

# **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For Financial Year**

**2017/2018**



**WEST COAST  
TOWN COUNCIL**

Organisation Chart

Town Councillors

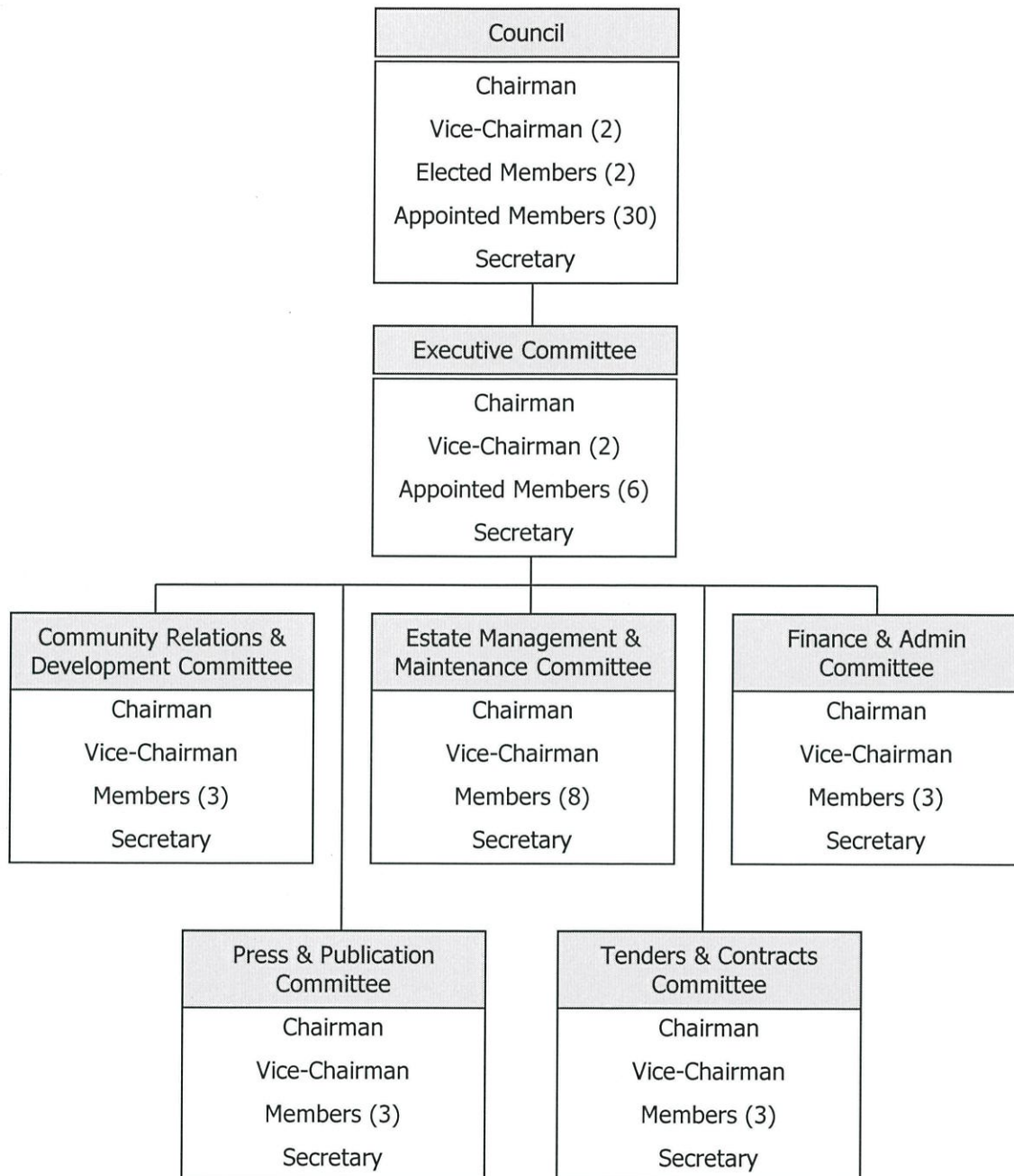
Standing Committees

Town Council Office Premises

Annual Report

Audited Financial Statements

## Organisation Chart





<b>CHAIRMAN</b>	Mr Patrick Tay Teck Guan, BBM MP for West Coast GRC
<b>VICE-CHAIRMEN</b>	Mr Cedric Foo MP for Pioneer SMC  Ms Foo Mee Har MP for West Coast GRC
<b>ELECTED MEMBERS</b>	Mr Lim Hng Kiang Special Adviser to Ministry of Trade and Industry, & MP for West Coast GRC  Mr S Iswaran Minister for Communications and Information Minister in-charge of Trade Relations MP for West Coast GRC &
<b>APPOINTED MEMBERS</b>	Mr Ang Kiat Seng Jeffrey, PBM (appointed on 1 October 2017) Ms Aw Siew Har Catherina (appointed on 1 October 2017) Mr Chan Sin Chan Anthony, PBM Mr Cheong Sun Tze Jackson, PBM (stepped down on 30 Sep 2017) Mr Chong Lee Hock Michael, PBM Mr Chua Thiam Chwee Andrew, BBM Mr Foo Chew Tuck Joseph, JP, BBM Mr Goh Keh Wee (appointed on 1 October 2017) Mr Habib Bin Mohd Ismail, PBM (stepped down on 30 Sep 2017) Ms Kong Wai Yee (appointed on 1 October 2017) Mr Kuek Chiew Peng, BBM(L) Ms Liew Shu Min Christina (stepped down on 30 Sep 2017) Mr Lim Beng Huat James (stepped down on 30 Sep 2017) Ms Lim Lee Boon, PBM Mr Lim Thean Ee Steven, BBM Mr Ng Chor Teck, PBM Mr Ng Keng Boon Mr Ong Boon Han Edwin Mr Ong Chee Ming Jimmy, PBM Ms Ong Phian Phian Corrine, PBM (appointed on 1 October 2017) Mr Pek Ting Li Desmond, PBM (appointed on 1 October 2017) Mr Ramasamy Perumal, PBM (stepped down on 30 Sep 2017) Mr Selvakumar s/o Panneerselvam (appointed on 1 October 2017) Mr Sham Cheong Hong Raymond (appointed on 1 October 2017) Mr Salim Bin Ali, BBM (stepped down on 30 Sep 2017)



<b>APPOINTED MEMBERS</b>	<p>Ms Tan Kwee Lian Rosalind (appointed on 1 October 2017)</p> <p>Mr Tan Swee Kee Kelvin, PBM</p> <p>Mr Soh Leng Hsien Shawn, PBM</p> <p>Mr Tan Ah Chor, PBM</p> <p>Mr Tan Kiang Lye Kenneth</p> <p>Mr Tan Tuang Siang, PBM (stepped down on 30 Sep 2017)</p> <p>Mr Tan Chun Yong Sean (stepped down on 30 Sep 2017)</p> <p>Ms Tan Lee Jee, PBM (stepped down on 30 Sep 2017)</p> <p>Mr Teoh Chin Chong, PBM</p> <p>Ms Teoh Fong Meng Theresa, PBM (appointed on 1 October 2017)</p> <p>Ms Umadevi d/o Murugiah (stepped down on 30 Sep 2017)</p> <p>Mr Wee Kok Wah, PBM (stepped down on 30 Sep 2017)</p> <p>Mr Yak Jun Wei Joshua, PBM</p> <p>Mr Yeo Thiam Huat Victor, PBM</p> <p>Mr Yong Kok Wah (appointed on 1 October 2017)</p> <p>Assoc Prof Yu Shi Ming, BBM</p>
<b>KEY OFFICERS</b>	
Secretary/General Manager	Mr Tay Eng Hwa
Deputy General Manager	Ms Cindy Ng
Senior Finance & Admin Manager	Ms Sherene Soh
Finance & Admin Manager	Ms Cindy Tham
<b>MANAGING AGENT</b>	EM Services Pte Ltd

