in a more pleasant environment. They also keep maintenance costs under control, as repairs cost money.

At the same time, residents can act as additional “eyes” in the estate and feedback on the maintenance defects to the Council for prompt rectification. Residents can also help by paying their S&CC on time. We will continue to engage our residents to improve our performance in the TCMR.

Cyclical Maintenance Works

For FY 2010/11, the Council spent about \$23.57 million on cyclical maintenance works such as repairs and repainting, re-wiring, re-roofing, replacement of transfer and booster pumps, replacement of refuse chute flushing systems as well as lift works for those blocks where such works are due. This expenditure also includes the Council’s share of the costs of Lift Upgrading Programmes implemented within West Coast Town.

Community Improvement Works

Community improvement works is an on-going process to enhance the quality of the physical living environment. As part of our continual improvement to the estate, the Council spent \$3.06 million on community improvement projects in FY 2010/11.

The Council is mindful of spending funds on practical improvement projects which provides much convenience and benefits to the residents, rather than on items that are nice to have.

On the top of the list are covered walkways from the nearest block to bus-stops and between blocks which are well-received among residents, as they provide much needed shelter from rain and shine. In addition, the Council continued with its Barrier-Free Access (BFA) programme within the Town to meet the needs of the ageing population and residents with mobility difficulties. This is in line with the government's commitment to make all HDB estates barrier-free by Year 2011.

Other improvement works to the Town included construction of fitness corners for adults and senior citizens, game courts, residents' corners, provision of seating facilities, upgrading of children's playgrounds, etc.

The Council will continue to work closely with the Grassroots Organizations to provide the necessary and beneficial improvement projects for our residents.

Energy Saving Initiatives

The electricity supply for the contestable accounts was contracted to M/s Senoko Energy Supply who offered a discount of 1 per cent, based on the rates of Singapore Power.

Electricity usage constitutes a large percentage of the Council's monthly utility expenditure. With rising energy costs, the Council recognized the need for better control in our utility expenditure and has implemented energy saving measures to reduce electricity consumption in the long run. This will in turn, reduce the Council's monthly utility expenditure.

All common area lightings at the blocks have been replaced with the more energy-efficient T5 fluorescent tubes. For those blocks where the common area lights are yet to be changed to T5 fluorescent tubes, Energy Saving Devices were installed in switch rooms of the blocks. These blocks will be re-lamped with T5 fluorescent or LED tubes when the blocks undergo cyclical re-wiring works.

In addition, existing illuminated block number signs and block directional signs have been replaced with LED-lighted ones progressively while existing 125W mercury lamps for outdoor lightings have been replaced with either energy saving amalgam lamp or LED lighting. The Time Control switches for the corridor lights have also been pre-set to coincide with changing daylight hours throughout the year.

The Council will continue to explore ways to reduce electricity consumption within the common areas of West Coast Town. However, residents can be assured that their safety is of topmost concern to the Council and it will not be compromised in any way.

Main Upgrading Programme (MUP), Interim Upgrading Programme Plus (IUP Plus), Lift Upgrading Programme (LUP) and Home Improvement Programme (HIP), Revitalisation of Shops Scheme (ROS)

The following precincts in West Coast Town will benefit from the various HDB's major upgrading programmes:

Ayer Rajah – West Coast		Status
LUP	Blocks 601 to 603, 608 and 609 Clementi West Street 1	Completed in 4 th quarter 2010
	Blocks 513 to 515, 518 to 520 West Coast Road	
	Blocks 728 to 731 Clementi West Street 2	In progress. Work expected to complete in 2 nd quarter 2012
	Blocks 401 to 409, 413 to 416 Pandan Gardens	In progress. Work expected to complete in 4 th quarter 2013
	Block 511 West Coast Drive	Work expected to start in 2 nd /3 rd quarter 2011 and expected to complete by end 2012
IUP Plus	Blocks 604 to 607, 610 to 613 Clementi West Street 1	In progress. Work expected to complete in 2 nd quarter 2011
HIP cum IUP Plus	Blocks 604 to 607 and 610 to 613 Clementi West Street 1	Completed in 3 rd quarter 2010

Boon Lay		Status
LUP	Blocks 521, 524, 525, 527, 528, 530, 531, 534 to 536 Jurong West Street 52	Completed in 2 nd quarter 2011
HIP	Blocks 185 to 187 Boon Lay Avenue and Block 221 Boon Lay Place	Work expected to start in 1 st quarter of 2011, and complete in 4 th quarter of 2012
ROS	Boon Lay Shopping Centre at Block 221 Boon Lay Place	Work is expected to start in 1 st quarter 2011 and complete in mid-2012
Clementi		Status
LUP	Blocks 326 to 331 Clementi Avenue 2/5	Completed in June 2010
	Blocks 339 to 342 and 345 Clementi Avenue 3	
	Blocks 426 to 435 Clementi Avenue 5	In progress. Work expected to complete in 1 st quarter 2012
	Blocks 324 and 325 Clementi Avenue 5 and Blocks 332 to 334 Clementi Avenue 2	In progress. Work expected to complete in 3 rd quarter 2013
	Blocks 371 to 381 Clementi Avenue 4/5	In progress. Work expected to complete in 2 nd quarter 2013
	Blocks 343, 346 to 352, 354, 358, 359, 362 to 365 Clementi Avenue 2/5	
	Blocks 410 to 412 Commonwealth Avenue West	In progress. Work expected to complete in 1 st quarter 2013
LUP	Blocks 442, 446, 449 and 450 Clementi Avenue 3	In progress. Work expected to complete in 3 rd quarter 2012
Telok Blangah		Status
MUP	Blocks 58 to 61 Telok Blangah Heights	Completed in 3 rd quarter 2010
LUP	Blocks 50, 51, 75 & 77 Telok Blangah Drive and Blocks 56 and 57 Telok Blangah Heights	In Progress. Work expected to complete in 4 th quarter 2012
HIP	Blocks 72 to 77 Telok Blangah Heights/Drive	In progress. Work expected to complete in 1 st quarter 2012

Hawker Centres Upgrading Programme (HUP)

Stallholders at the market and cooked food centre at Block 448 Clementi Avenue 3 resumed business on 1 November 2010 after the completion of upgrading works. The centre was closed for 8 months whilst undergoing the Hawker Centres Upgrading Programme (HUP).

