



ANNUAL REPORT FOR FINANCIAL YEAR 1 APRIL 2024 TO 31 MARCH 2025



Holland-Bukit Panjang
Town Council

Chairman's Message

Overview

As we look back on another year together, I feel a deep sense of gratitude and pride. Our progress has never been just about projects or numbers of improvements. It also reflects a Town Council that learns, adapts, and grows side by side with its residents across generations.

On behalf of the Town Council, I wish to thank all our Town Councillors for their precious contributions, dedications, and collaborative spirit. Through our combined strengths and shared purpose, we have made significant strides in shaping a more vibrant, inclusive, and sustainable town.

Our Home of Possibilities

In this Financial Year, the Town Council has been reviewing the progress achieved in preparation for "Our Home of Possibilities," anchored on the vision of establishing Singapore's first "Wellness Heartland." Inspired by Singapore's recognition as the world's 6th Blue Zone, where people live longer, healthier and happier lives, we want to integrate wellness into every aspect of daily living across Holland-Bukit Panjang Town.

This initiative marks an important milestone in our ongoing journey to create a vibrant, inclusive and health-oriented environment for all residents. Together, we look forward to co-creating more spaces, programmes and initiatives that foster healthier, happier and more harmonious living in our neighbourhoods.

Upgrading and Enhancing Our Living Environment

This has been a year of major upgrades. Repairs & Redecoration Works took place across our divisions, while new barrier-free covered linkways and drop-off porches were built to make moving around easier in all weather. Our neighbourhoods across Toh Yi, Clementi, Ghim Moh, Bukit Panjang, Cashew, and Zhenghua have seen major infrastructural enhancements that will certainly bring a new lease of life in our estates. These include more sporting amenities, new accessibility routes and greater convenience for all walks of life.

Building Stronger Community Connections

The Town Council's mandate has also gone beyond the hardware of our estates, and into the 'heart-ware' of our residents' wellbeing and strong community bonds in the neighbourhood. When residents in different estates got together to share their collective need for a pets-friendly spaces, we are pleased to share that we now have our town's first-ever pets' park in Bukit Timah, as well as pet-friendly recreational zones in Bukit Panjang and Zhenghua.

Composition and Structure of the Town Council

Our Town Councillors serve with dedication as community volunteers, committed to the well-being of our residents. In line with the Town Councils Act, at least two-thirds of our Councillors reside in HDB public housing estates.

This proximity to the community enables them to stay attuned to everyday concerns and effectively respond to residents' needs. Besides, it also fosters community-driven governance, helping to ensure decisions are rooted in real, lived experience rather than distant policy abstractions.

The selection of town councillors is guided by the Ministry of National Development (MND) and brings with them a wealth of expertise in key areas such as Audit, Finance, Publicity, Contracts, Project and Estate Management, and Sustainability.

Through this structure, councillors harness their professional expertise to govern with both competence and integrity, ensuring the Town Council delivers informed, transparent, and community-centered governance. Through their combined expertise and commitment to public service, the Town Council delivers competent, accountable, and community-centered governance, with the overarching goal of enriching residents' quality of life.

Code of Governance

In this Financial Year, in close partnership with our internal auditors, Mazars LLP, we have fortified and strengthened our governance code and framework. A comprehensive review of the Town Council's internal systems yielded valuable audit insights, enabling us to proactively identify and mitigate risks in key areas such as Workplace Safety and Health, Business Continuity, Information Technology, and Whistleblowing. These enhanced governance measures have been adopted by the Town Council, underscoring our firm commitment to transparency, accountability, and operational excellence. Our Audit Committee remains vigilant, continuously monitoring risk areas and seeking avenues for improvement to ensure our governance practices and internal controls remain robust, resilient, and aligned with industry best practices.

