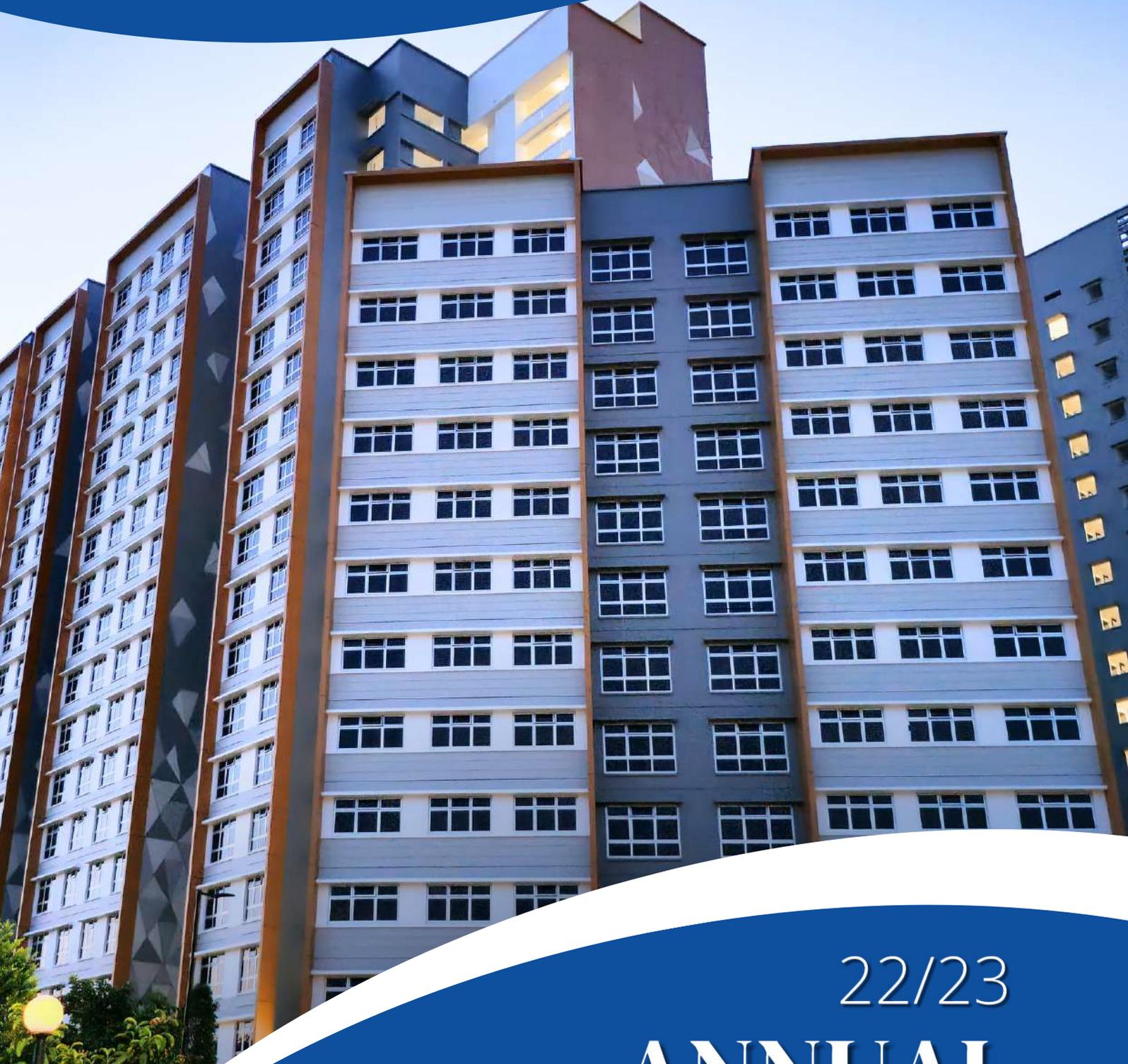




WEST COAST
TOWN COUNCIL

Making West Coast our Best Home, Together.



22/23

ANNUAL REPORT



VISION

Making West Coast our Best Home, Together

MISSION

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

WE WILL

01. Build a safe and conducive living environment through sustainable practices.
 02. Uphold the highest standards of governance and integrity.
 03. Nurture a caring town and a cohesive community.
- 

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04 Chairman's Message

05 Code of Governance Practices

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CHAIRMAN'S MESSAGE

Dear Residents,

I am pleased to present the Town Council's Annual Report for Financial Year 2022. As we gather to reflect on the past year, I would like to extend my deepest gratitude to each and every one of you. Your resilience, patience and understanding has contributed greatly to our steadfast progress in our post-pandemic recovery.

We acknowledge that the cost of living remains a salient issue for many families. In response, the government has provided support measures such as the GST Voucher scheme and the Assurance Package to help soften the impact of inflation. Residents can rest assured that we will continue advocating for initiatives to ease the financial burden and enhance the welfare of our residents.

Amid rising costs, it is important that we continue to actively seek and develop ways to build sustainable, zero-waste, energy-efficient towns. As a responsible and forward-thinking town council, we understand the significance of preserving our environment for future generations and are actively exploring ways to promote eco-friendly practices within our community.

With that, our sustainability efforts are currently in full swing. The Town Council has undertaken several sustainability efforts such as implementing SG recycling machines across all our divisions, providing more EV Charging ports in our estate carparks, and starting new initiatives like Cloop Textile Recycling since March this year. Collaborating with other government agencies and partner organisations will help us achieve our sustainability goals, as well as foster better bonds in working towards the Singapore Green Plan 2030.

Furthermore, we are also involved in the upcycling of decommissioned parts from MRT trains to enhance the living environments of our residents. Through these initiatives, we hope to incorporate sustainable living into our residential spaces and uplift living conditions for our community.

I am pleased to share that the West Coast Town Council has once again upheld the standard of our estate cleanliness, maintenance of common properties and facilities, lift performance and arrears management. This stands testament to the dedication and hard work of our Town Councillors, GROs, staff of our managing agent, contractors and not least of all, our residents whose efforts matter the most in the upkeep of our town.

With the continuation of Town Improvement works and Neighbourhood Renewal Programmes, we will be able to achieve our vision in building the best home for all residents in West Coast GRC & Pioneer SMC. Estate upgrading programmes such as Repairs & Redecoration (R&R), the Lift Enhancement programme, as well as our scheduled cyclical works will continue to be carried out effectively to spruce up our estate.

In closing, on behalf of the Town Council, I would like to sincerely thank all my fellow colleagues and residents for the trust and confidence bestowed upon us. Let us cherish the sense of community that binds us together. Your partnership is the cornerstone of our success.

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





CODE OF GOVERNANCE PRACTICES

CODE OF GOVERNANCE PRACTICES

The West Coast Town Council upholds the principles outlined in the Code of Governance, with a relentless commitment to augment transparency and elevate governance standards in the fulfilment of our fiduciary obligations. Our organisational policies and procedures are aligned with the core tenets of the Code, encompassing Council Effectiveness, Internal Controls & Processes, Financial Management, and Vendor Management.

West Coast Town Council boasts seven committees to oversee vital aspects of operations. The selection of committee members is a rigorous process initiated by elected MPs. Candidates are carefully evaluated for appointment/reappointment in terms of pertinent experiences, skills, competencies and commitment levels. To prioritise representation, it is mandated that two-thirds of appointed members within the Council must be residents of HDB estates within the Town. This guarantees the representation of West Coast residents' voices in our decision-making processes.

To proactively manage risks, the Town Council has deployed a meticulous system of Risk Management, Business Continuity Management and Internal Controls. The annual review of our Business Continuity Plan puts the Town Council's responsiveness to the test, ensuring uninterrupted delivery of essential maintenance services and the enduring effectiveness of all Town Council business units in the face of disruptions. Under the umbrella of Internal Controls, we have appointed M/s Foo Kon Tan LLP as an expert consultant to audit and review the risks and key controls of the Town Council. This review is conducted diligently, which facilitates the establishment of effective controls and the formulation of supportive policies and procedures to address operational risks competently. This systematic approach forms the cornerstone of our Risk Management infrastructure, underscoring our unwavering commitment to fortify the decision-making processes of the Town Council and its management.