The upgrading cost of \$3.65 million was fully borne by the government. To provide some relief to the stall holders of 105 market stalls and 51 cooked food stalls, the S&CC during the period of upgrading was waived.

Customers now enjoy new seats and tables, and other enhancements to market and cooked food centre includes better ventilation, lighting and drainage.

In addition, the market and cooked food centres at Block 353 Clementi Avenue 2 and Block 82 Telok Blangah Drive have also been selected for HUP, and the upgrading cost of both projects will be fully borne by the government. Upgrading work for Block 353 Clementi Avenue 2 is expected to commence in first quarter of 2012 and complete by fourth quarter of 2012 while work for Block 82 Telok Blangah Drive is expected to commence in mid-2011 and complete in fourth quarter of 2011.

Environmental Management

Every resident can be involved in the upkeep of the estate by keeping the common areas clean and treating the common facilities with care. It may not take much effort on the part of the residents but it would make a visible difference. The Council has been emphasizing on the adoption of good social habits amongst our residents through the aid of educational posters, newsletters and grassroots events.

Best Public Restroom Caretaker Competition 2010

The Town Council again held its “Best Public Restroom Caretaker Competition” within West Coast Town to recognize the tireless efforts of the restroom caretakers in keeping the restrooms clean.

The competition also aims to raise and maintain a high standard of cleanliness of the public restrooms in the HDB market/cooked food centres and shopping centres within West Coast Town, by creating awareness amongst the users.

A clean restroom with facilities in good working condition is a pleasure to use and is not the achievement of the caretaker solely. Users play a vital role too. We would like to drive home the message that the cleanliness of the public restrooms depends very much on everyone, and users can contribute by keeping the toilets clean and by using the toilets’ facilities and fittings responsibly and properly.

Mosquito Control

The dengue threat is omnipresent and to minimize the threat, it requires ceaseless and collective efforts of the Grassroots Organizations, the National Environment Agency (NEA), the Council and most importantly, our residents.

The Council spent about \$25,000 monthly on its continuous mosquito control efforts for the whole town through its Dedicated Mosquito Control Programme. The Pest Control Operator (PCO) appointed by the Council focused on source reduction exercise to identify and eradicate mosquito breeding habitats at the common areas and open spaces. On top of this, the Council’s task force was also deployed to flush the drains and place abate granular insecticide/anti-mosquito oil in the drains and gullies regularly.

One of the main sources of breeding is in discarded receptacles at the common areas and open spaces as well as drains. Hence, the conservancy and cleaning term contractors have been directed to promptly remove unwanted receptacles as well as litter found discarded by the residents, during their daily cleaning round.

Residents must help to eliminate breeding in the common areas by not littering and indiscriminately disposing unwanted belongings at the common areas and open spaces. We will continue to highlight the importance of dengue prevention to our residents through public education via our newsletters, posters on notice boards, banners and community events.

Enforcement of Outdoor Display Areas (ODA)

The safety of our residents cannot be compromised. The Council continues to appoint a term contractor to carry out surveillance and enforcement of the Outdoor Display Area of the shop fronts within the Town to safeguard the safety of our residents.

At the same time, the Council seeks the full co-operation of shop lessees/ tenants to reduce the clutter along shop fronts. This will contribute towards making the Town safer and a more conducive place to shop.

National Recycling Programme

The Council will continue to work with the National Environment Agency (NEA) and its two appointed Public Waste Collectors (PWCs) to implement recycling schemes in West Coast Town. Centralized recycling depositories were set up at various locations in the Town to supplement the PWCs' fortnightly door-to-door collection of recyclable material using plastic bags.

Community Relations

The Grassroots Organizations and the Council have been working closely to promote a sense of belonging among our residents through community events and other channels like notices, flyers, posters, newsletters, etc. to communicate to our residents and to keep them updated on the latest happenings in our Town.

Besides dialogues between the individual MPs and their residents, as well as their house-to-house visits, we will continue to seek ways to engage our residents so that residents have greater sense of ownership in their estate.

West Coast GRC Family Day

West Coast GRC celebrated its Family Day in a big way at Jurong Central Park on Sunday, 19 September 2010.

There were a wide variety of activities for everyone and it was an excellent opportunity for family members and neighbours to enjoy a fun-filled day together.

Town News

We have started on a series of feature articles relating to Town Council's work e.g. Conservancy & Cleaning Work, Lift Maintenance, TC Financial Year results, etc in our quarterly newsletter, *Town News*. This would give residents an insight into what the Town Council is doing, as well as the areas that our residents can help in the upkeep of our estate.

Town News, which features Town Council news as well as community updates, has a circulation of 69,000 copies and is distributed to the lessees/tenants of all HDB residential and commercial properties within the Town.

In addition, the Town Council published a Special Edition of *Town News* to highlight the major Upgrading Programmes, cyclical maintenance work and major town improvement projects that are completed, in progress and in the pipeline. This was distributed to all HDB residential and commercial properties within the Town in March 2011.

Communicating Electronically

The West Coast Town Council website serves as a information source for residents, providing essential Town Council related information like the Council's line-up and duties and functions, Town Council's services, Town Map, schedule of Meet-the-People Sessions of the Elected Members of West Coast Town, Council's by-laws, S&CC and payment modes, important notices, annual report, as well as past and current issues of our newsletter, etc. It is also an avenue for residents to communicate their feedback to the Council.

National Day Celebrations

In celebration of our nation's 45th birthday, the Council collaborated with the South West Community Development Council (CDC) to put up celebratory bannerettes along designated major roads within the Town. The Council also collaborated with the Grassroots Organizations to put up decorative billboards within the respective divisions.

Wall Calendar and Pocket Calendar

The Year 2011 West Coast Town Council wall calendar was produced in collaboration with the South West Community Development Council (CDC). The calendar was distributed to the lessees/tenants of every HDB flats, shops and market/cooked food stalls in the Town, as well as to residents staying in the private estates.

The Council also printed a pocket-sized calendar which was distributed to the lessees/tenants of every HDB flats, shops and market/cooked food stalls in the Town. The calendar also contains a list of important telephone numbers and the Meet-the-People schedule of their respective MPs.

We Value Feedback

Residents with feedback can reach us by calling our offices, by post or fax, by email or using the feedback/suggestion form found in the Council's website. In addition, residents could also raise their concerns through their grassroots leaders, Town Councillors and their Members of Parliament during the regular house-to-house visits, dialogue sessions, community events and Meet-the-People sessions.