Town Council Management Report (TCMR)

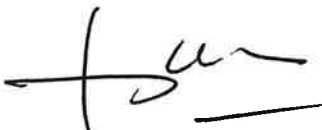
The annual Town Council Management Report (TCMR), mandated by the Ministry of National Development (MND), evaluates estate management performance across key areas using a colour-coded system: Green Band represents the highest standard, followed by Amber and Red.

We are pleased to share that Holland-Bukit Panjang Town Council (HBPTC) has consistently achieved the Green Band rating, reflecting strong performance in Estate Cleanliness, Estate Maintenance, Lift Performance, and Service & Conservancy Charges (S&CC) Arrears Management. This achievement represents our fourth straight year at the Green Band rating, highlighting our dedication to service excellence and the well-being of our residents.

Our Thanks

To our residents and partners, you are at the centre of all we do. Your ideas, support, and participation inspire our progress and guide our plans for the future. Whether it is through sharing feedback, attending events, or simply caring for your neighbourhood, your contributions make our town stronger.

Together, we will continue to shape a place we are all proud to call Our Home of Possibilities. I am honoured to serve as your Chairman, and I look forward to building an even brighter, healthier, and more connected future with all of you.



Liang Eng Hwa
Chairman
Holland-Bukit Panjang Town Council

HOLLAND-BUKIT PANJANG TOWN COUNCIL
(Established under Town Council Act 1988)

FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 MARCH 2025

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Independent auditor's report to the members of HOLLAND-BUKIT PANJANG TOWN COUNCIL

(Established under the Town Councils Act 1988)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Holland-Bukit Panjang Town Council (the "Town Council"), which comprise the statement of financial position as at 31 March 2025, and the statement of income and expenditure, statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Town Councils Act 1988 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Town Council as at 31 March 2025, and the results, changes in funds and cash flows of the Town Council for the 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 Chairman's Message 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.

Independent auditor's report to the members of HOLLAND-BUKIT PANJANG TOWN COUNCIL (Cont'd)

(Established under the Town Councils Act 1988)

Responsibilities of Management 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 such internal control on management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Independent auditor's report to the members of HOLLAND-BUKIT PANJANG TOWN COUNCIL (Cont'd)

(Established under the Town Councils Act 1988)

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 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 year are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Town Council whether purchased, donated or otherwise.

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.

Independent auditor's report to the members of HOLLAND-BUKIT PANJANG TOWN COUNCIL (Cont'd)

(Established under the Town Councils Act 1988)

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 internal controls as management determines are necessary to enable compliance with the provisions of the Act.

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 Town Council's internal control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.

Other Matter

The financial statements of the Town Council for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 September 2024.



Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,
26 September 2025

HOLLAND-BUKIT PANJANG TOWN COUNCIL

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	Note	2025 S\$	2024 S\$
TOWN COUNCIL FUNDS			
Residential Property			
Accumulated surplus	4	4,315,322	909,168
Ordinary sinking fund	5	51,173,328	66,232,432
Lift replacement fund	6	66,451,291	56,316,705
Town improvement and project fund	7	4,142,190	5,484,198
		126,082,131	128,942,503
Commercial Property			
Accumulated surplus	4	1,545,249	1,245,458
Ordinary sinking fund	5	8,603,222	8,818,047
Lift replacement fund	6	5,005,348	4,709,366
Town improvement and project fund	7	557,458	557,458
		15,711,277	15,330,329
Carpark Property			
Accumulated surplus	4	7,625,973	6,155,416
Fair value reserve			
Ordinary sinking fund	5	(259,220)	(334,576)
Lift replacement fund	6	(43,330)	(91,340)
		(302,550)	(425,916)
Total Town Council funds		149,116,831	150,002,332
REPRESENTED BY:			
Non-current assets			
Plant and equipment	9	586,171	704,286
Investment securities	10	8,460,640	7,367,475
		9,046,811	8,071,761
Current assets			
Investment securities	10	4,742,960	4,232,759
Conservancy and service fees receivables	11	1,511,820	1,402,049
Other receivables	12	10,134,651	9,909,095
Cash and cash equivalents	13	131,952,008	132,136,394
		148,341,439	147,680,297
Total assets		157,388,250	155,752,058
Less:			
Non-current liabilities			
Lease liabilities	14	(34,782)	(251,367)
Current liabilities			
Lease liabilities	14	(216,584)	(233,071)
Payables and accrued expenses	15	(6,307,846)	(3,908,160)
Income tax payable	16	(1,712,207)	(1,357,128)
		(8,236,637)	(5,498,359)
Total liabilities		(8,271,419)	(5,749,726)
Net assets		149,116,831	150,002,332