The Council has instituted a comprehensive Risk Management Framework, facilitating the identification and subsequent reporting of key risks. An exhaustive annual risk assessment has been meticulously conducted, with a concurrent evaluation of the efficacy of internal controls, ensuring the Town Council's ability and capacity to swiftly identify potential key risks and implement effective controls risk controls. It is the Council's firm belief that both the Risk Management Framework and the accompanying internal control policies and procedures are aligned with the Ministry of National Development's Code of Governance framework. These measures are deemed sufficiently adequate and robust to effectively mitigate the risks encountered by the Town Council.



SUSTAINABILITY EFFORTS

SUSTAINABILITY EFFORTS

The integration of sustainability-focused innovations and technology in West Coast Town Council's estate management processes and daily operations represents the early stages of our holistic sustainability road map to become zero waste, energy efficient and greener.

The next step in the roadmap involves the support and participation from our residents, as they develop and internalise a sustainability mindset and routine in their daily lives through the Town Council's outreach and engagement initiatives. Community engagement has been identified as a key factor in the successful implementations of initiatives under the Singapore Green Plan 2030 and the Action For Green Towns initiative.



SUSTAINABILITY EFFORTS

SGRecycle Paper Recycling

Launched in December 2021 in conjunction with the Action For Green Towns initiatives, SGRecycle paper recycling stations enable residents to deposit waste paper in exchange for incentives. Members of the public can use them to recycle waste paper and earn a token sum when doing so – a win-win situation for the community and the environment as well!

In less than six months after their introduction, the SGRecycle machines across West Coast Town has collectively taken in more than 15,000kg of waste paper, which is equivalent to saving 264 trees.

Green Commuting & Safe Accessibility

To promote greener ways of commuting, more bicycle racks have been introduced over the past year. Some estates have also been equipped with a dual bicycle rack which enables two parked bicycles to be stacked safely and securely.

More pedestrian pathways have also been constructed as part of town improvement works to encourage our residents to safely commute by walking short distances. Safety features like speed bumps have also been implemented to bump up safety and interconnectivity in the town.

SUSTAINABILITY EFFORTS

Textile Waste Recycling

Rather than throwing your garments away, find CLOOP's textile recycling bins nearest to you and play a role in reducing waste and conserving resources. The initiative has been well-received by West Coast residents since it began in March 2023. Their enthusiasm has resulted in over 4,900kg of donations in just over a month.



SUSTAINABILITY EFFORTS

Electronic Waste Recycling

ALBA E-Waste Smart Recycling, the National Environment Agency's appointed Producer Responsibility Scheme operator categories its electronic waste recycling efforts in four main tiers.

- West Coast Town Council's bulky removal services conducted for residents upon request
- 3-in-1 E-bins for regulated infocommunication technology equipment
- Smaller-sized bins catering for batteries and lightbulbs
- Quarterly E-Drives held at selected HDB block locations

To maintain the momentum of the e-waste recycling effort, West Coast Town Council has engaged in several publicity channels to inform and educate residents on e-waste recycling. Collaterals, along with regular updates on dates and locations of E-Drives, have been used to encourage the recycling e-waste and has culminated in effective outreach amongst the resident.



SUSTAINABILITY EFFORTS

Tree Planting

Tree planting has always been the cornerstone community outreach event in West Coast Town. In support of the OneMillionTrees movement to plant a million trees across the island by 2030, tree planting has rooted our ongoing efforts to create a greener and more sustainable living environment for our residents.

Residents can learn about the benefits Mother Nature brings to our living environment and the impact of climate change on Singapore through such activities. By physically planting a tree, residents can also develop a sense of ownership and social responsibility to contribute towards the significance of conservation and sustainability.





FISCAL MANAGEMENT

FISCAL MANAGEMENT



Investment of Funds
\$205.66 million
invested

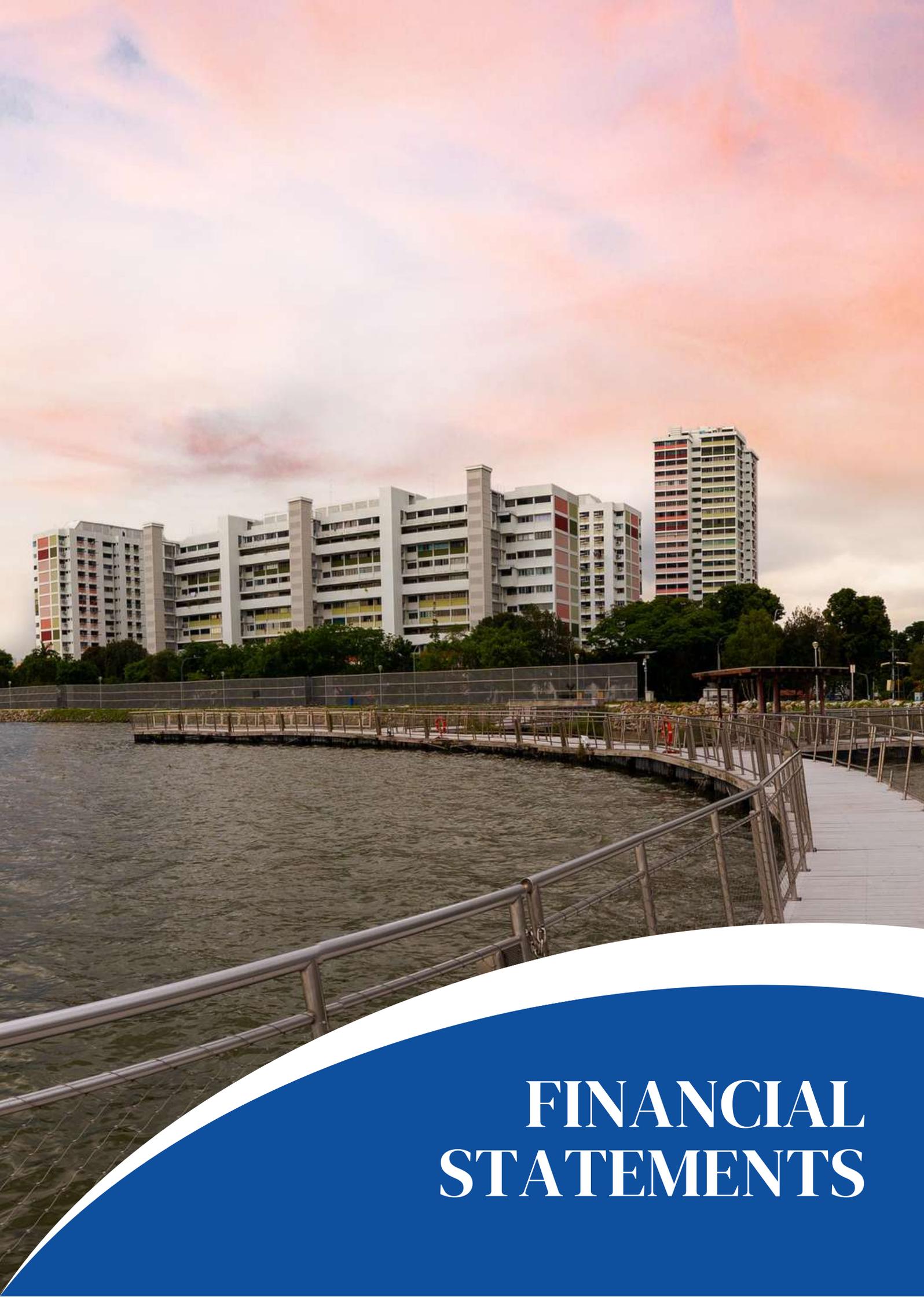
Arrears Management
12.20%
in arrears

Service & Conservancy Charges
1.5 - 3.5 months
in S&CC rebates

For the financial year ended 31 March 2023, the Town Council recorded an operating surplus of **\$0.8 million** after government grant(s). Without the government grant, an operating deficit of **\$5.17 million** would have been registered.