We will stay close to the ground and remain accessible to our residents. We welcome and value feedback from our residents which will spur us on to strive for improvement in our services.

Financial statements

WEST COAST TOWN COUNCIL

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

For the year ended 31 March 2011

Contents

	Page
Independent auditor's report	1
Statement of financial position	3
Income and expenditure statement	4
Statement of comprehensive income	5
Statement of changes in funds	6
Statement of cash flows	7
Notes to the financial statements	8

Independent auditor's report to the members of West Coast Town Council

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

We have audited the accompanying financial statements of West Coast Town Council ("the Town Council"), which comprise the statement of financial position as at 31 March 2011, the income and expenditure statement, statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Town Council's responsibility for the financial statements

The Town Council is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Town Councils Act, Cap. 329A ("the Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguard 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 income and expenditure statements and balance sheets and to maintain accountability of assets.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town Council's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Town Council's management, as well as evaluating the overall presentation of the financial statements.

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

Independent auditor's report to the members West Coast Town Council (Cont'd)

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Town Council as at 31 March 2011, and of the results, changes in funds and cash flows of the Town Council for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Town Council have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing has come to our notice that caused us to believe that the receipt, expenditure and investment of monies and the acquisition and disposal of assets of the Town Council during the financial year ended 31 March 2011 have not been made in accordance with the provisions of the Act.

Foo Kon Tan Grant Thornton LLP
Public Accountants and
Certified Public Accountants

Singapore, 15 July 2011

Statement of financial position

as at 31 March 2011

	Note	2010/2011 \$	2009/2010 \$
TOWN COUNCIL FUND			
RESIDENTIAL PROPERTY FUNDS			
Accumulated surplus	3	1,693,612	2,848,400
Sinking fund	4	79,442,246	79,943,409
Town improvement and project fund	5	3,521,264	3,521,264
		84,657,122	86,313,073
COMMERCIAL PROPERTY FUNDS			
Accumulated surplus	3	8,854,516	7,332,726
Sinking fund	4	16,952,294	17,661,325
Town improvement and project fund	5	378,736	378,736
		26,185,546	25,372,787
CARPARK FUNDS			
Accumulated surplus	3	782,138	186,856
		111,624,806	111,872,716
Represented by:			
NON-CURRENT ASSETS			
Plant and equipment	6	784,296	25,828
Held-to-maturity financial assets	7	7,000,000	7,000,000
		7,784,296	7,025,828
Current Assets			
Financial assets at fair value through profit or loss	8	36,729,042	36,553,169
Held-to-maturity financial assets	7	-	-
Conservancy and service receivables	9	1,213,479	1,294,023
Other receivables	10	7,277,181	7,366,412
Interest receivable		111,454	107,075
Cash and bank balances	11	67,773,842	69,292,715
		113,104,998	114,613,394
TOTAL ASSETS		120,889,294	121,639,222
Less:			
CURRENT LIABILITIES			
Conservancy and service fees received in advance		654,406	657,491
Creditors and accrued expenses	12	8,032,872	8,357,390
Current tax payable		577,210	751,625
		9,264,488	9,766,506
NET CURRENT ASSETS		103,840,510	104,846,888
		111,624,806	111,872,716

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

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 ARTHUR FONG
 Chairman

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 TAY ENG HWA
 Secretary

Date: 15 July 2011

Income and expenditure statement for the financial year ended 31 March 2011

	Note	2010/2011 \$	2009/2010 \$
OPERATING INCOME			
Conservancy and service fees		40,322,087	39,957,884
Less: Operating transfer to sinking fund (minimum required by law)	4	13,582,275	13,462,332
		26,739,812	26,495,552
Agency fees	13	3,688,317	3,474,383
Other income	14	2,113,889	1,955,723
		32,542,018	31,925,658
Less:			
OPERATING EXPENDITURE			
Cleaning works		5,465,016	5,466,658
Managing agent's fees	15	4,834,334	4,748,623
Lift maintenance		4,763,340	4,393,335
Other works and maintenance		6,166,036	6,320,155
Water and electricity		12,703,524	11,278,857
General and administrative expenditure	17	2,155,868	1,515,636
		36,088,118	33,723,264
OPERATING DEFICIT		(3,546,100)	(1,797,606)
Add:			
NON-OPERATING INCOME			
Interest income		64,949	47,379
DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS		(3,481,151)	(1,750,227)
Less:			
Income tax	19	151,887	142,117
DEFICIT AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS		(3,633,038)	(1,892,344)
Add:			
Government Grants	20	13,307,670	10,647,544
Less: Transfer to sinking fund	4	5,649,179	2,499,402
Less: Transfer to town improvement and project fund	5	2,276,910	2,804,895
		5,381,581	5,343,247
SURPLUS FOR THE YEAR		1,748,543	3,450,903
Add:			
Accumulated surplus at 1 April		10,367,982	7,801,303
Less:			
Appropriation to town improvement and project fund	5	786,259	884,224
ACCUMULATED SURPLUS AT 31 MARCH		11,330,266	10,367,982

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

Statement of comprehensive income
for the financial year ended 31 March 2011

	Note	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY		CARPARK	
		2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
Surplus/(deficit) for the year:									
- Accumulated surplus	3	1,748,543	3,450,903	(416,019)	1,369,277	1,569,280	1,550,595	595,282	531,031
- Sinking fund	4	(1,210,194)	(9,166,983)	(501,163)	(7,890,881)	(709,031)	(1,276,102)	-	-
- Town improvement and project fund	5	(786,259)	(1,626,491)	(738,769)	(1,522,070)	(47,490)	(104,421)	-	-
Total (deficit)/surplus for the year		(247,910)	(7,342,571)	(1,655,951)	(8,043,674)	812,759	170,072	595,282	531,031
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the year attributable to Town Council Fund		(247,910)	(7,342,571)	(1,655,951)	(8,043,674)	812,759	170,072	595,282	531,031

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

Statement of changes in funds
for the financial year ended 31 March 2011

	TOTAL		RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY		CARPARK	
	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
Balance at 1 April	111,872,716	119,215,287	86,313,073	94,356,747	25,372,787	25,202,715	186,856	(344,175)
Total comprehensive (loss)/income	(247,910)	(7,342,571)	(1,655,951)	(8,043,674)	812,759	170,072	595,282	531,031
Balance at 31 March	111,624,806	111,872,716	84,657,122	86,313,073	26,185,546	25,372,787	782,138	186,856