Standing  
Committees

<b>Executive Committee</b>	Mr Patrick Tay, BBM Mr Cedric Foo Ms Foo Mee Har Assoc Prof Yu Shi Ming, BBM Ms Tan Kwee Lian Rosalind Mr Kuek Chiew Peng, BBM(L) Mr Foo Chew Tuck Joseph, JP, BBM Mr Lim Thean Ee Steven, BBM Mr Chua Thiam Chwee Andrew, BBM	Chairman Vice-Chairman Vice-Chairman
<b>Community Relations &amp; Development Committee</b>	Mr Foo Chew Tuck Joseph, JP, BBM Mr Tan Swee Kee Kelvin, PBM Mr Ong Chee Ming Jimmy, PBM Ms Kong Wai Yee Mr Aw Siew Har Catherina	Chairman Vice-Chairman
<b>Estate Management &amp; Maintenance Committee</b>	Mr Lim Thean Ee Steven, BBM Mr Ng Keng Boon Mr Selvakumar s/o Panneerselvam Mr Teoh Chin Chong, PBM Ms Ong Phian Phian Corrine, PBM Mr Sham Cheong Hong Raymond Mr Goh Keh Wee Ms Teoh Foong Meng Theresa, PBM Mr Yong Kok Wah Mr Ong Boon Han Edvin	Chairman Vice-Chairman
<b>Finance &amp; Admin Committee</b>	Mr Chua Thiam Chwee Andrew, BBM Mr Tan Ah Chor, PBM Mr Chong Lee Hock Michael, PBM Mr Yak Jun Wei Joshua, PBM Ms Lim Lee Boon, PBM	Chairman Vice-Chairman
<b>Press &amp; Publication Committee</b>	Mr Kuek Chiew Peng, BBM Ms Tan Kwee Lian Rosalind Mr Yeo Thiam Huat Victor, PBM Mr Pek Ting Li Desmond, PBM Mr Chan Sin Chan Anthony, PBM	Chairman Vice-Chairman
<b>Tenders &amp; Contracts Committee</b>	Assoc Prof Yu Shi Ming, BBM Mr Soh Leng Hsien Shawn, PBM Mr Ang Kiat Seng Jeffrey, PBM Mr Ng Chor Teck, PBM Mr Tan Kiang Lye Kenneth	Chairman Vice-Chairman

Town Council  
Offices

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Tel: 6896 4890  
Fax: 6425 0798  
Email: [wctcbl@wctc.org.sg](mailto:wctcbl@wctc.org.sg)



Telok Blangah Service Centre  
Blk 79/82 Telok Blangah Drive  
(Market & Cooked Food Centre)  
Tel: 6377 5138  
Email: [wctccl@wctc.org.sg](mailto:wctccl@wctc.org.sg)





Annual Report  
For The Period  
1 April 2017  
To  
31 March 2018

# Chairman's Review

West Coast Town Council continues to do its due diligent in upholding its responsibilities for the upkeep and maintenance of the living environment of our residents, through the daily routine as well as cyclical maintenance of the existing infrastructure and facilities. The Council also embark on improvement works and on-going upgrading programme to rejuvenate and transform the older estates into a vibrant and accessible home for all.

We have seen improvement works being carried out to enhance facilities for residents from all walks of life, promoting healthy lifestyle, social interaction and community togetherness. These include Children Playgrounds and Fitness Corners. Other improvement works included Barrier-Free Access (BFA) ramps, drop-off porches and covered linkways to provide shade come rain or shine.

To mitigate the impact of the rising electricity and water tariffs, as electricity and water expenditure takes up 29% of our operating expenditure, the Council takes initiative to replace all common area lights with energy saving LED lights. In addition, solar panels are set to be installed at 263 HDB blocks managed by West Coast under the SolarNova Phase 3 tender called by HDB under a whole-of-government effort. The energy generated will be used to operate common services such as lifts, water pumps and lighting for common areas in the day.

The Town Council will continue to focus on the daily cleaning and maintenance of our estates to ensure that the common property are kept clean, and the supporting M&E services are in a state of good and operating condition for our residents. Residents with maintenance issues are encouraged to contact the Town Council, so that feedback can be promptly looked into. We urge our residents to join hands with us and keep our estate and community clean and litter-free.

We would like to take this opportunity to thank our residents for your encouraging and continual support to the Town Council to improve and enhance your quality of living.



A handwritten signature in blue ink, reading "Patrick Tay Teck Guan".

Patrick Tay Teck Guan, BBM  
Chairman

This report provides an overview of the Financial Year 2017/2018, in areas of Fiscal Management, Maintenance and Upkeep of the Town, Environmental Management and Community Relations.

## **Fiscal Management**

For the financial year ended 31 March 2018, the Council recorded an operating surplus of \$1.11 million, after government grant(s). Without the government grant, an operating deficit of \$3.35 million would have been registered.

The Council continues to manage our finances with prudence despite increasing expenditure as the estates mature as well as to meet the increasing aspirations of our residents. Improvement projects are planned and prioritized to enhance the existing facilities that could benefit our residents.

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

With effect from 1 June 2017, following the mandatory requirement for Town Councils to set aside 26% and 14% of the S&CC income and grant as Sinking Fund and Lift Replacement Fund, respectively. The Council is also required to contribute towards the Lift Enhancement Program (LEP) for lifts which will be co-funded by HDB. And, coupled with rising costs, the S&CC needed to be revised upwards. However, to help ease the impact on residents, the increase is spread over two years.

S&CC grants were received from the government for the one-room to four-room HDB flats. In FY 2017/2018, the government also provided S&CC rebates to eligible Singapore citizen lessees/tenants of HDB flats, ranging from 3½ months S&CC for 1-room and 2-room flats to 1½ month for Executive flats.

For stallholders affected by the temporary closure of the Market and Cooked Food Centre for upgrading, improvement and cyclical maintenance works, the Council will waive the S&CC payable by them during the period of closure.



## Arrears Management

At the end of FY 2017/2018, 14.10% of the S&CC accounts were in arrears, amounting to \$1.12 million in total (not including late payment penalty and legal fees). This is an increase of 0.31% in terms of accounts in arrears and a decrease of 7.46% for amount in arrears, compared to FY 2016/2017.

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

The Council took steps to recover payment from those accounts that were in arrears. However, the Council remains sympathetic towards residents who face genuine financial hardship and offers assistance including payment of the arrears by instalment, deferment of payment, and referral to welfare agencies, Community Development Council and other community-based organizations for welfare aid and job matching.

For residents who are not in financial hardship but chose to delay payment, late payment penalty fee and administrative charges are imposed to discourage such delays. As a final resort, Court actions would be initiated against residents who ignore repeated reminders to make payment.

## Investment of Funds

As part of the Council's long-term financial planning, the Council invests the portion of surplus funds that are not required in the short term to generate returns. The Council adopts a balanced and cautious investment strategy, and the returns will be used to offset the rate of inflation and increase the value of our funds in the long run.

In FY 2017/2018, \$8 million was invested in bonds; \$37.25 million was invested with fund managers and \$58.50 million was placed in fixed deposits.

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

The Council's investment approach is in strict compliance with the stipulations in the Town Councils Act, Town Councils Financial Rules and guidelines issued by the Ministry of National Development.

## **Maintenance Management & Estate Improvement**

The daily upkeep and maintenance of the HDB common property and open spaces is one of the key responsibilities of the Council. Our property management teams conduct inspections of the estate so that maintenance issues are promptly identified and rectified. We also manage and closely supervise the performance of our team of Term Contractors to ensure that their performance conforms to the contractual requirements.

We appeal to all our residents to help provide feedback on maintenance issues directly to the Council so that we can address them promptly. At the same time, we would also like to seek the co-operation of all our residents not to misuse or vandalize common facilities and to help keep the estate clean. Such active support is vital in contributing towards a safer, cleaner and more pleasant housing estate for everyone.

### **Cyclical Maintenance Works**

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

In FY 2017/2018, the Council spent about \$9.83 million on cyclical maintenance works including repairs and repainting, re-roofing, replacement of transfer and booster pumps, replacement of water pipes and lift works. This amount includes the Council's share of the costs for the government's Lift Upgrading Programmes implemented within the Town.

### **Town Improvement Projects**

To complement the daily upkeep and maintenance of common areas and open spaces, the Council also plans for and implements improvement projects, to provide our residents with a better living environment. Improvement projects are prioritized according to the practical benefits for the majority of our residents.

In FY 2017/2018, the Council spent about \$2.53 million on improvement projects. The improvement projects that were implemented included covered walkways, fitness corners for adults and fitness corners for senior citizens, game courts, residents' corners, provision of seating facilities, drop-off porches and upgrading of children playgrounds. Covered walkways from the nearest block to bus-stops and between blocks, as well as Barrier-Free Access features within the Town served to improve convenience and connectivity for residents and were particularly well-received.



## Utility Saving Initiatives

The Council is cognizant of the long-term pressure on our operating expenses due to utility cost, as it constitutes 29% of the Council's maintenance expenditure. This is seen in the electricity tariff beginning to creep upwards. Hence, energy saving initiatives are necessary to help mitigate the effects of increasing electricity costs. The Council, together with 14 other PAP TCs, embarked on a bulk relamping exercise to replace all existing less energy efficient lights to Light Emitting Diode (LED) luminaires at the remaining 176 HDB blocks and the open space in West Coast Town. Work has commenced in the first quarter of 2018 and will be completed by end 2018. Time-Control switches for the common area lights at the blocks as well as those at the open spaces are pre-set to turn on and turn off to coincide with changing daylight hours throughout the year.