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

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



FINANCIAL STATEMENTS

WEST COAST TOWN COUNCIL
(Established under the Town Councils Act 1988)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

WEST COAST TOWN COUNCIL

**FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 MARCH 2023**

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

Report on the Audit of Financial Statements*Opinion*

We have audited the financial statements of West Coast Town Council (the "Town Council"), which comprise the statement of financial position of the Town Council as at 31 March 2023, and the statements of income and expenditure, comprehensive income, changes in funds and cash flows of the Town Council for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Town Council are properly drawn up in accordance with the provisions of the Town Councils Act 1988 and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Town Council as at 31 March 2023 and of the financial performance, changes in funds and cash flows of the Town Council for the financial year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

Report on the Audit of Financial Statements (Continued)

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on the Audit of Financial Statements (Continued)

Report on Other Legal and Regulatory Requirements

Basis for Opinion

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

In our opinion:

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

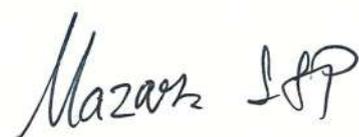
Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditors' Responsibilities for the Compliance Audit

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

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



MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
20 September 2023

WEST COAST TOWN COUNCIL

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
TOWN COUNCIL FUNDS			
Residential property			
Accumulated surplus	3	10,845,545	11,079,865
Sinking fund	4	115,854,092	127,682,928
Lift replacement fund	5	58,434,066	57,638,634
Town improvement and project fund	6	1,244,168	923,071
		186,377,871	197,324,498
Commercial property			
Accumulated surplus	3	1,834,388	1,549,640
Sinking fund	4	24,721,909	25,330,707
Lift replacement fund	5	9,177,888	8,604,226
Town improvement and project fund	6	55,832	41,929
		35,790,017	35,526,502
Carpark			
Accumulated surplus	3	-	-
		222,167,888	232,851,000
REPRESENTED BY:			
Non-current assets			
Property, plant and equipment	8	1,152,794	529,824
Intangible asset	9	402,757	510,159
		1,555,551	1,039,983
Current assets			
Financial assets at fair value through income and expenditure	10	35,746,725	60,424,075
Conservancy and service fee receivables	11	1,771,195	1,699,086
Receivable for Neighbourhood Renewal Programme	7	5,881,482	4,329,467
Other receivables	12	8,120,239	9,534,465
Interest receivable		1,675,636	336,995
Cash and bank balances	13	195,816,815	177,179,045
		249,012,092	253,503,133
Total assets		250,567,643	254,543,116
Less:			
Non-current liability			
Lease liabilities	14(b)	692,665	34,396
Current liabilities			
Conservancy and service fee received in advance		1,230,283	1,124,362
Advances received for Neighbourhood Renewal Programme	7	421,714	279,270
Lease liabilities	14(b)	387,979	437,940
Payables and accrued expenses	15	24,148,757	18,627,190
Current tax payable		1,518,357	1,188,958
		27,707,090	21,657,720
Net current assets		221,305,002	231,845,413
		222,167,888	232,851,000



PATRICK TAY TECK GUAN, BBM
Chairman



DR YU SHI MING, BBM
Secretary

Singapore
20 September 2023

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

WEST COAST TOWN COUNCIL

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	<u>Note</u>	<u>2023</u> <u>S\$</u>	<u>2022</u> <u>S\$</u>
Operating income			
Conservancy and service fees		58,473,903	58,687,577
Less: Operating transfer to:			
- Sinking fund (minimum required by law)	4	15,203,215	15,258,770
- Lift replacement fund (minimum required by law)	5	8,186,346	8,216,261
		35,084,342	35,212,546
Agency fees	16	5,293,108	5,070,606
Other income	17	3,349,310	3,395,952
		43,726,760	43,679,104
Less:			
Operating expenditure			
Cleaning works		7,760,770	7,834,177
Managing agent's fees	18	7,287,374	6,822,063
Lift maintenance		9,891,214	8,804,066
Other works and maintenance		8,683,773	7,335,506
Water and electricity		12,492,281	10,891,896
General and administrative expenditure	21	2,781,525	2,545,454
		48,896,937	44,233,162
Operating deficit		(5,170,177)	(554,058)
Add:			
Non-operating income			
Interest income		365,334	78,702
Deficit before taxation and government grants		(4,804,843)	(475,356)
Less:			
Income tax	23	363,991	364,911
Deficit after taxation but before government grants		(5,168,834)	(840,267)
Add:			
Government grants	25	16,300,463	16,727,571
Less: Transfer to sinking fund	4	2,585,196	2,541,788
Less: Transfer to lift replacement fund	5	6,170,154	6,173,138
Less: Transfer to town improvement and project fund	6	1,579,278	2,146,980
		5,965,835	5,865,665
Surplus for the year		797,001	5,025,398
Add:			
Accumulated surplus at 1 April		12,629,505	7,946,020
Less:			
Appropriation to town improvement and project fund	6	746,573	341,913
Accumulated surplus at 31 March		12,679,933	12,629,505

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

WEST COAST TOWN COUNCIL

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	2023	Total	2022	Residential	2022	Commercial	2022	Carpark	2022
		S\$	S\$	S\$	Property	S\$	Property	S\$	S\$	S\$
Surplus/(Deficit) for the year:										
- Accumulated surplus	3	797,001	5,025,398	(1,155,954)	2,641,377	315,731	643,739	1,637,224	1,740,282	
- Sinking fund	4	(12,437,634)	5,675,446	(11,828,836)	5,211,121	(608,798)	464,325	-	-	
- Lift replacement fund	5	1,369,094	9,659,879	795,432	9,044,572	573,662	615,307	-	-	
- Town improvement and project fund	6	(411,573)	(468,913)	(394,493)	(449,453)	(17,080)	(19,460)	-	-	
Total (deficit)/surplus for the year		(10,683,112)	19,891,810	(12,583,851)	16,447,617	263,515	1,703,911	1,637,224	1,740,282	
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-	
Total comprehensive (loss)/income for the year attributable to Town Council Funds		(10,683,112)	19,891,810	(12,583,851)	16,447,617	263,515	1,703,911	1,637,224	1,740,282	

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

WEST COAST TOWN COUNCIL

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	<u>Total</u> S\$	<u>Residential</u> <u>Property</u> S\$	<u>Commercial</u> <u>Property</u> S\$	<u>Carpark</u> S\$
Balance at 1 April 2021	212,959,190	179,136,599	33,822,591	-
Total comprehensive income for the year	19,891,810	16,447,617	1,703,911	1,740,282
Add/(Less):				
Inter-fund transfer	-	1,740,282	-	(1,740,282)
Balance at 31 March 2022	<u>232,851,000</u>	<u>197,324,498</u>	<u>35,526,502</u>	<u>-</u>
Balance at 1 April 2022	232,851,000	197,324,498	35,526,502	-
Total comprehensive (loss)/income for the year	(10,683,112)	(12,583,851)	263,515	1,637,224
Add/(Less):				
Inter-fund transfer	-	1,637,224	-	(1,637,224)
Balance at 31 March 2023	<u>222,167,888</u>	<u>186,377,871</u>	<u>35,790,017</u>	<u>-</u>

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

WEST COAST TOWN COUNCIL

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Operating activities			
Deficit in income and expenditure statement before taxation and government grants		(4,804,843)	(475,356)
Adjustments for:			
Conservancy and service fees transferred to sinking fund	4	15,203,215	15,258,770
Conservancy and service fees transferred to lift replacement fund	5	8,186,346	8,216,261
Amortisation of intangible asset	9	107,402	107,402
Depreciation of property, plant and equipment	8	572,651	595,624
Plant and equipment written off		3	6
Lease interest expense	14(c)	24,843	37,071
Interest income	3	(365,334)	(78,702)
Operating surplus before working capital changes		18,924,283	23,661,076
Increase in conservancy and service fee and other receivables		1,634,599	3,164,156
Increase in creditors and conservancy and service fee received in advance		5,627,558	3,451,603
Net movement in receivable/advances received for Neighbourhood Renewal Programme		(1,409,571)	(3,798,757)
Cash generated from operations		24,776,869	26,478,078
Income tax paid		(594,295)	(664,118)
Sinking fund expenditure	4	(30,869,404)	(12,831,637)
Lift replacement fund expenditure	5	(13,783,822)	(4,987,129)
Town improvement and project fund expenditure	6	(1,990,851)	(2,615,893)
Net cash (used in)/generated from operating activities		(22,461,503)	5,379,301
Cash flows from investing activities			
Proceed from fund manager		-	1,804
Purchase of plant and equipment		(61,190)	(3,649)
Interest received		1,709,707	881,637
Placement with fund manager	10	-	(20,000,000)
Redemption with fund manager	10	25,612,559	-
Net cash generated from/(used in) investing activities		27,261,076	(19,120,208)
Cash flows from financing activities			
Payment of lease principal		(550,969)	(580,020)
Government grants received		15,952,099	17,598,056
Net cash generated from financing activities		15,401,130	17,018,036
Net increase in cash and cash equivalents		20,200,703	3,277,129
Cash and cash equivalents at beginning of year		175,446,324	172,169,195
Cash and cash equivalents at end of year	13	195,647,027	175,446,324