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

Statement of cash flows

for the financial year ended 31 March 2011

	Note	2010/2011 \$	2009/2010 \$
Cash Flows from Operating Activities			
Deficit before taxation and government grants		(3,481,151)	(1,750,227)
Adjustments for:			
Conservancy and service fees transferred to sinking fund	4	13,582,275	13,462,332
Depreciation of plant and equipment	17	17,703	15,386
Plant and equipment written off		1	83
Interest income	3	(64,949)	(47,379)
Operating surplus before working capital changes		10,053,879	11,680,195
Decrease/(increase) in conservancy and service fees and other receivables		305,147	(762,464)
(Decrease)/increase in creditors and conservancy and service fees received in advance		(327,603)	2,466,836
Cash generated from operations		10,031,423	13,384,567
Income tax paid		(479,776)	(239,794)
Sinking fund recovery income	16(a)	1,741,696	1,043,411
Sinking fund expenditure	16(b)	(23,569,883)	(28,277,606)
Town improvement and project fund expenditure	5	(3,063,169)	(4,431,386)
Net cash used in operating activities		(15,339,709)	(18,520,808)
Cash Flows from Investing Activities			
Purchase of plant and equipment	6	(776,172)	(4,279)
Interest received		428,567	758,865
Purchase of bonds	7	-	(5,000,000)
Redemption of matured bonds	7	-	5,000,000
Placement of fund with fund managers	8	(13,000,000)	(26,000,000)
Redemption of matured fund with fund managers	8	16,444,003	-
Net cash generated from/(used in) investing activities		3,096,398	(25,245,414)
Cash Flows from Financing Activities			
Cash restricted in use		(4,452)	-
Government grants received		13,191,703	11,451,395
Net cash generated from financing activities		13,187,251	11,451,395
Net increase/(decrease) in cash and cash equivalents		943,940	(32,314,827)
Cash and cash equivalents at beginning of year		63,496,956	95,811,783
Cash and cash equivalents at end of year	11	64,440,896	63,496,956

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

Notes to the financial statements

for the financial year ended 31 March 2011

1 GENERAL INFORMATION

The Town Council was established on 13 November 2001 under the Town Councils Act (Chapter 329A) and commenced operations on 1 January 2002. The name was changed from West Coast-Ayer Rajah Town Council to West Coast Town Council on 26 May 2006. 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 Town comprises the West Coast Group Representation Constituency.

The financial statements of the Town Council for the financial year ended 31 March 2011 were authorised for issue by the members of Town Council on 15 July 2011.

The head office of the Town Council is situated at :

Blk 441A Clementi Avenue 3
02-01
Singapore 121441

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) ACCOUNTING CONVENTION

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

(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(ii) Adoption of new and revised standards

On 1 April 2010, the Town Council has adopted the following FRS and INT FRS, where relevant to the Town Council, which are mandatory for application:

No.	Title
FRS 27	Consolidated and Separate Financial Statements
FRS 32	Classification of Rights Issues (Amendments to FRS 32)
FRS 39	Amendments to INT FRS 109 and FRS 39 - Embedded Derivatives
FRS 39	Amendments to FRS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items
FRS 101	First-time Adoption of Statutory Board Financial Reporting Standards
FRS 101	Additional Exemptions For First-time Adopters (Amendments to FRS 101)
FRS 102	Group Cash-settled Share-based Payment Transactions (Amendments to FRS 102)
FRS 103	Business Combinations

The adoption of the above new/revised FRS and INT FRS does not result in substantial changes to the Town Council's accounting policies nor any significant impact on the financial statements, except as follows:-

Improvements to FRSs issued in 2009

The improvements to FRSs issued in 2009 comprise amendments to the FRS and INT FRS that are effective for annual periods beginning on or after 1 April 2010.

Amendments to FRS 7 Cash Flow Statement

Under the amendment, expenditures that do not result in a recognised asset in the statement of financial position cannot be classified as investing activities in the statement of cash flows. Previously, such expenditure could be classified as investing activities in the statement of cash flows.

(c) FUNDS

TOWN COUNCIL FUND

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

Residential Property
Commercial Property

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

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

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

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

SINKING FUND

In accordance with Section 33(4) of the Town Councils Act, separate Sinking Fund are established for the improvement to, management and maintenance of Residential Property and Commercial Property.

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

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

i)	1-room to 3-room	30% of service and conservancy charges and grants-in-aid
ii)	4-room to 5-room	35% of service and conservancy charges and grants-in-aid
iii)	Multi-generation	35% of service and conservancy charges
iv)	Executive	35% of service and conservancy charges
v)	Shop with living Accommodation	35% of service and conservancy charges
vi)	Commercial property	35% of service and conservancy charges

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

(c) FUNDS (CONT'D)

SINKING FUND (Cont'd)

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

TOWN IMPROVEMENT AND PROJECT FUND

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

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

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

(d) ALLOCATION OF GENERAL OVERHEADS

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

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

Five percent overheads are allocated to the sinking fund.

(e) GOVERNMENT GRANTS

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

Government grants are accounted for on an accruals basis. Service and conservancy charge grants to meet the current year's operating expenditure are taken to the income and expenditure statement.

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

(f) PLANT AND EQUIPMENT

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

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

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

Office Equipment	20%
Furniture, Fixtures and Fittings	20%
Data Processing Equipment	33.3%

No depreciation is provided on renovation-in-progress as the assets are not available for use.

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

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

(g) IMPAIRMENT OF NON-FINANCIAL ASSETS

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each reporting date for indications of impairment and where impairment is found, the asset is written down through the income and expenditure statement to its estimated recoverable amount.

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

(g) IMPAIRMENT OF NON-FINANCIAL ASSETS (CONT'D)

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

(h) FINANCIAL ASSETS

Initial recognition and measurement:

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

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

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

(h) FINANCIAL ASSETS (CONT'D)

- # 3. Held-to-maturity financial assets: These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention and ability to hold to maturity. Financial assets that upon initial recognition are designated as at fair value through profit or loss or available for sale and those that meet the definition of loans and receivables are not classified in this category. These assets are carried at amortised costs using the effective interest method minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred. If that is the case, the carrying amount of the asset is reduced through use of an allowance account. The gains and losses are recognised in income and expenditure statement when the investments are derecognised or impaired, as well as through the amortisation process. Long-term investments in bonds are classified in this category.
- # 4. Available for sale financial assets: As at year end date, there were no financial assets classified in this category.