In addition, the electricity supply for a total of 458 eligible contestable accounts were contracted via tender to EMA approved retailer for 2 years from 1 January 2018 to 31 December 2019, at a discount of 35.08% off the electricity tariff based on the rates of Singapore Power.

The Council will continue to explore feasible avenues including solar energy to further reduce electricity consumption and support environmental sustainability, while ensuring that the safety of all our residents is not compromised.

The Council is also watching closely its water consumption, as water tariff increased by 30%, phased over 2 years, starting from 1 July 2017.

## Town Council Management Report (TCMR)

The Council will continue to work on improving our TCMR rating to achieve Green Band for both the Cleanliness and Maintenance Indicators. We appeal for the co-operation and vital help of all our residents in the upkeep of the estate through simple acts, especially in keeping the common areas such as corridors, staircases and lift lobbies clean and tidy and clear of obstruction and hazards, as well as not to erect unauthorized structures such as clothes drying racks and blinds at the common areas. Residents should practice proper bagging and disposal of refuse into the chutes and refrain from littering. We encourage residents to contact the Council for the free bulky household item removal service.

Feedback from our residents on cleanliness and maintenance defects would also help the Council in timely rectification of the defects and help immensely towards improving the TCMR rating.



## Upgrading Programmes

The Government put in place various upgrading programmes such as Neighbourhood Renewal Programme (NRP), Home Improvement Programme (HIP) and Lift Upgrading Programmes (LUP) to rejuvenate older HDB estates. This is part of the Government's continual efforts to enhance the living environment of our residents, without the need for them to relocate.

The residents in the following precincts gave their support and benefited from these upgrading programmes, which have either been completed or are in progress:

Home Improvement Programme (HIP)	
Block 30 to 41 Teban Gardens Road	In progress. Work expected to complete in 3 <sup>rd</sup> quarter 2018
Block 701 to 704 West Coast Road and Block 706, 707, 710, 715 to 717, 723, 724 Clementi West Street 2	Completed on 25 January 2017
Block 728 to 731 Clementi West Street 2	Completed on 18 August 2017

Neighbourhood Renewal Programme (NRP)	
Block 174 to 179 Boon Lay Drive	Work for main NRP was completed in 3 <sup>rd</sup> quarter 2017. Ancillary NRP works in progress. Expected to complete in 4 <sup>th</sup> quarter 2018
Block 257 to 267 and 257A (MSCP) Boon Lay Drive	Tender has been award in 2 <sup>nd</sup> quarter 2018. Works expected to commence in 3 <sup>rd</sup> quarter 2018 and expected to complete in 4 <sup>th</sup> quarter 2019

Lift Upgrading Programme (LUP)	
Block 501 and 505 West Coast Drive and Block 721, 725 and 727 Clementi West Street 2	In progress. Work expected to complete in 4 <sup>th</sup> quarter 2019
Block 410 to 412 Pandan Gardens	Completed in November 2017

# Environmental Management

Maintaining the cleanliness, public hygiene and safety in the estate requires the joint effort from the community. The Council will continue to engage the residents with civic responsibility posters, advisories, newsletters, as well as putting up an exhibition during community events, to encourage residents to practice good social habits.

## Keep Clean, Singapore!

The Keep Clean, Singapore! 2017 event held in May 2017 was jointly organized by the Town Councils, the National Environment Agency (NEA), and Public Hygiene Council.

The event is part of the nation-wide campaign to create awareness on the importance of keeping public areas clean and that cleanliness is a shared responsibility of every resident. All residents play a very important part to care for the environment by not littering and taking ownership to upkeep the cleanliness of their surroundings. Residents and volunteers, led by grassroots leaders participated in “Keep Clean, Singapore!” to pick up litter at various locations. The day before the clean-up exercise, there were no general cleaning services to the ground floor common areas and open spaces. This is so that residents could observe the actual state of cleanliness and hygiene in their estate before and after the general cleaning has been suspended for a day. A total of 186 kg of litter was collected, of which 80 kg were non-recyclable and 106 kg recyclable.

At the same time, the cleaners were treated to a “Thank you” lunch by the Council as an appreciation for their tireless efforts in keeping our housing estates clean. Volunteers, residents and grassroots leaders who took part in the litter were also invited. The cleaners were presented with shopping vouchers by their employers as a token of appreciation.

## Pest Control

The Council sustained its mosquito control initiative to combat dengue transmission. Through a Dedicated Mosquito Control effort, the Pest Control Operator appointed by the Council carried out scheduled checks, focusing on source reduction by identifying and eradicating mosquito breeding habitats at the common areas and open spaces.

Although the main source of mosquito breeding occurs in homes, the Council would also like to appeal to all our residents to properly dispose their litters and unwanted belongings as these are potential mosquito breeding habitats if indiscriminately disposed in the common areas and open spaces.

The Council, in collaboration with the NEA, also stepped up intensive rodent control works under the Rat Attack Programme.

The Council also sees an increase in bird nuisance issues in the estates. The availability of food in the area attracts birds as well as pests such as rats and cockroaches. We would like



to urge all residents to refrain from feeding birds as they pose health and hygiene problems. Residents can report to the AVA and NEA if you see anyone engaging in the act of feeding and littering, respectively.

### **Keeping our Estate Obstruction and Hazard Free**

Excessive as well as unwanted personal belongings placed at and indiscriminately discarded at corridor, staircases and lift lobby are a potential source of fire hazard. They also obstruct emergency escape routes, thereby impeding life-saving efforts and evacuation in emergencies.

The Council appeals to all our residents and shop lessees/tenants to help keep our Town free from obstructions and hazards to promote and establish a safer living environment. Residents who need to dispose bulky household items can contact the Council for the free removal service for up to three items per household per month.

### **Closed-circuit Televisions (CCTVs) Network**

The island-wide police cameras (PolCams) project rolled out by Singapore Police Force (SPF) to install CCTVs at all HDB blocks and HDB multi-storey car parks started in 2012, and has been completed since mid-2016. The PolCams at the void decks and ground floor staircase landings, together with the Lift Surveillance Systems (LSS) installed in the lifts by the Town Council form a CCTV network for better security of our residents. By 1<sup>st</sup> quarter 2019, all the lifts in the Town will be installed with LSS.

Following the completion of this phase, SPF will roll-out the camera coverage beyond HDB blocks and multi-storey car parks, to open areas at the Town and Neighbourhood Centres as well as Market and Cooked Food Centres, where there would be people congregating. The cameras will also be installed to cover open pathways and walkways at transport nodes like MRT stations and major bus-stops.

## **Feedback & Communication**

The Town Council values the communication and feedback from our residents. We continue to engage our residents and build rapport through the various modes and channels of communication, to reach out to our residents. Besides the traditional modes of communication, the Council also rides on the use of new technology.

### **iTown@SG**

The iTown@SG launched in 2013 continues to provide another convenient communication channel for our residents to provide feedback on maintenance matters. Residents are able to take a photo of the maintenance issue and submit it to the Council via their smartphones.



## iFeedback

The Council makes available the iFeedback System for residents who are not using smartphones, to send their feedback directly to the Town Council via SMS or MMS. With the use of MMS, residents are able to capture and send photographs on maintenance issues to the Council, which would help the Council to locate and rectify them quickly.

## One Service App

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

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

## Town News

Residents are kept informed of the latest happenings, estate maintenance information and community updates through the newsletter which is distributed to HDB dwellers and commercial tenants.

## Website

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

## We Value Feedback

The Council values the feedback from all our residents. Residents are welcome to reach the Council directly via the various channels of communication. They can also raise their concerns through their Town Councillors, grassroots leaders, and their Members of Parliament during the regular house-to-house visits, dialogue sessions, community events and Meet-the-People sessions.

Audited Financial  
Statements  
For The Period  
1 April 2017  
To  
31 March 2018

Financial statements

**WEST COAST TOWN COUNCIL**

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

For the year ended 31 March 2018



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## **Report on the Audit of the Financial Statements**

### *Opinion*

We have audited the accompanying financial statements of West Coast Town Council (the "Town Council"), which comprise the statement of financial position as at 31 March 2018, the income and expenditure statement, statement of comprehensive income, statement of changes in Town Council funds and statement of 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 Council's Act, Chapter 329A (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Town Council as at 31 March 2018, and of the financial performance, changes in Town Council 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 Auditor's 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 ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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's and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a 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.

A Town Council is constituted based on its Act and its dissolution requires the Minister for National Development's approval. 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 the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations, or has no realistic alternative but to do so.

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

*Auditor's 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 auditor's 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.



*Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

- 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 auditor's 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 auditor's 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 and with those charged with governance 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 Other Legal and Regulatory Requirements**

*Opinion*

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 ended 31 March 2018 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.

*Basis for Opinion*

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Town Council in accordance with 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.

*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.

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

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

*Auditor's 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 planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

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



**AT ADLER**

Public Accountants and Chartered Accountants

Singapore, 30 August 2018

# Statement of financial position

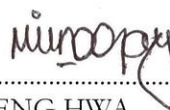
as at 31 March 2018

	Note	2017/2018 \$	2016/2017 \$
<b>TOWN COUNCIL FUND</b>			
<b>RESIDENTIAL PROPERTY</b>			
Accumulated surplus	3	4,314,510	4,308,428
Sinking fund	4	72,948,378	75,786,832
Lift replacement fund	5	15,985,275	-
Town improvement and project fund	6	666,610	666,260
		93,914,773	80,761,520
<b>COMMERCIAL PROPERTY</b>			
Accumulated surplus	3	560,417	349,929
Sinking fund	4	18,279,162	20,686,231
Lift replacement fund	5	3,407,374	-
Town improvement and project fund	6	33,390	33,740
		22,280,343	21,069,900
<b>CARPARK</b>			
Accumulated surplus	3	-	-
		116,195,116	101,831,420
<b>Represented by:</b>			
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	8	17,945	22,800
Held-to-maturity financial assets	9	3,000,000	8,000,000
		3,017,945	8,022,800
<b>Current Assets</b>			
Held-to-maturity financial assets	9	5,000,000	-
Financial assets at fair value through profit or loss	10	36,974,327	33,750,833
Conservancy and service fee receivables	11	1,208,025	1,364,934
Receivable for Neighbourhood Renewal Programme	7	834,357	692,500
Other receivables	12	3,724,719	4,137,598
Interest receivable		163,138	196,806
Cash and bank balances	13	73,015,849	61,706,074
		120,920,415	101,848,745
<b>TOTAL ASSETS</b>		<b>123,938,360</b>	<b>109,871,545</b>
<b>Less:</b>			
<b>CURRENT LIABILITIES</b>			
Conservancy and service fee received in advance		684,491	585,001
Advances received for Neighbourhood Renewal Programme	7	89,980	387,053
Payables and accrued expenses	14	5,980,957	6,026,261
Current tax payable		987,816	1,041,810
		7,743,244	8,040,125
<b>NET CURRENT ASSETS</b>		<b>113,177,171</b>	<b>93,808,620</b>
		<b>116,195,116</b>	<b>101,831,420</b>

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



PATRICK TAY TECK GUAN, BBM  
Chairman



TAY ENG HWA  
Secretary

Date: 30 August 2018



# Income and expenditure statement for the financial year ended 31 March 2018

	Note	2017/2018 \$	2016/2017 \$
<b>OPERATING INCOME</b>			
Conservancy and service fees		40,147,586	37,471,483
Less: Operating transfer to:			
- Sinking fund (minimum required by law)	4	10,438,372	12,703,009
- Lift replacement fund (minimum required by law)	5	5,620,662	-
		24,088,552	24,768,474
Agency fees	15	3,692,845	3,512,386
Other income	16	2,662,312	2,553,830
		30,443,709	30,834,690
Less:			
<b>OPERATING EXPENDITURE</b>			
Cleaning works		5,835,355	6,217,414
Managing agent's fees	17	4,480,085	4,268,751
Lift maintenance		5,899,107	5,372,286
Other works and maintenance		5,917,602	5,701,849
Water and electricity		9,596,249	9,130,543
General and administrative expenditure	20	1,851,103	1,782,430
		33,579,501	32,473,273
<b>OPERATING DEFICIT</b>		(3,135,792)	(1,638,583)
Add:			
<b>NON-OPERATING INCOME</b>			
Interest income		54,580	51,951
<b>DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS</b>		(3,081,212)	(1,586,632)
Less:			
Income tax	22	264,810	264,881
<b>DEFICIT AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS</b>		(3,346,022)	(1,851,513)
Add:			
Government Grants	24	12,283,176	9,217,745
Less: Transfer to sinking fund	4	1,932,412	2,081,076
Less: Transfer to lift replacement fund	5	4,263,102	-
Less: Transfer to town improvement and project fund	6	1,628,251	2,735,680
		4,459,411	4,400,989
<b>SURPLUS FOR THE YEAR</b>		1,113,389	2,549,476
Add:			
Accumulated surplus at 1 April		4,658,357	2,434,095
Less:			
Appropriation to town improvement and project fund	6	896,819	325,214
<b>ACCUMULATED SURPLUS AT 31 MARCH</b>		4,874,927	4,658,357

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

## Statement of comprehensive income for the financial year ended 31 March 2018

	Note	2017/2018 \$	2016/2017 \$	RESIDENTIAL PROPERTY		COMMERCIAL PROPERTY		CARPARK	
				2017/2018 \$	2016/2017 \$	2017/2018 \$	2016/2017 \$	2017/2018 \$	2016/2017 \$
Surplus/(deficit) for the year:									
- Accumulated surplus	3	1,113,389	2,549,476	556,982	2,361,805	252,916	234,233	303,491	(46,562)
- Sinking fund	4	8,260,705	6,449,080	7,771,702	6,054,468	489,003	394,612	-	-
- Lift replacement fund	5	5,886,421	-	5,375,119	-	511,302	-	-	-
- Town improvement and project fund	6	(896,819)	(325,214)	(854,041)	(309,539)	(42,778)	(15,675)	-	-
Total surplus/(deficit) for the year		14,363,696	8,673,342	12,849,762	8,106,734	1,210,443	613,170	303,491	(46,562)
Other comprehensive income, net of tax		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year attributable to Town Council Fund		14,363,696	8,673,342	12,849,762	8,106,734	1,210,443	613,170	303,491	(46,562)

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

## Statement of changes in funds for the financial year ended 31 March 2018

	TOTAL	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	CARPARK
	\$	\$	\$	\$
Balance at 1 April 2016				
Total comprehensive income for the year	93,158,078	72,701,348	20,456,730	-
Add/(Less) :	8,673,342	8,106,734	613,170	(46,562)
Inter-fund transfer	-	(46,562)	-	46,562
Balance at 31 March 2017	101,831,420	80,761,520	21,069,900	-
Balance at 1 April 2017	101,831,420	80,761,520	21,069,900	-
Total comprehensive income for the year	14,363,696	12,849,762	1,210,443	303,491
Add/(Less) :				
Inter-fund transfer	-	303,491	-	(303,491)
Balance at 31 March 2018	116,195,116	93,914,773	22,280,343	-

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



# Statement of cash flows

## for the financial year ended 31 March 2018

	Note	2017/2018 \$	2016/2017 \$
<b>Cash Flows from Operating Activities</b>			
Deficit in income and expenditure statement before taxation and government grants		(3,081,212)	(1,586,632)
Adjustments for:			
Conservancy and service fees transferred to sinking fund	4	10,438,372	12,703,009
Conservancy and service fees transferred to lift replacement fund	5	5,620,662	-
Depreciation of plant and equipment	20	12,084	33,471
Plant and equipment written off		7	7
Interest income	3	(54,580)	(51,951)
Operating surplus before working capital changes		12,935,333	11,097,904
Decrease in conservancy and service fee and other receivables		768,089	78,614
Increase/(decrease) in creditors and conservancy and service fee received in advance		430,976	(2,194,053)
Net movement in receivable/advances received for Neighbourhood Renewal Programme		(438,930)	(225,054)
Cash generated from operations		13,695,468	8,757,411
Income tax paid		(547,427)	(520,261)
Funds transferred to Holland-Bukit Panjang Town Council		-	(1,511,578)
Funds transferred to Jurong-Clementi Town Council		-	(24,883,164)
Sinking fund income		174	109
Sinking fund expenditure	4	(5,691,987)	(10,511,076)
Lift replacement fund expenditure	5	(4,141,551)	-
Town improvement and project fund expenditure	6	(2,525,070)	(3,060,894)
Net cash generated from/(used in) operating activities		789,607	(31,729,453)
<b>Cash Flows from Investing Activities</b>			
Purchase of plant and equipment	8	(7,236)	(14,866)
Interest received		883,944	982,536
Redemption of matured fund with fund managers	10	4,000,000	-
Proceeds from fund manager	10	8,913	4,904
Net cash generated from investing activities		4,885,621	972,574
<b>Cash Flows from Financing Activities</b>			
Cash restricted in use	13	-	1,391
Government grants received		12,081,043	8,696,293
Net cash generated from financing activities		12,081,043	8,697,684
Net increase/(decrease) in cash and cash equivalents		17,756,271	(22,059,195)
Cash and cash equivalents at beginning of year		53,589,472	75,648,667
Cash and cash equivalents at end of year	13	71,345,743	53,589,472

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

# **Notes to the financial statements**

## **for the financial year ended 31 March 2018**

### **1 GENERAL INFORMATION**

The Town Council was established on 13 November 2001 under the Town Councils Act (Chapter 329A) and commenced operations on 1 January 2002. The name was changed from West Coast-Ayer Rajah Town Council to West Coast Town Council on 26 May 2006. In FY 2015/2016, the electoral boundaries were withdrawn 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. The Town now comprises the constituencies of West Coast GRC and Pioneer SMC. The functions of the Town Council are to control, manage, maintain and improve the common property of residential and commercial property in the housing estates of the Housing and Development Board (HDB) within the Town.