Reconciliation of liability arising from financing activities

	<u>1 April</u> <u>2022</u> S\$	<u>Financing</u> <u>cash outflows</u> S\$	<u>Non-cash movement</u>		<u>31 March</u> <u>2023</u> S\$
			<u>Acquisition</u> S\$	<u>Interest</u> <u>expenses</u> S\$	
Liability					
Lease liabilities	472,336	(550,969)	1,134,434	24,843	1,080,644

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

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

1 General information

The Town Council was established on 13 November 2001 under the Town Councils Act 1988 and commenced operations on 1 January 2002. The name was changed from West Coast-Ayer Rajah Town Council to West Coast Town Council on 26 May 2006. In FY 2015/2016, the electoral boundaries were redrawn following the General Elections in September 2015. The Clementi Division and seven blocks in the Ghim Moh Link estate were handed over to the Jurong-Clementi Town Council and Holland-Bukit Panjang Town Council respectively. The legal date of handing over of the maintenance of the common properties for handed over properties was on 1 December 2015.

In FY 2020/2021, the electoral boundaries were redrawn following the General Elections in July 2020. With effect from 28 October 2020, 18,212 and 197 units of residential and commercial properties, 15,157 units of car parks lots and motorcycle lots under the jurisdiction of Chua Chu Kang Town Council were transferred to West Coast Town Council. The Town now comprises the constituencies of West Coast GRC comprising the five divisions of Ayer Rajah-Gek Poh, Boon Lay, Nanyang, Telok Blangah and West Coast, and the Pioneer SMC. The functions of the Town Council are to control, manage, maintain and improve the common property of residential and commercial property in the housing estates of the Housing and Development Board (HDB) within the Town.

The financial statements of the Town Council for the financial year ended 31 March 2023 were authorised for issue by the members of Town Council on 20 September 2023.

The head office of the Town Council is situated at:

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

2 Summary of significant accounting policies

(a) Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRSs") as issued by the Singapore Accounting Standards Council as well as all related interpretations to FRSs ("INT FRSs") and the Town Councils Act 1988. The financial statements are prepared on a going concern basis under the historical cost convention, except as disclosed in the accounting policies below.

(b) Basis of preparation of financial statements

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

(ii) Adoption of new and revised standards

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

2 Summary of significant accounting policies (Continued)

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

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

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

(c) Funds

Town Council Fund

In accordance with section 47(1) of the Town Councils Act, separate funds are established and maintained for improvements to and the management and maintenance of the various types of properties. The types of properties under the management of the Town Council are as follows:

Residential Property; and
Commercial Property

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

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

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

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

Sinking Fund

In accordance with Section 47(4) of the Act, Sinking Fund is established for the improvement to, management and maintenance of residential and commercial properties. This fund is maintained as part of the Town Council funds.

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

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

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

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

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

2 Summary of significant accounting policies (Continued)

(c) Funds (Continued)

Lift Replacement Fund

In accordance with Section 47(5) of the Act, Lift Replacement Fund ("LRF") is established from 1 April 2017, to meet the cost of cyclical lift replacements, lift-related replacement works and lift upgrading works. This fund is maintained as part of the Town Council funds.

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

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

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

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

Town Improvement and Project Fund

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

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

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

(d) Allocation of general overheads

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

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

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

2 Summary of significant accounting policies (Continued)

(e) Government grants

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

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

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

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

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

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

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

(f) Property, plant and equipment

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

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

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

Furniture, fixtures and fittings	20%
Data processing equipment	33.3%
Office equipment	20%
Renovation	20%
Leasehold premises	Over remaining lease period
Leasehold equipment	Over remaining lease period

2 Summary of significant accounting policies (Continued)

(f) Property, plant and equipment (Continued)

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

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

For right-of-use assets for which ownership of the underlying asset is not transferred to the Town Council by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease period is disclosed in Note 14.

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

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

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

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

(g) Intangible asset

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

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

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

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

2 Summary of significant accounting policies (Continued)

(h) Impairment of non-financial assets

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

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

(i) Financial instruments

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

Effective interest method

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

Financial assets

Initial recognition and measurement

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

2 Summary of significant accounting policies (Continued)

(i) Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

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

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

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

Financial assets at amortised cost

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

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

Financial assets at FVTIE

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

Gains or losses are recognised in income and expenditure.

Impairment of financial assets

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

2 Summary of significant accounting policies (Continued)

(i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

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

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

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

Impairment of conservancy and service fees receivables

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

Derecognition of financial assets

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

2 Summary of significant accounting policies (Continued)

(i) Financial instruments (Continued)

Financial liabilities

Initial recognition and measurement

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

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

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

Other financial liabilities

Trade and other payables

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

Derecognition of financial liabilities

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

(j) Funds with fund managers

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

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

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

2 Summary of significant accounting policies (Continued)

(k) Fair value of financial instruments

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

(l) Provisions

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

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

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

(m) Leases as a lessee

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

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

2 Summary of significant accounting policies (Continued)

(m) Leases as a lessee (Continued)

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

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

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

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

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

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

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

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

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

2 Summary of significant accounting policies (Continued)

(m) Leases as a lessee (Continued)

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

Amendment to FRS 116: Covid-19 Related Rent Concessions beyond 30 June 2021

In March 2021, the Accounting Standards Council Singapore ("ASC") issued an amendment to FRS 116 Leases to make it easier for lessees to account for COVID-19-related rent concessions such as rent holidays and temporary rent reductions. The amendment is effective for annual reporting periods beginning on or after 1 April 2021. In the financial year ended 31 March 2022, the Town Council early adopted the amendments to the existing standards.

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

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

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

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

(n) Income tax

Income tax is provided on the following income:

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

2 Summary of significant accounting policies (Continued)

(n) Income tax (Continued)

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

In respect of government grant received, the Town Council has been granted remission under Section 92(2) of the Income Tax Act 1947.

(o) Recognition of income

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

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

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

(p) Inter-fund transfer

The Town Council may make inter-fund transfers in accordance to Sections 47(12) and 57(1)(i) of the Town Councils Act 1988, and Rule 11A of the Town Councils Financial Rules.

2 Summary of significant accounting policies (Continued)

(q) Functional currency

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

(r) Receivable/advances received for neighbourhood renewal programme

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

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

(s) Critical judgements, assumptions and estimation uncertainties

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

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

(i) ECL for conservancy and service fees receivables

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

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

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

The expected loss allowance on the Town Council's receivables as at 31 March 2023 is S\$1,081,334 (31 March 2022: S\$1,051,020).