Derecognition of financial assets:

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

Cash and cash equivalents:

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

(i) FUNDS WITH FUND MANAGERS

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

Funds with fund managers comprise mainly of equities, bonds, cash and fixed deposits. Equities and bonds are stated on an aggregate portfolio basis.

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

(j) HEDGING

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

(k) FAIR VALUE OF FINANCIAL INSTRUMENTS

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

(l) FINANCIAL LIABILITIES

Initial recognition and measurement:

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

Subsequent measurement:

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

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

(m) PROVISIONS

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in the income and expenditure statement in the period they occur.

(n) LEASES AS A LESSEE

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

(o) INCOME TAX

Income tax is provided on the following income:

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

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

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

(p) RECOGNITION OF INCOME

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

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

(q) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

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

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

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

(i) Allowance for bad and doubtful debts

Allowance for doubtful conservancy and service debts amounting to \$394,660 (2009/2010 - \$538,701), have been estimated on the basis of age of debts, results of recovery efforts and historical experience. Where the expected outcome is different from the original estimate, such difference will impact the carrying value of conservancy and service and other receivables, and the doubtful debt expenses in the period in which such estimate has been changed.

(ii) Income tax

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

(r) **INTER-FUND TRANSFER**

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

(s) **FUNCTIONAL CURRENCY**

Items included in the financial statements of the Town Council are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Town Council ("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.

3 Accumulated surplus

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

	Note	TOTAL 2010/2011 \$	2009/2010 \$	RESIDENTIAL PROPERTY 2010/2011 \$	2009/2010 \$	COMMERCIAL PROEPRTY 2010/2011 \$	2009/2010 \$	CARPARK 2010/2011 \$	2009/2010 \$
OPERATING INCOME									
Conservancy and service fees		40,322,087	39,957,884	36,993,532	36,529,629	3,328,555	3,428,255	-	-
Less: Operating transfer to sinking fund (minimum required by law)	4	13,582,275	13,462,332	12,417,281	12,262,443	1,164,994	1,199,889	-	-
Agency fees	13	26,739,812	26,495,552	24,576,251	24,267,186	2,163,561	2,228,366	-	-
Other income	14	2,113,889	1,955,723	614,295	610,082	1,461,037	1,313,870	3,688,317	3,474,383
		32,542,018	31,925,658	25,190,546	24,877,268	3,624,598	3,542,236	3,726,874	3,506,154
Less:		36,088,118	33,723,264	30,914,436	28,771,304	2,050,630	1,986,166	3,123,052	2,965,794
OPERATING EXPENDITURE		(3,546,100)	(1,797,606)	(5,723,890)	(3,894,036)	1,573,968	1,556,070	603,822	540,360
Operating (deficit)/surplus		64,949	47,379	55,001	39,942	3,585	2,753	6,363	4,684
Add:									
NON-OPERATING INCOME									
(DEFICIT)/SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS		(3,481,151)	(1,750,227)	(5,668,889)	(3,854,094)	1,577,553	1,558,823	610,185	545,044
Less:		151,887	142,117	128,711	119,876	8,273	8,228	14,903	14,013
INCOME TAX	19								
(DEFICIT)/SURPLUS AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS		(3,633,038)	(1,892,344)	(5,797,600)	(3,973,970)	1,569,280	1,550,595	595,282	531,031
Add:									
Government grants	20	13,307,670	10,647,544	13,170,145	10,467,470	137,525	180,074	-	-
Less: Transfer to		5,649,179	2,499,402	5,649,179	2,499,402	-	-	-	-
Sinking fund	4	2,276,910	2,804,895	2,139,385	2,624,821	137,525	180,074	-	-
Town improvement and project fund	5	5,381,581	5,343,247	5,381,581	5,343,247	-	-	-	-
		1,748,543	3,450,903	(416,019)	1,369,277	1,569,280	1,550,595	595,282	531,031
SURPLUS/(DEFICIT) FOR THE YEAR									
Add:									
Accumulated surplus at 1 April		10,367,982	7,801,303	2,848,400	2,306,580	7,332,726	5,838,898	186,856	(344,175)
Less:									
Appropriation to town improvement and project fund	5	786,259	884,224	738,769	827,457	47,490	56,767	-	-
Accumulated surplus/(deficit) at 31 March		11,330,266	10,367,982	1,693,612	2,848,400	8,854,516	7,332,726	782,138	186,856

WEST COAST TOWN COUNCIL

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

Notes to the financial statements for the financial year ended 31 March 2011

4 Sinking fund

	Note	2010/2011 \$	TOTAL 2009/2010 \$	RESIDENTIAL PROPERTY 2010/2011 \$	2009/2010 \$	COMMERCIAL PROPERTY 2010/2011 \$	2009/2010 \$
Balance at 1 April		97,604,734	106,771,717	79,943,409	87,834,290	17,661,325	18,937,427
Add :							
INCOME							
OPERATING TRANSFERS FROM :							
- Conservancy and service fees (minimum required by law)	16(a)	3,281,709	3,343,415	3,104,141	3,204,202	177,568	139,213
- Transfer from Government Grants	3	13,582,275	13,462,332	12,417,281	12,262,443	1,164,994	1,199,889
	3	5,649,179	2,499,402	5,649,179	2,499,402	-	-
		22,513,163	19,305,149	21,170,601	17,966,047	1,342,562	1,339,102
Less :							
EXPENDITURE							
INCOME TAX	16(b)	23,569,883	28,277,606	21,527,590	25,674,927	2,042,293	2,602,679
DEFICIT FOR THE YEAR	19	153,474	194,526	144,174	182,001	9,300	12,525
Balance at 31 March		(1,210,194)	(9,166,983)	(501,163)	(7,890,881)	(709,031)	(1,276,102)
		96,394,540	97,604,734	79,442,246	79,943,409	16,952,294	17,661,325

Represented by :