The financial statements of the Town Council for the financial year ended 31 March 2018 were authorised for issue by the members of Town Council on 30 August 2018.

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

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

- (i) The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Town Council's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2(t).



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

On 1 April 2017, the Town Council has adopted the new or revised FRSs that are mandatory for application from that date.

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

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

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

Residential Property  
Commercial Property

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

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

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

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

**SINKING FUND**

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

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

In FY 2016/2017, the minimum amounts to be paid into the Sinking Fund were as follows:

- |  |  |
|--|--|
| (i) 1-room to 3-room   | 30% of service and conservancy charges and grants-in-aid |
| (ii) 4-room to 5-room  | 35% of service and conservancy charges and grants-in-aid |
| (iii) Multi-generation, Executive, Shop with living accommodation, Commercial property | 35% of service and conservancy charges                   |



(c) **SINKING FUND (Cont'd)**

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

This minimum contribution is treated as operating transfers and netted off against the service and conservancy charges and government grants in the income and expenditure statement.

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

**LIFT REPLACEMENT FUND**

In accordance with Section 33(4A) of the Town Councils Act, a separate Lift Replacement Fund ("LRF") is established to meet the cost of any capital expenditure related to the replacement of lifts or lift upgrading works on Residential Property and Commercial Property.

To assist Town Councils in building up the LRF, the Ministry of National Development will provide a 50% matching grant, known as the LRF Matching Grant, to the following contributions Town Councils make to the LRF:

- (i) Quarterly contributions to the LRF from service and conservancy charges collections and other grants-in-aids, including voluntary contributions beyond the minimum LRF contribution rate; and
- (ii) Voluntary contributions of Operating Fund surpluses to the LRF at the end of a financial year, as allowed under Section 33(9) of the amended Town Councils Act.

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

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

This minimum contribution is treated as operating transfers and netted off against the service and conservancy charges and government grants in the income and expenditure statement.

**TOWN IMPROVEMENT AND PROJECT FUND**

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

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

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

**(d) ALLOCATION OF GENERAL OVERHEADS**

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

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

Five percent of overheads are allocated to the Sinking Fund and Lift Replacement Fund.

**(e) GOVERNMENT GRANTS**

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

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

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

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

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

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

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

**(f) PLANT AND EQUIPMENT**

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

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



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

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%

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

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

**(g) IMPAIRMENT OF NON-FINANCIAL ASSETS**

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on the non-financial assets. The carrying amount of non-financial assets is reviewed at each reporting date for indications of impairment and where impairment is found, the asset is written down through the income and expenditure statement to its estimated recoverable amount.

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

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

**(h) FINANCIAL ASSETS**

Initial recognition and measurement:

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

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



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

Initial recognition and measurement: (cont'd)

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

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

Derecognition of financial assets:

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

Cash and cash equivalents:

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

**(i) FUNDS WITH FUND MANAGERS**

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

Funds with fund managers comprise mainly equities, bonds, cash and fixed deposits. Equities and bonds are stated on an aggregate portfolio basis and are designated as financial assets at fair value through profit or loss 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.

**(j) HEDGING**

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

**(k) FAIR VALUE OF FINANCIAL INSTRUMENTS**

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



**(l) FINANCIAL LIABILITIES**

Initial recognition and measurement:

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

Subsequent measurement:

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

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

**(m) PROVISIONS**

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

**(n) LEASES AS A LESSEE**

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



**(o) INCOME TAX**

Income tax is provided on the following income:

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

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

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

**(p) RECOGNITION OF INCOME**

The 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, estimated returns, discounts and volume rebates.

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

**(q) INTER-FUND TRANSFER**

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

(r) **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.

(s) **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 \$3,400 per dwelling unit to cover NRP construction costs, professional and consultancy fees. In addition, the Town Council shall be entitled to a sum of \$150 per dwelling unit or \$125,000, whichever is higher, to cover miscellaneous costs relating to the NRP project. However, if the cost of project works incurred exceeds the funding provided, the Town Council has to bear the cost of excess expenditure.

(t) **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) Allowance for bad and doubtful debts

Allowance for doubtful conservancy and service debts amounting to \$393,072 (2016/2017 - \$381,312) have been estimated on the basis of age of debts, results recovery efforts and historical experience. Where the expected outcome is different from the original estimate, such difference will impact the carrying value of conservancy and service and other receivables, and the doubtful debt expenses in the period in which such estimate has been changed.



(t) CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION  
UNCERTAINTIES (CONT'D)

(ii) Income tax

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

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

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

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

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

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



# WEST COAST TOWN COUNCIL

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

Notes to the financial statements for the financial year ended 31 March 2018

## 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 2017/2018 \$	RESIDENTIAL PROPERTY 2017/2018 \$	COMMERCIAL PROPERTY 2016/2017 \$	CARPARK 2017/2018 \$	2016/2017 \$
<b>OPERATING INCOME</b>						
Conservancy and service fees		40,147,586	37,514,243	2,633,343	-	-
Less: Operating transfer to:						
-Sinking fund (minimum required by law)	4	10,438,372	9,753,703	684,669	-	-
-Lift replacement fund (minimum required by law)	5	5,620,662	5,251,994	368,668	-	-
Agency fees	15	24,088,552	22,508,546	1,580,006	-	-
Other income	16	3,692,845	-	-	3,692,845	3,512,386
		2,662,312	2,159,277	455,144	47,891	37,829
		30,443,709	24,667,823	2,035,150	3,740,736	3,550,215
Less:						
OPERATING EXPENDITURE		33,579,501	28,381,574	1,782,113	3,415,814	3,574,962
Operating (deficit)/surplus		(3,135,792)	(3,713,751)	253,037	324,922	(24,747)
Add:						
NON-OPERATING INCOME –interest income		54,580	46,650	2,349	5,581	5,308
(DEFICIT)/SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS		(3,081,212)	(3,667,101)	255,386	330,503	(19,439)
Less:						
INCOME TAX	22	264,810	226,460	11,338	27,012	27,123
(DEFICIT)/SURPLUS AFTER TAXATION BUT BEFORE GOVERNMENT GRANTS		(3,346,022)	(3,893,561)	244,048	303,491	(46,562)
Add:						
Government grants	24	12,283,176	12,008,645	274,531	-	-
Less: Transfer to						
- Sinking fund	4	1,932,412	1,928,569	3,843	-	-
- Lift replacement fund	5	4,263,102	4,078,950	184,152	-	-
- Town improvement and project fund	6	1,628,251	1,550,583	77,668	-	-
		4,459,411	4,450,543	8,868	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>1,113,389</b>	<b>556,982</b>	<b>252,916</b>	<b>303,491</b>	<b>(46,562)</b>
Add:						
Accumulated surplus at 1 April		4,658,357	4,308,428	349,929	-	-
Less/(Add):						
Appropriation to town improvement and project fund	6	896,819	854,391	42,428	-	-
Inter-Fund Transfer		-	303,491	-	(303,491)	46,562
<b>Accumulated surplus at 31 March</b>		<b>4,874,927</b>	<b>4,314,510</b>	<b>560,417</b>	<b>-</b>	<b>-</b>

# WEST COAST TOWN COUNCIL

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

Notes to the financial statements for the financial year ended 31 March 2018

## 4 Sinking fund

	Note	2017/2018 \$	TOTAL 2016/2017 \$	RESIDENTIAL PROPERTY 2017/2018 \$	2016/2017 \$	COMMERCIAL PROPERTY 2017/2018 \$	2016/2017 \$
Balance at 1 April		96,473,063	90,023,983	75,786,832	69,732,364	20,686,231	20,291,619
Less:							
Appropriation to lift replacement fund	5	13,506,228	-	10,610,156	-	2,896,072	-
		82,966,835	90,023,983	65,176,676	69,732,364	17,790,159	20,291,619
Add :							
INCOME	18(a)	1,780,994	2,404,503	1,704,863	2,297,513	76,131	106,990
OPERATING TRANSFERS FROM :							
- Conservancy and service fees (minimum required by law)	3	10,438,372	12,703,009	9,753,703	11,828,388	684,669	874,621
- Transfer from Government Grants	3	1,932,412	2,081,076	1,928,569	2,081,076	3,843	-
		14,151,778	17,188,588	13,387,135	16,206,977	764,643	981,611
Less :							
EXPENDITURE	18(b)	5,691,987	10,511,076	5,425,844	9,935,088	266,143	575,988
Less :							
INCOME TAX	22	199,086	228,432	189,589	217,421	9,497	11,011
SURPLUS FOR THE YEAR		8,260,705	6,449,080	7,771,702	6,054,468	489,003	394,612
Balance at 31 March		91,227,540	96,473,063	72,948,378	75,786,832	18,279,162	20,686,231