2. Summary of significant accounting policies (Continued)

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

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

(ii) Income tax

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Accumulated surplus

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

	Note	Total		Residential property		Commercial property		Carpark	
		2023 S\$	2022 S\$	2023 S\$	2022 S\$	2023 S\$	2022 S\$	2023 S\$	2022 S\$
OPERATING INCOME									
Conservancy and service fees		58,473,903	58,687,577	54,945,316	55,132,134	3,528,587	3,555,443	-	-
Less: Operating transfer to:									
- Sinking fund (minimum required by law)	4	15,203,215	15,258,770	14,285,782	14,334,355	917,433	924,415	-	-
- Lift replacement fund (minimum required by law)	5	8,186,346	8,218,261	7,692,344	7,718,499	494,002	497,762	-	-
		35,084,342	35,212,546	32,967,190	33,079,280	2,117,152	2,133,266	-	-
Agency fees	16	5,293,108	5,070,606	-	-	-	-	5,293,108	5,070,606
Other income	17	3,349,310	3,395,952	2,620,137	2,538,905	682,858	807,271	46,315	49,776
		43,726,760	43,679,104	35,587,327	35,618,185	2,800,010	2,940,537	5,339,423	5,120,382
Less:									
Operating expenditure		48,896,937	44,233,162	42,695,588	38,581,564	2,499,077	2,300,153	3,702,272	3,351,445
Operating (deficit)/surplus		(5,170,177)	(554,058)	(7,108,261)	(2,963,379)	300,933	640,384	1,637,151	1,768,937
Add:									
Non-operating income – interest income		365,334	78,702	315,073	67,876	13,643	2,939	36,618	7,887
(Deficit)/surplus before taxation and government grants		(4,804,843)	(475,356)	(6,793,188)	(2,895,503)	314,576	643,323	1,673,769	1,776,824
Less:									
Income tax	23	363,991	364,911	313,869	314,736	13,577	13,633	36,545	36,542
(Deficit)/surplus after taxation but before government grants		(5,168,834)	(840,267)	(7,107,057)	(3,210,239)	300,999	629,690	1,637,224	1,740,282
Add:									
Government grants	25	16,300,463	16,727,571	15,960,319	16,364,634	340,144	362,937	-	-
Less: Transfer to									
- Sinking fund	4	2,585,196	2,541,788	2,578,812	2,535,700	8,384	6,088	-	-
- Lift replacement fund	5	6,170,154	6,173,138	5,916,666	5,919,438	253,488	253,700	-	-
- Town improvement and project fund	6	1,579,278	2,146,980	1,513,738	2,057,880	65,540	89,100	-	-
		5,965,835	5,865,665	5,951,103	5,851,616	14,732	14,049	-	-
Surplus(deficit) for the year		797,001	5,025,398	(1,155,954)	2,641,377	315,731	643,739	1,637,224	1,740,282
Add:									
Accumulated surplus at 1 April		12,629,505	7,946,020	11,079,865	7,025,929	1,549,640	920,091	-	-
(Less)/Add:									
Appropriation to town improvement and project fund	6	(746,573)	(341,913)	(715,590)	(327,723)	(30,983)	(14,190)	-	-
Inter-fund transfer		-	-	1,637,224	1,740,282	-	-	(1,637,224)	(1,740,282)
Accumulated surplus at 31 March		12,679,933	12,629,505	10,845,545	11,079,865	1,834,388	1,549,640	-	-

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

4 Sinking fund

	Note	Total		Residential property		Commercial property	
		2023 S\$	2022 S\$	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Balance at 1 April		153,013,635	147,338,189	127,682,928	122,471,807	25,330,707	24,866,382
Add:							
Income	19(a)	1,729,631	889,430	1,657,851	852,519	71,780	36,911
Operating transfers from:							
- Conservancy and service fees (minimum required by law)	3	15,203,215	15,258,770	14,285,782	14,334,355	917,433	924,415
- Transfer from government grants	3	2,585,196	2,541,788	2,578,812	2,535,700	6,384	6,088
		19,518,042	18,689,988	18,522,445	17,722,574	995,597	967,414
Less:							
Expenditure	19(b)	31,552,940	12,831,637	29,965,259	12,336,139	1,587,681	495,498
Less:							
Income tax	23	402,736	182,905	386,022	175,314	16,714	7,591
(Deficit)/Surplus for the year		(12,437,634)	5,675,446	(11,828,836)	5,211,121	(608,798)	464,325
Balance at 31 March		140,576,001	153,013,635	115,854,092	127,682,928	24,721,909	25,330,707
Represented by:							
Non-current assets							
Current assets							
Financial assets at fair value through income and expenditure	10	35,746,725	60,424,075				
Conservancy and service fee receivables		520,523	511,312				
Amount owing from Routine Fund		5,243,480	4,175,880				
Other receivables		1,145,725	716,725				
Interest receivable		1,009,261	193,035				
Cash and bank balances		102,377,679	90,315,236				
		146,043,393	156,336,263				
Less:							
Current liabilities							
Current tax payable		585,779	416,767				
Payables and accrued expenses		4,881,613	2,905,861				
		5,467,392	3,322,628				
Net current assets		140,576,001	153,013,635				
		140,576,001	153,013,635				

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

5 Lift replacement fund

	Note	Total		Residential property		Commercial property	
		2023 S\$	2022 S\$	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Balance at 1 April		66,242,860	56,582,981	57,638,634	48,594,062	8,604,226	7,988,919
Add:							
Income	20(a)	953,384	304,342	913,819	291,712	39,565	12,630
Operating transfer from Conservancy and service fees (minimum required by law)	3	8,186,348	8,216,261	7,692,344	7,718,499	494,002	497,762
		9,139,730	8,520,603	8,606,163	8,010,211	533,567	510,392
Add:							
Transfer from Government Grants – LRF Matching Grant		4,778,124	4,804,483	4,528,074	4,554,061	250,050	250,422
– Other government grants		1,392,030	1,368,655	1,388,592	1,365,377	3,438	3,278
– Total	3	6,170,154	6,173,138	5,916,666	5,919,438	253,488	253,700
Less:							
Expenditure	20(b)	13,783,822	4,987,129	13,576,943	4,840,283	208,879	146,846
Less:							
Income tax	23	156,968	46,733	150,454	44,794	6,514	1,939
Surplus for the year		1,369,094	9,659,879	795,432	9,044,572	573,662	615,307
Balance at 31 March		67,611,954	66,242,860	58,434,066	57,638,634	9,177,888	8,604,226
Represented by:							
Current assets							
Conservancy and service fee receivables		280,282	275,322				
Amount owing from Routine Fund		3,729,789	3,483,514				
Other receivables		3,618,659	4,302,957				
Interest receivable		556,754	121,653				
Cash and bank balances		67,410,932	61,441,705				
		75,596,416	69,625,151				
Less:							
Current liabilities							
Current tax payable		203,701	100,451				
Payables and accrued expenses		7,780,761	3,281,840				
		7,984,462	3,382,291				
Net current assets		67,611,954	66,242,860				
		67,611,954	66,242,860				

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

6 Town improvement and project fund

	<u>Note</u>	<u>Total</u>		<u>Residential property</u>		<u>Commercial property</u>	
		<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Balance at 1 April		965,000	1,092,000	923,071	1,044,801	41,929	47,199
Transfer from government grants	3	1,579,278	2,146,980	1,513,738	2,057,880	65,540	89,100
Less:							
Expenditure		1,990,851	2,615,893	1,908,231	2,507,333	82,620	108,560
Deficit for the year		(411,573)	(468,913)	(394,493)	(449,453)	(17,080)	(19,460)
Appropriation from accumulated surplus	3	746,573	341,913	715,590	327,723	30,983	14,190
Balance at 31 March		1,300,000	965,000	1,244,168	923,071	55,832	41,929
Represented by:							
Current asset							
Other receivables		2,603,269	2,354,480				
Less:							
Current liabilities							
Amount owing to Routine Fund		759,920	122,819				
Payables and accrued expenses		543,349	1,266,661				
		1,303,269	1,389,480				
		1,300,000	965,000				

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

Out of the total of S\$1,990,851 (2022: S\$2,615,893) expenditure on town improvement projects, S\$1,579,278 (2022: S\$2,146,980) was met by payment from CCC.