NON-CURRENT ASSET							
Held-to-maturity financial assets	7	7,000,000	7,000,000				
CURRENT ASSETS							
Financial assets at fair value through profit or loss	8	36,729,042	36,553,169				
Conservancy and service receivables		346,169	396,842				
Amount owing from Routine Fund		894,523	1,147,126				
Other receivables		2,011,610	2,249,799				
Interest receivable		106,893	98,798				
Cash and bank balances		52,037,788	54,200,759				
		92,126,025	94,646,493				
Less :							
CURRENT LIABILITIES							
Current tax payable		282,776	467,149				
Creditors and accrued expenses		2,448,709	3,574,610				
		2,731,485	4,041,759				
NET CURRENT ASSETS		89,394,540	90,604,734				
		96,394,540	97,604,734				

5 Town improvement and project fund

	Note	2010/2011	2009/2010	TOTAL	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY
		\$	\$		2010/2011	2009/2010
					\$	\$
Balance at 1 April		3,900,000	4,642,267		378,736	426,390
Add :						
Transfer from Government Grants	3	2,276,910	2,804,895		137,525	180,074
Less :						
Payment to contractors		3,063,169	4,431,386		185,015	284,495
Deficit for the year		(786,259)	(1,626,491)		(47,490)	(104,421)
Add : Appropriation from accumulated surplus	3	786,259	884,224		47,490	56,767
Balance at 31 March		3,900,000	3,900,000		378,736	378,736

Represented by :	
CURRENT ASSETS	
Other receivables	4,286,174
Amount owing from Routine Fund	292,050
	4,578,764
Less:	
CURRENT LIABILITIES	
Creditors and accrued expenses	678,764
	3,900,000

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

Out of the total of \$3,063,169 (2010 - \$4,431,386) spent on town improvement projects, \$2,276,910 (2010 - \$2,804,895) was met by payment from CCC.

6 Plant and equipment

	<u>Total</u> \$	<u>Furniture, fixtures and fittings</u> \$	<u>Data processing equipment</u> \$	<u>Office equipment</u> \$	<u>Renovation- in-progress</u> \$
Cost					
Balance at 1 April 2010	679,932	341,449	213,465	125,018	-
Additions during the year	776,172	-	6,550	3,949	765,673
Disposals	(5,449)	-	(2,349)	(3,100)	-
Balance at 31 March 2011	<u>1,450,655</u>	<u>341,449</u>	<u>217,666</u>	<u>125,867</u>	<u>765,673</u>

Accumulated depreciation

Balance at 1 April 2010	654,104	339,669	211,831	102,604	-
Depreciation for the year (Note 17)	17,703	1,206	1,873	14,624	-
Disposals	(5,448)	-	(2,348)	(3,100)	-
Balance at 31 March 2011	<u>666,359</u>	<u>340,875</u>	<u>211,356</u>	<u>114,128</u>	<u>-</u>

Net book value

Balance at 31 March 2011	<u>784,296</u>	<u>574</u>	<u>6,310</u>	<u>11,739</u>	<u>765,673</u>
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	<u>Total</u> \$	<u>Furniture, fixtures and fittings</u> \$	<u>Data processing equipment</u> \$	<u>Office equipment</u> \$	<u>Renovation- in-progress</u> \$
Cost					
Balance at 1 April 2009	679,082	341,449	214,890	122,743	-
Additions during the year	4,279	-	1,829	2,450	-
Disposals	(3,429)	-	(3,254)	(175)	-
Balance at 31 March 2010	<u>679,932</u>	<u>341,449</u>	<u>213,465</u>	<u>125,018</u>	<u>-</u>

Accumulated depreciation

Balance at 1 April 2009	642,064	338,389	214,779	88,896	-
Depreciation for the year (Note 17)	15,386	1,280	305	13,801	-
Disposals	(3,346)	-	(3,253)	(93)	-
Balance at 31 March 2010	<u>654,104</u>	<u>339,669</u>	<u>211,831</u>	<u>102,604</u>	<u>-</u>

Net book value

Balance at 31 March 2010	<u>25,828</u>	<u>1,780</u>	<u>1,634</u>	<u>22,414</u>	<u>-</u>
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Renovation-in-progress relates to additions and alteration works carried out at the Town Council's new head office. Assets under construction are not depreciated as these assets are not yet available for use as at balance sheet date.

7 Held-to-maturity financial assets

Movements during the year - at amortised cost :	2010/2011 \$	2009/2010 \$
Amortised cost at beginning of year	7,000,000	7,000,000
Additions at cost	-	5,000,000
Redemption on maturity	-	(5,000,000)
Amortised cost at end of year	<u>7,000,000</u>	<u>7,000,000</u>

Balance is made up of :

Quoted bonds maturing within one year : current	-	-
Quoted bonds maturing after one year : non-current	7,000,000	7,000,000
Balance at end of year	<u>7,000,000</u>	<u>7,000,000</u>
Fair value at end of year	<u>7,119,600</u>	<u>7,121,400</u>

7 Held-to-maturity financial assets (Cont'd)

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

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

The bonds bear interest rates per annum ranging from 1.55% to 4.08% (2009/2010 - 1.55% to 4.08%) to be received semi-annually in arrears. The maturity period of the bonds ranges from May 2012 to April 2013 (2009/2010 - May 2012 to April 2013).

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

8 Financial assets at fair value through profit or loss

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

The funds with fund managers are administered by Lion Global Investors Ltd, UBS AG and UOB Asset Management Ltd. The fund managers are given discretionary powers within certain guidelines to invest the funds. The funds managed by Lion Global Investors Ltd and UOB Asset Management Ltd will expire on 31 October 2015 and 29 September 2012 respectively, and funds managed by UBS AG are cancellable upon written notification by either party.

The fund managers will be entitled to charge a basic administration fee. Additionally, Lion Global Investors Ltd and UOB Asset Management Ltd will be entitled to 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.

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

	2010/2011 \$	2009/2010 \$
Fair value at beginning of year	42,520,072	14,812,686
Placement during the year	13,000,000	26,000,000
Withdrawal during the year	(16,444,003)	-
Investment income	1,439,651	829,715
Management fees	(217,102)	(93,607)
Other expenses	(1,789)	(188,972)
Fair value (loss)/gains (net)	(48,744)	1,160,250
Fair value at end of year	40,248,085	42,520,072

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

	2010/2011 \$	2009/2010 \$
Investments in :		
Quoted equities	6,366,473	4,972,835
Quoted bonds	30,255,123	29,464,430
Others	107,446	2,115,904
	36,729,042	36,553,169
Cash and deposits (Note 11)	3,281,479	5,748,744
Accrued interest and other receivables (Note 10)	237,564	218,159
Balance at 31 March	40,248,085	42,520,072

9 Conservancy and service receivables

	2010/2011	2009/2010
	\$	\$
Conservancy and service receivables	1,507,043	1,705,688
Interest receivable on late payments	101,096	127,036
Less : Allowance for impairment	(394,660)	(538,701)
	1,213,479	1,294,023
	\$	\$
Movements in above allowance :		
Balance at 1 April	(538,701)	(802,836)
Credited to income and expenditure statement (Note 17)	123,991	249,787
Allowance utilised	20,050	14,348
Balance at 31 March	(394,660)	(538,701)

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

Conservancy and service 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.