Represented by :			
NON-CURRENT ASSETS			
Held-to-maturity financial assets	9	3,000,000	8,000,000
CURRENT ASSETS			
Held-to-maturity financial assets	9	5,000,000	-
Financial assets at fair value through profit or loss	10	36,974,327	33,750,833
Conservancy and service fee receivables		290,719	403,363
Amount owing from Routine Fund		2,525,698	3,643,545
Other receivables		452,819	812,217
Interest receivable		108,374	190,922
Cash and bank balances		44,117,893	52,021,164
		89,469,830	90,822,044
Less :			
CURRENT LIABILITIES			
Current tax payable		428,284	477,955
Payables and accrued expenses		814,006	1,871,026
		1,242,290	2,348,981
		88,227,540	88,473,063
NET CURRENT ASSETS		91,227,540	96,473,063

# WEST COAST TOWN COUNCIL

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

Notes to the financial statements for the financial year ended 31 March 2018

## 5 Lift replacement fund

	Note	2017/2018 \$	2016/2017 \$	TOTAL 2017/2018 \$	RESIDENTIAL PROPERTY 2017/2018 \$	2016/2017 \$	COMMERCIAL PROPERTY 2017/2018 \$	2016/2017 \$
Balance at 1 April								
Add:								
Appropriation from sinking fund	4	13,506,228	-	13,506,228	10,610,156	-	2,896,072	-
					10,610,156	-	2,896,072	-
Add :								
INCOME	19(a)	173,745	-		165,457	-	8,288	-
Operating transfer from Conservancy and service fees (minimum required by law)	3	5,620,662	-		5,251,994	-	368,668	-
		5,794,407	-		5,417,451	-	376,956	-
Add:								
Transfer from Government Grants – LRF Matching Grant		3,222,573	-		3,040,490	-	182,083	-
– Other government grants		1,040,529	-		1,038,460	-	2,069	-
– Total	3	4,263,102	-		4,078,950	-	184,152	-
Less :								
EXPENDITURE	19(b)	4,141,551	-		4,093,154	-	48,397	-
Less :								
INCOME TAX	22	29,537	-		28,128	-	1,409	-
SURPLUS FOR THE YEAR		5,886,421	-		5,375,119	-	511,302	-
Balance at 31 March		19,392,649	-		15,985,275	-	3,407,374	-
Represented by :								
CURRENT ASSETS								
Conservancy and service fee receivables		156,541	-					
Amount owing from Routine Fund		1,524,269	-					
Other receivables		798,066	-					
Interest receivable		48,118	-					
Cash and bank balances		17,487,520	-					
		20,014,514	-					
Less :								
CURRENT LIABILITIES								
Current tax payable		29,537	-					
Payables and accrued expenses		592,328	-					
		621,865	-					
NET CURRENT ASSETS		19,392,649	-					
		19,392,649	-					



# WEST COAST TOWN COUNCIL

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

Notes to the financial statements for the financial year ended 31 March 2018

## 6 Town improvement and project fund

	Note	2017/2018 \$	TOTAL 2016/2017 \$	RESIDENTIAL PROPERTY 2017/2018 \$	RESIDENTIAL PROPERTY 2016/2017 \$	COMMERCIAL PROPERTY 2017/2018 \$	COMMERCIAL PROPERTY 2016/2017 \$
Balance at 1 April		700,000	700,000	666,260	665,560	33,740	34,440
Add :							
Transfer from Government Grants	3	1,628,251	2,735,680	1,550,583	2,603,820	77,668	131,860
Less :							
Payment to contractors		2,525,070	3,060,894	2,404,624	2,913,359	120,446	147,535
Deficit for the year		(896,819)	(325,214)	(854,041)	(309,539)	(42,778)	(15,675)
Appropriation from accumulated surplus	3	896,819	325,214	854,391	310,239	42,428	14,975
Balance at 31 March		700,000	700,000	666,610	666,260	33,390	33,740
Represented by :							
CURRENT ASSETS							
Other receivables		1,876,409	2,460,009				
Less:							
CURRENT LIABILITIES							
Amount owing to Routine Fund		774,948	1,420,567				
Payables and accrued expenses		401,461	339,442				
		1,176,409	1,760,009				
		700,000	700,000				

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

Out of the total of \$2,525,070 (2016/2017 - \$3,060,894) spent on town improvement projects, \$1,628,251 (2016/2017 - \$2,735,680) was met by payment from CCC.

**7 (Receivable)/Advances received for Neighbourhood Renewal Programme**

	2017/2018 \$	2016/2017 \$
Balance at 1 April	(305,447)	(80,393)
Funding from government	1,233,822	2,013,354
Payment to contractors	(1,672,752)	(2,238,408)
Balance at 31 March	(744,377)	(305,447)
Represented by:		
Receivable for Neighbourhood Renewal Programme	(834,357)	(692,500)
Advances received for Neighbourhood Renewal Programme	89,980	387,053
Balance at 31 March	(744,377)	(305,447)

**8 Plant and equipment**

	<u>Total</u> \$	<u>Furniture, fixtures and fittings</u> \$	<u>Data processing equipment</u> \$	<u>Office equipment</u> \$	<u>Renovation</u> \$
<b>Cost</b>					
Balance at 1 April 2017	1,767,065	469,298	203,803	161,680	932,284
Additions during the year	7,236	-	-	7,236	-
Disposals/written off	(6,234)	(447)	(2,752)	(3,035)	-
Balance at 31 March 2018	1,768,067	468,851	201,051	165,881	932,284
<b>Accumulated depreciation</b>					
Balance at 1 April 2017	1,744,265	462,780	198,999	150,203	932,283
Depreciation for the year (Note 20)	12,084	2,567	4,670	4,847	-
Disposals/written off	(6,227)	(444)	(2,750)	(3,033)	-
Balance at 31 March 2018	1,750,122	464,903	200,919	152,017	932,283
<b>Net book value</b>					
Balance at 31 March 2018	17,945	3,948	132	13,864	1

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

	<u>Total</u> \$	<u>Furniture, fixtures and fittings</u> \$	<u>Data processing equipment</u> \$	<u>Office equipment</u> \$	<u>Renovation</u> \$
<b>Cost</b>					
Balance at 1 April 2016	1,762,692	464,587	208,947	156,874	932,284
Additions during the year	14,866	4,860	-	10,006	-
Disposals/written off	(10,493)	(149)	(5,144)	(5,200)	-
Balance at 31 March 2017	1,767,065	469,298	203,803	161,680	932,284
<b>Accumulated depreciation</b>					
Balance at 1 April 2016	1,721,280	459,062	178,626	151,309	932,283
Depreciation for the year (Note 20)	33,471	3,866	25,513	4,092	-
Disposals/written off	(10,486)	(148)	(5,140)	(5,198)	-
Balance at 31 March 2017	1,744,265	462,780	198,999	150,203	932,283
<b>Net book value</b>					
Balance at 31 March 2017	22,800	6,518	4,804	11,477	1

**9 Held-to-maturity financial assets**

	<b>2017/2018</b> \$	<b>2016/2017</b> \$
Movements during the year - at amortised cost :		
Amortised cost at beginning and end of year	<b>8,000,000</b>	8,000,000
Balance is made up of:		
Quoted bonds maturing within one year : current	<b>5,000,000</b>	-
Quoted bonds maturing after one year : non-current	<b>3,000,000</b>	8,000,000
Balance at end of year	<b>8,000,000</b>	8,000,000
Fair value at end of yearp	<b>8,015,090</b>	8,107,100

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

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

The bonds bear interest rate per annum of 2.223% and 2.365% (2016/2017 – 2.223% and 2.365%) to be received semi-annually in arrears. The maturity period of the bonds is in September 2018 and May 2019 (2016/2017 – September 2018 and May 2019).