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

7 (Receivable)/Advances received for Neighbourhood Renewal Programme

	<u>2023</u> S\$	<u>2022</u> S\$
Balance at 1 April	(4,050,197)	(251,440)
Funding from government	1,669,324	367,683
Payment to contractors	<u>(3,078,895)</u>	<u>(4,166,440)</u>
Balance at 31 March	<u>(5,459,768)</u>	<u>(4,050,197)</u>
Represented by:		
Receivable for Neighbourhood Renewal Programme	(5,881,482)	(4,329,467)
Advances received for Neighbourhood Renewal Programme	<u>421,714</u>	<u>279,270</u>
Balance at 31 March	<u>(5,459,768)</u>	<u>(4,050,197)</u>

8 Property, plant and equipment

	<u>Total</u> S\$	<u>Furniture, fixtures and fittings</u> S\$	<u>Data processing equipment</u> S\$	<u>Office equipment</u> S\$	<u>Renovation</u> S\$	<u>Leasehold premises</u> S\$	<u>Leasehold equipment</u> S\$
Cost							
Balance at 1 April 2021	3,411,325	466,520	259,566	179,705	934,829	1,568,188	2,517
Additions during the year	73,717	-	2,519	1,130	-	70,068	-
Disposals/written off	<u>(2,121)</u>	<u>(745)</u>	<u>(1,376)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2022	3,482,921	465,775	260,709	180,835	934,829	1,638,256	2,517
Additions during the year	1,195,624	10,830	46,750	3,610	-	1,134,434	-
Disposals/written off	<u>(1,528)</u>	<u>(298)</u>	<u>-</u>	<u>(1,230)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2023	<u>4,677,017</u>	<u>476,307</u>	<u>307,459</u>	<u>183,215</u>	<u>934,829</u>	<u>2,772,690</u>	<u>2,517</u>
Accumulated depreciation							
Balance at 1 April 2021	2,359,588	464,389	147,493	160,898	932,873	653,411	524
Depreciation for the year (Note 21)	595,624	847	49,171	6,613	1,379	536,354	1,260
Disposals/written off	<u>(2,115)</u>	<u>(740)</u>	<u>(1,375)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2022	2,953,097	464,496	195,289	167,511	934,252	1,189,765	1,784
Depreciation for the year (Note 21)	572,651	903	55,875	4,626	575	509,939	733
Disposals/written off	<u>(1,525)</u>	<u>(296)</u>	<u>-</u>	<u>(1,229)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2023	<u>3,524,223</u>	<u>465,103</u>	<u>251,164</u>	<u>170,908</u>	<u>934,827</u>	<u>1,699,704</u>	<u>2,517</u>
Carrying amount							
Balance at 31 March 2023	<u>1,152,794</u>	<u>11,204</u>	<u>56,295</u>	<u>12,307</u>	<u>2</u>	<u>1,072,986</u>	<u>-</u>
Balance at 31 March 2022	<u>529,824</u>	<u>1,279</u>	<u>65,420</u>	<u>13,324</u>	<u>577</u>	<u>448,491</u>	<u>733</u>

Property, plant and equipment includes right-of-use assets which are presented under leasehold equipment and leasehold premises. Details of the right-of-use assets are disclosed in Note 14(a).

During the financial year, plant and equipment of the Town Council with carrying amount of S\$1,072,986 (2022: S\$449,224) was acquired by means of lease.

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

9 Intangible asset

	Computer software S\$
<u>Cost</u>	
At 1 April 2021	644,411
Additions	-
	<hr/>
Balance at 31 March 2022	644,411
Additions	-
	<hr/>
Balance at 31 March 2023	644,411
	<hr/>
<u>Accumulated amortisation</u>	
At 1 April 2021	26,850
Amortisation charge for the year	107,402
	<hr/>
Balance at 31 March 2022	134,252
Amortisation charge for the year	107,402
	<hr/>
Balance at 31 March 2023	241,654
	<hr/>
<u>Carrying amount</u>	
At 31 March 2023	402,757
	<hr/>
At 31 March 2022	510,159
	<hr/>

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

10 Financial assets at fair value through income and expenditure

Financial assets at fair value through income and expenditure represents funds together with the related profits placed with professional fund managers on the following terms:

The funds with fund managers are administered by Lion Global Investors Ltd and UOB Asset Management Ltd. The fund managers are given discretionary powers within certain guidelines to invest the funds. The funds managed by Lion Global Investors Ltd will expire on 31 October 2025, while that managed by UOB Asset Management Ltd has expired on 30 September 2022.

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

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

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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

	<u>2023</u> S\$	<u>2022</u> S\$
Balance at beginning of year	62,379,368	42,053,114
(Disposal)/Additions during the year	(25,612,559)	20,000,000
Proceeds from fund manager	-	(1,804)
Investment income	330,029	1,350,700
Management fees	(85,970)	(78,220)
Other expenses	(7,850)	(11,658)
Fair value loss	(919,745)	(932,764)
	<u>36,083,273</u>	<u>62,379,368</u>

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

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

	<u>2023</u> S\$	<u>2022</u> S\$
Investments in:		
Quoted equities	4,435,739	11,486,744
Quoted bonds	<u>31,310,986</u>	<u>48,937,331</u>
Financial assets at fair value through income and expenditure	35,746,725	60,424,075
Cash and deposits (Note 13)	119,498	1,682,431
Accrued interest and other receivables (Note 12)	225,220	280,986
Other Payables (Note 15)	<u>(8,170)</u>	<u>(8,124)</u>
Balance at end of year	<u>36,083,273</u>	<u>62,379,368</u>

11 Conservancy and service fee receivables

	<u>2023</u> S\$	<u>2022</u> S\$
Conservancy and service fee receivables	2,662,615	2,558,779
Interest receivable on late payments	189,914	191,327
Less: Allowance for impairment	<u>(1,081,334)</u>	<u>(1,051,020)</u>
	<u>1,771,195</u>	<u>1,699,086</u>

	<u>2023</u> S\$	<u>2022</u> S\$
Movements in above allowance:		
Balance at 1 April	(1,051,020)	(1,072,311)
(Charged to)/Write back from income and expenditure statement (Note 21)	(31,442)	8,337
Allowance utilised	<u>1,128</u>	<u>12,954</u>
Balance at 31 March	<u>(1,081,334)</u>	<u>(1,051,020)</u>

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

11 Conservancy and service fee receivables (Continued)

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

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

12 Other receivables

	<u>2023</u> S\$	<u>2022</u> S\$
Deposits	113,348	108,588
Prepayments	225,400	198,765
Claims for Citizens' Consultative Committee funding receivable	2,576,017	2,331,824
Lift Enhancement Programme ("LEP") grant receivable	1,440,295	1,715,046
Selective Lift Replacement Programme ("SLRP") grant receivable	775,150	1,301,402
Electrical Load Upgrading disbursement receivable	146,852	-
LRF Matching grant receivable	1,049,391	1,067,844
Receivables for funds with fund managers (Note 10)	225,220	280,986
Recoverables from contractors	144,291	138,069
GST receivable	763,909	486,790
GST subvention receivable	657,614	535,106
ROS costs recoverable	-	812,353
Others	2,752	557,692
	<u>8,120,239</u>	<u>9,534,465</u>

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

13 Cash and bank balances

	<u>2023</u> S\$	<u>2022</u> S\$
Cash and deposits held by fund managers (Note 10)	119,498	1,682,431
Fixed deposits	170,641,661	146,950,192
Cash and bank balances	<u>25,055,656</u>	<u>28,546,422</u>
	<u>195,816,815</u>	<u>177,179,045</u>

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

13 Cash and bank balances (Continued)

The fixed deposits have an average maturity of 4.0 months (2022: 8.8 months) from the end of the financial year. The fixed deposits have weighted average effective interest rate of 2.32% (2022: 0.65%) per annum. Fixed deposit amounting to S\$50,290 (2022: S\$50,290) has been pledged with a bank for the issue of letters of guarantee on behalf of the Town Council.

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

	<u>2023</u> S\$	<u>2022</u> S\$
Cash and bank balances as shown above	195,816,815	177,179,045
Cash and deposits held by fund managers (Note 10)	(119,498)	(1,682,431)
Pledged deposit	<u>(50,290)</u>	<u>(50,290)</u>
Cash and cash equivalents at end of year	<u>195,647,027</u>	<u>175,446,324</u>

14 The Town Council as a lessee

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

Recognition exemptions

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

(a) Right-of-use asset

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

	<u>Total</u> S\$	<u>Leasehold premises</u> S\$	<u>Leasehold equipment</u> S\$
At 1 April 2021	916,770	914,777	1,993
Additions	70,068	70,068	-
Depreciation	<u>(537,614)</u>	<u>(536,354)</u>	<u>(1,260)</u>
At 31 March 2022	449,224	448,491	733
Additions	1,134,434	1,134,434	-
Depreciation	<u>(510,672)</u>	<u>(509,939)</u>	<u>(733)</u>
At 31 March 2023	<u>1,072,986</u>	<u>1,072,986</u>	<u>-</u>

The total cash outflow for leases during the financial year ended 31 March 2023 is S\$550,969 (2022: S\$580,020).