10 Other receivables

	2010/2011	2009/2010
	\$	\$
Deposits	1,337,159	1,365,045
Prepayments	178,024	123,591
Claims for Citizens' Consultative Committee funding receivable	4,158,648	4,045,146
Receivables from funds with fund managers (Note 8)	237,564	218,159
Recoverables from contractors	540,251	691,433
Goods and services tax receivable	443,952	503,221
GST subvention receivable	358,199	355,734
Others	23,384	64,083
	7,277,181	7,366,412

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

11 Cash and bank balances

	2010/2011	2009/2010
	\$	\$
Cash and deposits held in trust by fund managers (Note 8)	3,281,479	5,748,744
Fixed deposits	52,322,502	51,572,147
Cash and bank balances	12,169,861	11,971,824
	67,773,842	69,292,715

The fixed deposits have an average maturity of 7 months (2010 - 5 months) from the end of the financial year with weighted average effective interest rate of 0.27% (2010 - 0.43%) per annum. Fixed deposit amounting to \$51,467 (2010 - \$47,015) has been pledged with a bank for the issue of letters of guarantee on behalf of the Town Council.

11 Cash and bank balances (cont'd)

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

	2010/2011	2009/2010
	\$	\$
As shown above	67,773,842	69,292,715
Cash and deposits held in trust by fund managers	(3,281,479)	(5,748,744)
Pledged deposit	(51,467)	(47,015)
Cash and cash equivalents at end of year	64,440,896	63,496,956

12 Creditors and accrued expenses

	2010/2011	2009/2010
	\$	\$
Trade creditors and accrued liabilities	6,043,518	8,157,578
Refundable deposits	220,763	198,961
Contributions for ROS**	1,764,255	-
Other creditors	4,336	851
Total	8,032,872	8,357,390

The average credit period taken to settle trade payables is about 30 days (2010 - 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.

13 Agency fees

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

14 Other income - operating fund

	2010/2011	2009/2010
	\$	\$
Agency fees	1,324	1,237
Interest on late payment for sold flats	78,890	88,649
Interest on late payment for rented flats	15,213	15,104
Liquidated damages	263,846	180,313
Removal of debris	29,800	48,290
Sundry fines	93,467	86,415
Sundry income	77,963	129,900
TOL income	1,348,823	1,136,899
TOL income (one time payment)	38,703	89,886
Use of common property	4,740	4,640
Use of void decks	25,700	25,980
Use of water and electricity in void decks	135,420	148,410
Total	2,113,889	1,955,723

15 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 \$4,834,334 (2010 - \$4,748,623) for the current financial year.

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

	2010/2011	2009/2010
	\$	\$
Interest Income - Bonds investments	149,600	131,571
Interest Income - Bank fixed deposits	218,397	461,047
Gain on investment with fund managers	1,172,016	1,707,386
Recovery income	1,741,696	1,043,411
	3,281,709	3,343,415

(b) Expenditure

	2010/2011	2009/2010
	\$	\$
Reroofing works	708,343	1,150,397
Electrical rewiring	915,820	1,146,536
Replacement of water pumps	258,400	-
Lift works	11,069,028	13,672,386
Replacement of booster pump	27,300	76,500
Redecoration and repainting	8,212,620	7,777,678
Replacement of water pipes	35,048	408,452
Replacement of refuse chute flushing system	50,600	-
Replacement of FRP water tanks	-	1,292,330
Project management fees	806,804	1,117,162
Other major works	895,641	1,446,267
General and administrative expenses	117,912	113,952
Unclaimable GST	472,367	75,946
	23,569,883	28,277,606

17 General and administrative expenditure

The general and administrative expenditure comprises the following :

	2010/2011	2009/2010
	\$	\$
Advertising, publicity and public relations	320,726	230,878
Audit fee	30,000	28,000
Computer services fee	331,564	379,377
Depreciation of plant and equipment (Note 6)	17,703	15,386
Doubtful debts no longer required (Note 9)	(123,991)	(249,787)
Plant and equipment not capitalised	1,880	7,437
Office expenses	642,547	596,047
Property tax	119,924	125,170
Unclaimable GST	591,750	175,012
Town Councillors' allowances	144,000	144,000
Others	193,232	143,886
	2,269,335	1,595,406

This is allocated to the following expenditure :

Operating expenditure	2,155,868	1,515,636
Sinking fund expenditure	113,467	79,770
	2,269,335	1,595,406

18 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 the income and expenditure statement during the financial year.

19 Income tax

	Note	2010/2011 \$	2009/2010 \$
Current tax expense		305,361	336,643
Taken up in :			
Income and expenditure statement			
- Current financial year		153,527	140,907
- (Over)/under provision in respect of prior years		(1,640)	1,210
	3	151,887	142,117
Sinking Fund			
- Current financial year		145,133	137,643
- Underprovision in respect of prior years		8,341	56,883
	4	153,474	194,526
		305,361	336,643

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:

	2010/2011 \$	2009/2010 \$
Investment and interest income	1,251,118	998,484
Dividend income	50,395	20,320
Grant and other income	14,286,873	11,548,750
Less:		
Allowable expenses/Exempt Income	(272,805)	(253,714)
	15,315,581	12,313,840
Tax at statutory rate of 17% (2009/2010 - 17%)	2,603,649	2,093,353
Concessionary tax relief	(59,651)	(24,383)
Tax deducted at source	(6,611)	(3,116)
Tax remission of government grants under Section 92(2) of Singapore Income Tax Act	(2,238,726)	(1,787,304)
Underprovision in respect of prior years	6,700	58,093
	305,361	336,643

WEST COAST TOWN COUNCIL
(Established under the Town Councils Act, Cap. 329A)
Notes to the financial statements for the financial year ended 31 March 2011