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



**10 Financial assets at fair value through profit or loss**

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

The funds with fund managers are administered by Lion Global Investors Ltd and UOB Asset Management Ltd. The fund managers are given discretionary powers within certain guidelines to invest the funds. The funds managed by Lion Global Investors Ltd and UOB Asset Management Ltd will expire on 31 October 2020 and 30 September 2022, respectively.

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

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

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

	2017/2018 \$	2016/2017 \$
Balance at beginning of year	41,677,173	40,069,287
Withdrawals during the year	(4,000,000)	-
Proceeds from the fund manager	(8,913)	(4,904)
Investment income	1,117,166	857,165
Management fees	(133,052)	(135,219)
Other expenses	(7,699)	(10,124)
Fair value gain (net)	182,454	900,968
Balance at end of year	38,827,129	41,677,173

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

	2017/2018 \$	2016/2017 \$
Investments in :		
Quoted equities	7,617,119	5,117,265
Quoted bonds	29,357,208	28,633,568
Financial assets at fair value through profit or loss	36,974,327	33,750,833
Cash and deposits (Note 13)	1,619,816	8,066,312
Accrued interest and other receivables (Note 12)	232,986	236,818
Other Payables	-	(376,790)
Balance at end of year	38,827,129	41,677,173

**11 Conservancy and service fee receivables**

	2017/2018 \$	2016/2017 \$
Conservancy and service fee receivables	1,505,937	1,657,245
Interest receivable on late payments	95,160	89,001
Less : Allowance for impairment	(393,072)	(381,312)
	<b>1,208,025</b>	<b>1,364,934</b>
	2017/2018 \$	2016/2017 \$
Movements in above allowance :		
Balance at 1 April	(381,312)	(390,733)
Charged to income and expenditure statement (Note 20)	(22,675)	(3,379)
Allowance utilised	10,915	12,800
Balance at 31 March	<b>(393,072)</b>	<b>(381,312)</b>

Conservancy and service fee receivables are due on the first day of the month, without demand. Payments made within the month will not be liable for late payment penalty. Conservancy and service 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**

	2017/2018 \$	2016/2017 \$
Deposits	260,446	336,112
Prepayments	158,408	163,785
Claims for Citizens' Consultative Committee funding receivable	1,859,289	2,462,967
LRF Matching grant receivable	738,559	-
Receivables for funds with fund managers (Note 10)	232,986	236,818
Recoverables from contractors	46,290	472,602
Goods and services tax receivable	-	100,209
GST subvention receivable	371,143	345,073
Service and conservancy charge grant receivable	53,907	12,725
Others	3,691	7,307
	<b>3,724,719</b>	<b>4,137,598</b>

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**

	2017/2018 \$	2016/2017 \$
Cash and deposits held by fund managers (Note 10)	1,619,816	8,066,312
Fixed deposits	58,503,555	44,346,697
Cash and bank balances	12,892,478	9,293,065
	<b>73,015,849</b>	<b>61,706,074</b>

The fixed deposits have an average maturity of 2.8 months (2017 – 2.5 months) from the end of the financial year. The fixed deposits have weighted average effective interest rate of 1.29% (2017 – 1.23%) per annum. Fixed deposit amounting to \$50,290 (2017 - \$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:

	2017/2018 \$	2016/2017 \$
Cash and bank balances as shown above	73,015,849	61,706,074
Cash and deposits held by fund managers (Note 10)	(1,619,816)	(8,066,312)
Pledged deposit	(50,290)	(50,290)
Cash and cash equivalents at end of year	<b>71,345,743</b>	<b>53,589,472</b>

**14 Payables and accrued expenses**

	2017/2018 \$	2016/2017 \$
Trade creditors and accrued liabilities – Third parties	5,089,352	4,504,895
Trade creditors and accrued liabilities – Related party (Note 23)	676,855	940,442
Refundable deposits	147,312	122,783
Contributions for ROS**	59,249	59,649
Other creditors	8,189	398,492
	<b>5,980,957</b>	<b>6,026,261</b>

The average credit period taken to settle trade payables is about 30 days (2017 - 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.

**15 Agency fees**

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



**16 Other income**

	2017/2018 \$	2016/2017 \$
Agency fees	17,889	18,808
Interest on late payment for sold flats	66,050	62,333
Interest on late payment for rented flats	15,528	14,983
Liquidated damages	211,025	240,627
Miscellaneous incentive and subsidies	106,563	-
Sundry fines	70,347	83,957
Sundry income	106,221	64,552
Temporary Occupation Licence income	1,916,176	1,895,841
Temporary Occupation Licence income (one time payment)	18,563	23,384
Use of common property	4,910	4,100
Use of void decks	25,620	25,160
Use of water and electricity in void decks	103,420	120,085
	<b>2,662,312</b>	<b>2,553,830</b>

**17 Managing agent's fees**

The Town Council does not have any employees on its payroll as all its daily operations have been outsourced to a managing agent for a fee of \$4,480,085 (2016/2017 - \$4,268,751) for the current financial year.

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

	2017/2018 \$	2016/2017 \$
Interest Income - Bonds investments	184,940	184,757
Interest Income - Bank fixed deposits	437,011	606,847
Income/gain on investment with fund managers	1,158,869	1,612,790
Lift Upgrading Program Interest and Penalty	174	109
	<b>1,780,994</b>	<b>2,404,503</b>

**(b) Expenditure**

	2017/2018 \$	2016/2017 \$
Reroofing works	580,731	799,129
Replacement of water pumps	203,850	199,509
Lift works	-	3,010,082
Replacement of booster pump	107,440	333,720
Redecoration and repainting	4,430,084	4,119,098
Replacement of water pipes	340,000	509,000
Project management fees	199,346	305,410
Other major works	27,550	745,230
General and administrative expenses (Note 20)	53,828	75,659
Unclaimable GST	(250,842)	414,239
	<b>5,691,987</b>	<b>10,511,076</b>

**19 Lift replacement fund income and expenditure****(a) Income**

	2017/2018 \$	2016/2017 \$
Interest Income - Bank fixed deposits	173,745	-

**(b) Expenditure**

	2017/2018 \$	2016/2017 \$
Replacement of main sheaves and ropes	1,587,687	-
Replacement of ARD batteries	263,871	-
Replacement of EBOPS batteries	75,075	-
Replacement of lift position display panels	704,512	-
Replacement of inverter units	326,982	-
Lift overhauls and replacement	878,955	-
Project management fees	133,821	-
General and administrative expenses (Note 20)	28,984	-
Unclaimable GST	141,664	-
	<b>4,141,551</b>	<b>-</b>

**20 General and administrative expenditure**

The general and administrative expenditure comprises the following:

	2017/2018 \$	2016/2017 \$
Advertising, publicity and public relations	214,899	167,385
Audit fee	37,000	37,000
Computer services fee	189,811	152,223
Depreciation of plant and equipment (Note 8)	12,084	33,471
Doubtful debts (Note 11)	22,675	3,379
Plant and equipment not capitalised	7,346	2,708
Office expenses	291,201	225,172
Operating lease expense	587,752	597,375
Property tax	193,523	193,651
Unclaimable GST	84,145	151,250
Town Councillors' allowances*	144,000	143,700
Others	149,479	150,775
	<b>1,933,915</b>	<b>1,858,089</b>

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

This is allocated to the following expenditure :

Operating expenditure	1,851,103	1,782,430
Sinking fund expenditure (Note 18(b))	53,828	75,659
Life replacement fund expenditure (Note 19(b))	28,984	-
	<b>1,933,915</b>	<b>1,858,089</b>

**21 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 18(b)), lift replacement fund expenditure (Note 19(b)) and general and administrative expenditure (Note 20) during the financial year.