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

14 The Town Council as a lessee (continued)

(b) Lease liabilities

	<u>2023</u> S\$	<u>2022</u> S\$
Lease liability – non-current	692,665	34,396
Lease liability - current	387,979	437,940
	<u>1,080,644</u>	<u>472,336</u>

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

(c) Amounts recognised in income and expenditure

	<u>2023</u> S\$	<u>2022</u> S\$
Interest expense on lease liabilities	24,843	37,071
Expense relating to short term assets	71,864	43,940
Expense relating to low-value assets	5,147	4,596

15 Payables and accrued expenses

	<u>2023</u> S\$	<u>2022</u> S\$
Accounts payable and accrued liabilities – Third parties	21,215,968	16,944,855
Accounts payable and accrued liabilities – Related party (Note 24)	2,500,274	1,300,768
Refundable deposits	292,588	283,152
Payables from fund with fund managers (Note 10)	8,170	8,124
Contributions for ROS**	14,461	14,461
Service and conservancy charge grant payable	1,685	1,801
Other creditors	115,611	74,029
	<u>24,148,757</u>	<u>18,627,190</u>

The average credit period taken to settle trade payables is about 30 days (2022: 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.

WEST COAST TOWN COUNCIL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023****16 Agency fees**

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

17 Other income

	<u>2023</u> S\$	<u>2022</u> S\$
Administrative fees	12,203	12,700
Interest on late payment for sold flats	77,327	72,905
Interest on late payment for rented flats	19,626	17,406
Liquidated damages	216,125	261,813
Miscellaneous incentive and subsidies	132,203	123,264
Sundry fines	86,307	74,700
Sundry income	172,479	118,539
Temporary Occupation Licence income	2,313,417	2,240,018
Temporary Occupation Licence income (one-time payment)	178,013	183,262
Use of common property	14,710	2,540
Use of void decks	20	-
Use of water and electricity in void decks	126,880	288,805
	<u>3,349,310</u>	<u>3,395,952</u>

18 Managing agent's fees

The Town Council does not have any employees on its payroll as all its daily operations have been outsourced to a managing agent for a fee of S\$7,287,374 (2022: S\$6,822,063) for the current financial year.

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

	<u>2023</u> S\$	<u>2022</u> S\$
Interest Income - Bank fixed deposits	1,729,631	561,371
Income/gain on investment with fund managers	-	328,059
	<u>1,729,631</u>	<u>889,430</u>

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

19 Sinking fund income and expenditure (Continued)

(b) Expenditure

	<u>2023</u> S\$	<u>2022</u> S\$
Reroofing works	493,736	2,073,406
Electrical rewiring	7,055,430	1,882,420
Replacement of water pumps	316,530	-
Replacement of booster pumps	426,800	129,150
Redecoration and repainting	17,525,824	6,412,247
Replacement of water pipes	374,640	135,550
Replacement of refuse chute flushing system	148,294	-
Replacement of refuse handling equipment	-	1,074,600
Replacement of FRP water tanks	554,000	-
Replacement of stainless steel tank lining	268,000	-
Replacement of pressure tanks	48,000	-
Replacement of fire pump control panel	213,500	-
Replacement of fire pumps	378,500	-
Project management fees	1,023,083	404,757
Other major works	1,762,413	536,738
General and administrative expenses (Note 21)	76,988	71,138
Unclaimable GST	203,666	111,631
Fair value loss on financial assets at fair value through income and expenditure	683,536	-
	<u>31,552,940</u>	<u>12,831,637</u>

20 Lift replacement fund income and expenditure

(a) Income

	<u>2023</u> S\$	<u>2022</u> S\$
Interest Income - Bank fixed deposits	953,384	304,342

(b) Expenditure

	<u>2023</u> S\$	<u>2022</u> S\$
Replacement of main sheaves and ropes	2,902,719	1,475,616
Replacement of ARD batteries	471,975	221,400
Replacement of EBOPS batteries	170,257	44,428
Replacement of lift position display panels	3,038,874	386,598
Replacement of inverter units	2,014,634	1,083,955
Lift overhauls and replacement	3,548,818	804,596
Lift enhancement work	743,065	358,458
Project management fees	435,576	297,370
General and administrative expenses (Note 21)	41,454	38,306
Unclaimable GST	371,948	271,176
Others	44,502	5,226
	<u>13,783,822</u>	<u>4,987,129</u>

WEST COAST TOWN COUNCIL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023****21 General and administrative expenditure**

The general and administrative expenditure comprises the following:

	<u>2023</u> S\$	<u>2022</u> S\$
Advertising, publicity and public relations	277,910	225,446
Audit fee	73,200	47,000
Computer services fees	398,529	421,366
Depreciation of property, plant and equipment (Note 8)	572,651	595,624
Amortisation of intangible asset	107,402	107,402
Additional/(Write back) of doubtful debts (Note 11)	31,442	(8,337)
Lease expense	24,843	37,071
Plant and equipment not capitalised	216	403
Office expenses	315,227	301,550
Operating lease expense	71,864	43,940
Property tax	252,066	256,130
Unclaimable GST	279,046	209,881
Secretary and Town Councillors' allowances*	226,200	190,800
Others	269,371	226,622
	<u>2,899,967</u>	<u>2,654,898</u>

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

This is allocated to the following expenditure:

	<u>2023</u> S\$	<u>2022</u> S\$
Operating expenditure	2,781,525	2,545,454
Sinking fund expenditure (Note 19(b))	76,988	71,138
Life replacement fund expenditure (Note 20(b))	41,454	38,306
	<u>2,899,967</u>	<u>2,654,898</u>

22 Goods and services tax

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore. The unclaimed portion is charged to sinking fund expenditure (Note 19 (b)), life replacement fund expenditure (Note 20(b)) and general and administrative expenditure (Note 21) during the financial year.

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

23 Income tax

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Current financial year		923,876	594,663
Over provision in respect of prior years		<u>(181)</u>	<u>(114)</u>
Tax expense		<u>923,695</u>	<u>594,549</u>
Taken up in:			
Income and expenditure statement			
- Current financial year		<u>363,990</u>	<u>364,886</u>
- Under provision in respect of prior years		<u>1</u>	<u>25</u>
	3	<u>363,991</u>	<u>364,911</u>
Sinking Fund			
- Current financial year		<u>402,918</u>	<u>183,044</u>
- Over provision in respect of prior years		<u>(182)</u>	<u>(139)</u>
	4	<u>402,736</u>	<u>182,905</u>
Lift Replacement Fund			
- Current financial year		<u>156,968</u>	<u>46,733</u>
	5	<u>156,968</u>	<u>46,733</u>
		<u>923,695</u>	<u>594,549</u>

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

	<u>2023</u> S\$	<u>2022</u> S\$
Investment and interest income	4,098,657	1,788,250
Dividend income	18,392	18,987
Grant and other income	18,265,904	19,000,746
Less:		
Allowable expenses/Exempt income	<u>(298,709)</u>	<u>(321,768)</u>
	<u>22,084,244</u>	<u>20,486,215</u>
Tax at statutory rate of 17%	3,754,321	3,482,656
Concessionary tax relief	(72,799)	(59,068)
Tax remission of government grants under Section 92(2) of Singapore Income Tax Act 1947	(2,757,646)	(2,828,925)
Over provision in respect of prior years	<u>(181)</u>	<u>(114)</u>
	<u>923,695</u>	<u>594,549</u>

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

24 Significant related party transactions

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

	<u>2023</u> S\$	<u>2022</u> S\$
Energy saving cost charged by a related party*	1,922,421	1,923,122
Management agent fee charged by a related party	7,287,374	6,822,063
Project management fee charged by a related party	1,513,499	526,375
Contract for services and works charged by a related party	9,959	18,317
Repair and maintenance works charged by a related party	<u>2,602,199</u>	<u>932,605</u>