20 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		LUP ASSISTANCE GRANT		GOVERNMENT GST SUBVENTION	
	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010
Government Grants received/receivable during the year	13,307,670	10,647,544	6,462,154	6,424,176	2,276,910	2,804,895	3,132,145	-	1,436,461	1,418,473
Less: Transfer to										
- Sinking fund	(5,649,179)	(2,499,402)	(2,034,867)	(2,023,238)	-	-	(3,132,145)	-	(482,167)	(476,164)
- Town improvement and project fund	(2,276,910)	(2,804,895)	-	-	(2,276,910)	(2,804,895)	-	-	-	-
	5,381,581	5,343,247	4,427,287	4,400,938	-	-	-	-	954,294	942,309

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

	2010/2011	2009/2010
Total grants received/receivable at 1 April	80,233,143	69,585,599
Grants received/receivable during the year	13,307,670	10,647,544
Total grants received/receivable as at 31 March	93,540,813	80,233,143

21 Operating lease commitments

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

	2010/2011	2009/2010
	\$	\$
Due within 1 year	903,857	736,357
Due after 1 year but within 5 years	1,211,061	152,521
	2,114,918	888,878

The leases of the Town Council's premises and computer system on which rentals are payable will expire ranging from 30 June 2010 to 31 December 2013 and 31 October 2012, respectively, and the current rent payable on the leases range from \$1,806 to \$36,390 per month and \$22,699 per month, respectively, which is subject to revision and renewal.

22 Commitments for capital expenditure

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

	2010/2011	2009/2010
	\$	\$
Amounts approved and contracted for	29,578,734	20,528,078
Amounts approved but not contracted for	22,372,286	27,094,188
	51,951,020	47,622,266

23 Risk management policies for financial instruments

GENERAL RISK MANAGEMENT PRINCIPLES

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

CREDIT RISK ON FINANCIAL ASSETS

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

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

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

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

23 Risk management policies for financial instruments (Cont'd)

CREDIT RISK ON FINANCIAL ASSETS (CONT'D)

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

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

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

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

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

	2010/2011	2009/2010
	\$	\$
With less than three months of fees outstanding	369,829	370,706
With more than three months of fees outstanding	303,360	313,121
With more than six months of fees outstanding	264,817	314,216
	938,006	998,043

- (iii) Financial assets that are past due and impaired

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

	2010/2011	2009/2010
	\$	\$
The Town Council		
Gross amount	394,660	538,701
Less: Allowance for impairment (Note 9)	(394,660)	(538,701)
	-	-

OTHER RISK ON FINANCIAL INSTRUMENTS

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

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.

23 Risk management policies for financial instruments (Cont'd)Interest rate risk (cont'd)

If Singapore dollar interest rates had been 25 (2009/2010 - 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 \$74,337 (2009/2010 - \$56,648) higher/lower, arising mainly as a result of lower/higher interest income from the Town Council's fixed deposits with banks.

Liquidity risk

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

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

	Total \$	Less than 1 year \$	Between 2 and 5 years \$
As at 31 March 2011			
Held-to-maturity financial assets	7,000,000	-	7,000,000
Financial assets at fair value through profit or loss	36,729,042	36,729,042	-
Conservancy and service receivables	1,213,479	1,213,479	-
Other receivables (excluding prepayments)	7,099,157	7,099,157	-
Interest receivable	111,454	111,454	-
Cash and bank balances	67,773,842	67,773,842	-
Total assets	119,926,974	112,926,974	7,000,000
Conservancy and service fees received in advance	654,406	654,406	-
Creditors and accrued expenses	8,032,872	8,032,872	-
Total liabilities	8,687,278	8,687,278	-
As at 31 March 2010			
Held-to-maturity financial assets	7,000,000	-	7,000,000
Financial assets at fair value through profit or loss	36,553,169	36,553,169	-
Conservancy and service receivables	1,294,023	1,294,023	-
Other receivables (excluding prepayments)	7,242,821	7,242,821	-
Interest receivable	107,075	107,075	-
Cash and bank balances	69,292,715	69,292,715	-
Total assets	121,489,803	114,489,803	7,000,000
Conservancy and service fees received in advance	657,491	657,491	-
Creditors and accrued expenses	8,357,390	8,357,390	-
Total liabilities	9,014,881	9,014,881	-

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.

23 Risk management policies for financial instruments (Cont'd)Market price risk (cont'd)

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

If the fair value had been 2% (2009/2010 - 2%) lower/higher with all other variables held constant, the Town Council's deficit before government grants for the year would have been \$734,581 (2009/2010 - \$731,063) higher/lower, arising as a result of higher/lower fair value losses on investments.

Currency risk

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

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

24 Management of Town Council's funds

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

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

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

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

25 New or revised accounting standards and interpretations not yet adopted

The Town Council has not applied the following new and revised FRSs and INT FRSs that have been issued but are not yet effective, in these financial statements:

Reference	Title	Effective date (annual periods beginning on or after)
FRS 24 (revised)	Related Party Disclosure	01.01.2011
Amendments to FRS 101	Limited Exemption from Comparative FRS 107 Disclosure for First-time Adopters	01.07.2010
Amendments to INT FRS 114	Prepayments of a Minimum Funding Requirement	01.01.2011
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments	01.07.2010

25 New or revised accounting standards and interpretations not yet adopted (Cont'd)

The Town Council does not anticipate that the adoption of the above FRS and INT FRS in future periods will have a material impact on the financial statements of the Town Council in the period of their initial adoption, except for amendments to FRS 24 - Related Party Disclosures.

FRS 24 (revised) Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Town Council is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Town Council when implemented in 2011.

26 Financial instruments**Fair value hierarchy**

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

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

	<u>Level 1</u> \$	<u>Level 2</u> \$	<u>Level 3</u> \$	<u>Total</u> \$
At 31 March 2011				
<u>Financial assets</u>				
Financial assets, fair value through profit or loss (Note 8)	-	40,248,085	-	40,248,085
<hr/>				
	<u>Level 1</u> \$	<u>Level 2</u> \$	<u>Level 3</u> \$	<u>Total</u> \$
At 31 March 2010				
<u>Financial assets</u>				
Financial assets, fair value through profit or loss (Note 8)	-	42,520,072	-	42,520,072
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Determination of fair value

Fair value of the above financial assets is provided by fund managers.