**22 Income tax**

	Note	2017/2018 \$	2016/2017 \$
Current financial year		493,926	493,890
Overprovision in respect of prior years		(493)	(577)
Tax expense		493,433	493,313
Taken up in :			
Income and expenditure statement			
- Current financial year		264,854	265,141
- Overprovision in respect of prior years		(44)	(260)
	3	264,810	264,881
Sinking Fund			
- Current financial year		199,535	228,749
- Overprovision in respect of prior years		(449)	(317)
	4	199,086	228,432
Lift Replacement Fund			
- Current financial year		29,537	-
	5	29,537	-
		493,433	493,313

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:

	2017/2018 \$	2016/2017 \$
Investment and interest income	1,805,520	1,822,048
Dividend income	29,880	37,047
Grant and other income	14,032,890	10,773,460
Less:		
Allowable expenses/Exempt Income	(367,766)	(346,020)
	15,500,524	12,286,535
Tax at statutory rate of 17%	2,635,089	2,088,710
Concessionary tax relief	(73,668)	(78,465)
Tax remission of government grants under Section 92(2) of Singapore Income Tax Act	(2,066,330)	(1,516,355)
Overprovision in respect of prior years	(493)	(577)
Others	(1,165)	-
	493,433	493,313



**23 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:

	2017/2018 \$	2016/2017 \$
Essential maintenance service unit cost charged by a related party	651,958	637,410
Energy saving cost charged by a related party*	2,934,720	2,733,149
Management agent fee charged by a related party	4,480,085	4,268,751
Project management fee charged by a related party	479,599	411,675
Contract for services and works charged by a related party	606,077	164,300
Repair and maintenance works charged by a related party	1,298,885	1,080,554

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

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

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

**24 Government grants**

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

	TOTAL		CONSERVANCY AND SERVICE GRANT		PAYMENT FROM CITIZENS' CONSULTATIVE COMMITTEE		LIFT MAINTENANCE GRANT		GOVERNMENT GST SUBVENTION		LRF MATCHING GRANT	
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Government Grants received/receivable during the year	12,283,176	9,217,745	5,280,288	5,124,141	1,628,251	2,735,680	695,400	-	1,456,664	1,357,924	3,222,573	-
Less: Transfer to												
- Sinking fund	(1,932,412)	(2,081,076)	(1,372,875)	(1,621,796)	-	-	(180,804)	-	(378,733)	(459,280)	-	-
- Lift replacement fund	(4,263,102)	-	(739,240)	-	-	-	(97,356)	-	(203,933)	-	(3,222,573)	-
- Town improvement and project fund	(1,628,251)	(2,735,680)	-	-	(1,628,251)	(2,735,680)	-	-	-	-	-	-
	4,459,411	4,400,989	3,168,173	3,502,345	-	-	417,240	-	873,998	898,644	-	-

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

	2017/2018	2016/2017
	\$	\$
Total grants received/receivable at 1 April	156,071,362	146,853,617
Grants received/receivable during the year	12,283,176	9,217,745
Total grants received/receivable as at 31 March	168,354,538	156,071,362

**25 Operating lease commitments**

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

	2017/2018 \$	2016/2017 \$
Due within 1 year	750,042	749,240
Due after 1 year but within 5 years	615,178	1,365,325
	<b>1,365,220</b>	<b>2,114,565</b>

The leases of the Town Council's premises and computer system on which rentals are payable will expire on 31 December 2019 (2016/2017 - 31 December 2019) and 30 April 2020 (2016/2017 - 30 April 2020) respectively, and the current rent payable on the leases range from \$13,650 to \$35,731 (2016/2017 - \$13,655 to \$35,588) per month and \$13,135 (2016/2017 - \$13,135) per month, respectively, which are subject to revision and renewal.

**26 Commitments for capital expenditure**

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

	2017/2018 \$	2016/2017 \$
Amounts approved and contracted for	9,806,426	7,647,564
Amounts approved but not contracted for	25,566,697	28,381,139
	<b>35,373,123</b>	<b>36,028,703</b>

**27 Risk management policies for financial instruments****GENERAL RISK MANAGEMENT PRINCIPLES**

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

**CREDIT RISK ON FINANCIAL ASSETS**

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

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

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



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

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

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

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

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

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

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

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

	2017/2018 \$	2016/2017 \$
With less than three months of fees outstanding	490,843	500,122
With more than three months but less than six months of fees outstanding	288,432	269,403
With more than six months of fees outstanding	310,456	279,252
	<b>1,089,731</b>	<b>1,048,777</b>

Based on historical default rates, the Town Council believes that no impairment allowance is necessary in respect of conservancy and service fee receivables not past due or past due but not impaired. These receivables are substantially debtors with good collection track record with the Town Council.

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

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

	2017/2018 \$	2016/2017 \$
Gross amount	393,072	381,312
Less: Allowance for impairment (Note 11)	(393,072)	(381,312)
	-	-

Other receivables as at 31 March 2018 are not past due or impaired as at 31 March 2018. These comprised mainly recoverables from statutory board and government agencies.

## OTHER RISK ON FINANCIAL INSTRUMENTS

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

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

## OTHER RISK ON FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk

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

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

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

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

If Singapore dollar interest rates had been 25 (2016/2017 - 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 \$58,333 (2016/2017 - \$58,054) higher/lower, arising mainly as a result of lower/higher interest income from the Town Council's fixed deposits with banks.

Liquidity risk

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

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

	Total \$	Less than 1 year \$	Between 2 and 5 years \$
<b>As at 31 March 2018</b>			
Held-to-maturity financial assets	8,159,160	5,125,815	3,033,345
Conservancy and service receivables	1,208,025	1,208,025	-
Other receivables (excluding prepayments)	4,400,668	4,400,668	-
Interest receivable	163,138	163,138	-
Cash and bank balances	73,015,849	73,015,849	-
<b>Payables and accrued expenses</b>	<b>5,980,957</b>	<b>5,980,957</b>	<b>-</b>
 <b>As at 31 March 2017</b>	 \$	 \$	 \$
Held-to-maturity financial assets	8,344,100	184,940	8,159,160
Conservancy and service receivables	1,364,934	1,364,934	-
Other receivables (excluding prepayments)	4,666,313	4,666,313	-
Interest receivable	196,806	196,806	-
Cash and bank balances	61,706,074	61,706,074	-
<b>Payables and accrued expenses</b>	<b>6,026,261</b>	<b>6,026,261</b>	<b>-</b>



**27 Risk management policies for financial instruments (Cont'd)****OTHER RISK ON FINANCIAL INSTRUMENTS (CONT'D)**Market price risk

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

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

If the fair value had been 2% (2016/2017 - 2%) lower/higher with all other variables held constant, the Town Council's deficit before government grants for the year would have been \$739,487 (2016/2017 - \$675,017) higher/lower, arising as a result of higher/lower fair value losses on investments.

Currency risk

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

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

**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 \$116,195,116 (2016/2017 - \$101,831,420).



**29 New or revised accounting standards and interpretations not yet adopted**

At the date of authorization of these financial statements, the following FRS and INT FRS are those relevant to the Town Council which were issued but not yet effective and which the Town Council has not early adopted:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019

FRS 115 Revenue from Contracts with Customers

FRS 115 is effective for financial periods beginning on or after 1 January 2018. FRS 115 establishes a five-step model that apply to revenue earned from a contract with a customer (with limited exceptions), regardless the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment).

Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

FRS 109 Financial Instruments

FRS 109 is effective for financial periods beginning on or after 1 January 2018. FRS 109 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in FRS 109 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets, and enables entities to reflect their risk management activities better in their financial statements, and, in turn, help to understand the effect of those activities on future cash flows. FRS 109 is principle-based, and will more closely align hedge accounting with risk management activities undertaken by entities when hedging their financial and non-financial risk exposures. The impairment requirement in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

FRS 116: Leases

FRS 116 will fundamentally alter the impact of leases on lessees' profit or loss and statement of financial position – the current divide between finance and operating leases is removed, along with the off-statement of financial position treatment for lessees in the latter. FRS 116 introduces a single on-statement of financial position lease accounting model for lessees that is similar to current finance lease accounting. FRS 116 largely preserved the accounting for lessors other than enhanced disclosures about their risk exposures, in particular residual value risk. Lessors continue to assess whether an arrangement is an operating or a finance lease by using criteria similar to the current lease classification test.

The management is currently evaluating the impact of the changes and assessing whether the adoption of FRS 115, FRS 109 and FRS 116 will have an impact on the Town Council.

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

**(a) Assets measured at fair value**

The following table shows an analysis of each class of assets and liabilities measured at fair value at 31 March 2018.

	<u>Level 1</u> \$	<u>Level 2</u> \$	<u>Level 3</u> \$	<u>Total</u> \$
<b><u>Recurring fair value measurement</u></b>				
<b>At 31 March 2018</b>				
Financial assets, fair value through profit or loss (Note 10)	<b>36,974,327</b>	-	-	<b>36,974,327</b>
<b><u>Recurring fair value measurement</u></b>				
<b>At 31 March 2017</b>				
Financial assets, fair value through profit or loss (Note 10)	33,750,833	-	-	33,750,833

**(b) Assets not carried at fair value but for which fair value is disclosed**

The following table shows an analysis of the Town Council's assets not measured at fair value at 31 March 2018 but for which fair value is disclosed:

	<u>Level 1</u> \$	<u>Level 2</u> \$	<u>Level 3</u> \$	<u>Total</u> \$	<u>Carrying amount</u> \$
<b>As at 31 March 2018</b>					
Held-to-maturity financial assets (Note 9)	<b>8,015,090</b>	-	-	<b>8,015,090</b>	<b>8,000,000</b>
<b>As at 31 March 2017</b>					
Held-to-maturity financial assets (Note 9)	8,107,100	-	-	8,107,100	8,000,000