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

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

25 Government grants

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

	Total		Conservancy and service grant		Payment from Citizens' consultative committee		Life maintenance grant		Government GST subvention		LRF matching grant	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Government Grants received/receivable during the year	16,300,463	16,727,571	6,695,155	6,649,998	1,579,278	2,146,980	986,400	985,200	2,261,506	2,140,910	4,778,124	4,804,483
Less: Transfer to												
- Sinking fund	(2,585,196)	(2,541,788)	(1,740,741)	(1,728,999)	-	-	(256,464)	(256,152)	(587,991)	(556,637)	-	-
- Lift replacement fund	(6,170,154)	(6,173,138)	(937,322)	(931,000)	-	-	(138,096)	(137,928)	(316,612)	(299,727)	(4,778,124)	(4,804,483)
- Town improvement and project fund	(1,579,278)	(2,146,980)	-	-	(1,579,278)	(2,146,980)	-	-	-	-	-	-
	<u>5,965,835</u>	<u>5,865,665</u>	<u>4,017,092</u>	<u>3,989,999</u>	<u>-</u>	<u>-</u>	<u>591,840</u>	<u>591,120</u>	<u>1,356,903</u>	<u>1,284,546</u>	<u>-</u>	<u>-</u>

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

	2023	2022
	S\$	S\$
Total grants received/receivable at 1 April	227,016,642	210,289,071
Grants received/receivable during the year	<u>16,300,463</u>	<u>16,727,571</u>
Total grants received/receivable as at 31 March	<u>243,317,105</u>	<u>227,016,642</u>

WEST COAST TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

26 Commitments for capital expenditure

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

	<u>2023</u> S\$	<u>2022</u> S\$
Amounts approved and contracted for	48,397,716	48,923,525
Amounts approved but not contracted for	<u>116,151,086</u>	<u>77,196,720</u>
	<u>164,548,802</u>	<u>126,120,245</u>

27 Risk management policies for financial instruments

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

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

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

Credit risk

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

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

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

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

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

27 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

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

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

Note 1. Low credit risk

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

Note 2. Significant increase in credit risk

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

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

27 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

Note 3. Credit impaired

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

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

Note 4. Write off

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

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

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

Conservancy and service fee receivables (Note 11)

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

27 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

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

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

	<u>Current</u>	<u>Past due < 6 months</u>	<u>Past due 6 months to 12 months</u>	<u>Past due 12 months to 24 months</u>	<u>Past due more than 24 months</u>	<u>Total</u>
<u>31 March 2023</u>						
Expected credit loss rates	0%	0%	25%	50%	100%	100%
Conservancy and service fee receivables (gross) (S\$)	738,527	285,975	391,152	526,830	720,131	2,662,615
Loss allowance (S\$)	-	-	97,788	263,415	720,131	1,081,334
<u>31 March 2022</u>						
Expected credit loss rates	0%	0%	25%	50%	100%	100%
Conservancy and service fee receivables (gross) (S\$)	660,006	298,188	377,569	532,776	690,240	2,558,779
Loss allowance (S\$)	-	-	94,392	266,388	690,240	1,051,020

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

<u>Internal credit risk grading</u>	Conservancy and service fee receivables	
	<u>2023</u> S\$	<u>2022</u> S\$
Loss allowance		
Balance at 1 April	1,051,020	1,072,311
Write off/(back) recognised	31,442	(8,337)
Impairment loss recognised	(1,128)	(12,954)
Balance at 31 March	<u>1,081,334</u>	<u>1,051,020</u>
Gross carrying amount		
At 31 March	<u>2,662,615</u>	<u>2,558,779</u>
Net carrying amount		
At 31 March	<u>1,581,281</u>	<u>1,507,759</u>

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

As of 31 March 2023, the Town Council recorded other receivables excluding prepayments and GST receivables of S\$7,130,930 (31 March 2022: S\$8,848,910) and receivable for neighbourhood renewal programme of S\$5,881,482 (31 March 2022: S\$4,329,467).

27 Risk management policies for financial instruments (Continued)

Credit risk (Continued)

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

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

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

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

Interest rate risk

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

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

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

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

If Singapore dollar interest rates had been 25 (2022: 25) basis points lower/higher with all other variables held constant, the Town Council's deficit before government grants for the year would have been S\$287,864 (2022: S\$367,489) 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.

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

27 Risk management policies for financial instruments (Continued)

Liquidity risk (Continued)

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

	<u>Total</u> S\$	<u>Less than</u> <u>1 year</u> S\$	<u>Between</u> <u>2 and 5 years</u> S\$
As at 31 March 2023			
Conservancy and service receivables	1,771,195	1,771,195	-
Other receivables (excluding prepayments and GST receivables)	7,130,930	7,130,930	-
Receivable for Neighbourhood Renewal Programme	5,881,482	5,881,482	-
Interest receivable	1,675,636	1,675,636	-
Cash and bank balances	195,816,815	195,816,815	-
Lease liabilities	1,180,556	456,056	724,500
Payables and accrued expenses	24,148,757	24,148,757	-
	<u>Total</u> S\$	<u>Less than</u> <u>1 year</u> S\$	<u>Between</u> <u>2 and 5 years</u> S\$
As at 31 March 2022			
Conservancy and service receivables	1,699,086	1,699,086	-
Other receivables (excluding prepayments and GST receivables)	8,848,910	8,848,910	-
Receivable for Neighbourhood Renewal Programme	4,329,467	4,329,467	-
Interest receivable	336,995	336,995	-
Cash and bank balances	177,179,045	177,179,045	-
Lease liabilities	484,670	448,970	35,700
Payables and accrued expenses	18,627,190	18,627,190	-

Market price risk

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

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

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

WEST COAST TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

27 Risk management policies for financial instruments (Continued)

Market price risk (Continued)

Currency risk

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

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

28 Management of Town Council's funds

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

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

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

There were no changes in the Town Council's approach to funds management during the financial year. The Town Council is not subject to externally imposed requirements. As at the end of the reporting period, the Town Council's total funds amounted to S\$222,167,888 (2022: S\$232,851,000).

29 New or revised accounting standards and interpretations not yet adopted

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

FRS	Title	Effective date (annual periods beginning on or after)
FRS 1	Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
FRS 8	Amendments to FRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
FRS 12	Amendments to FRS 12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
FRS 16	Amendments to FRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
FRS 117	Insurance Contracts	1 January 2023
Various	Amendments to FRS 117: <i>Insurance Contracts</i>	1 January 2023
Various	Amendments to FRS 1 and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Various	Amendments to FRS 1: <i>Non-current Liabilities with Covenants</i>	1 January 2024
FRS 7, FRS 107	Amendments to FRS 7 and FRS 107: <i>Supplier Finance Arrangements</i>	1 January 2024

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29 New or revised accounting standards and interpretations not yet adopted (Continued)

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

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

30 Fair value of financial instruments

Fair values

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

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

Fair value hierarchy

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

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

Assets measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at 31 March 2023.

	<u>Level 1</u> S\$	<u>Level 2</u> S\$	<u>Level 3</u> S\$	<u>Total</u> S\$
<u>Recurring fair value measurement</u>				
<u>At 31 March 2023</u>				
Financial assets, fair value through income and expenditure (Note 10)	35,746,725	-	-	35,746,725
<u>Recurring fair value measurement</u>				
<u>At 31 March 2022</u>				
Financial assets, fair value through income and expenditure (Note 10)	60,424,075	-	-	60,424,075

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31 Events subsequent to the reporting date

The Town Council will revise its Service and Conservancy Charges ("S&CC") for flats, shops/offices, and markets/cooked food stalls over the next two years, effective on 1 July 2023 and 1 July 2024, respectively. The S&CC increases range from 10% to 14%.

Ministry of National Development ("MND") has informed that for Town Councils that need to adjust their S&CC to manage operations sustainably, MND will co-share the burden on Town Councils and residents by providing a time-limited special grant equivalent to the additional S&CC income generated from gazetted S&CC increases from FY2023 and FY2024, subject to a cap of 13% of the Town Council's residential S&CC income in the FY 2022 audited financial statements.