LIANG ENG HWA
Chairman



LOUIS TAY BOK HOCK
Secretary

Date: 26 September 2025

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

HOLLAND-BUKIT PANJANG TOWN COUNCIL

STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<u>Note</u>	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
Operating income			
Conservancy and service fees	4	44,037,411	41,733,202
Less: Operating income transfer to Ordinary sinking fund (minimum required by law)	4,5	(11,449,731)	(10,850,620)
Less: Operating income transfer to Lift replacement fund (minimum required by law)	4,6	(6,165,243)	(5,842,643)
		<u>26,422,437</u>	<u>25,039,939</u>
Agency fees	4,17	4,050,143	3,967,598
Other income	4,18	2,060,234	2,229,852
		<u>32,532,814</u>	<u>31,237,389</u>
Less: Operating expenditure			
Cleaning works		(5,591,536)	(5,356,827)
Managing agent's fees	19	(5,334,240)	(5,126,492)
Lift maintenance		(7,124,183)	(6,194,984)
Other works and maintenance		(5,655,019)	(5,224,415)
Water and electricity		(7,473,233)	(8,067,389)
General and administrative expenditure	20	(1,967,462)	(2,101,368)
		<u>(33,145,673)</u>	<u>(32,071,475)</u>
Operating deficit		(612,859)	(834,086)
Add: Interest income		447,949	426,774
Deficit before income tax and government grants		(164,910)	(407,312)
Less: Income tax	16	(515,205)	(493,605)
Less: Goods and services tax	21	(233,820)	(162,434)
Deficit before government grants		(913,935)	(1,063,351)
Government grants	22	15,410,598	15,273,831
Less: Transfers to			
– Ordinary sinking fund	5,22	(2,639,193)	(2,488,629)
– Lift replacement fund	6,22	(5,210,968)	(5,923,728)
– Town improvement and project fund	7,22	(1,470,000)	(1,118,488)
		<u>6,090,437</u>	<u>5,742,986</u>
SURPLUS FOR THE FINANCIAL YEAR		5,176,502	4,679,635
Add : Accumulated surplus at 1 April		8,310,042	7,630,407
Less : Lift replacement fund – voluntary contribution	4,6	-	(2,000,000)
Less : Appropriation to Town improvement and project fund	4,7	-	(2,000,000)
ACCUMULATED SURPLUS AT 31 MARCH		<u>13,486,544</u>	<u>8,310,042</u>

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

HOLLAND-BUKIT PANJANG TOWN COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<u>Note</u>	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
(Deficit)/Surplus for the financial year			
– Accumulated surplus	4	5,176,502	4,679,635
– Ordinary sinking fund	5	(15,273,929)	367,634
– Lift replacement fund	6	10,430,568	8,543,409
– Town improvement and project fund	7	(1,342,008)	(1,190,307)
		(1,008,867)	12,400,371
Other comprehensive income:			
<i>Items that may be reclassified subsequently to income and expenditure</i>			
Net fair value gain on investment securities	8	123,366	200,074
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR ATTRIBUTABLE TO TOWN COUNCIL FUNDS		(885,501)	12,600,445

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

HOLLAND-BUKIT PANJANG TOWN COUNCIL

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Residential Property S\$	Commercial Property S\$	Carpark Property S\$	Fair value reserve S\$	Total S\$
Balance at 1 April 2023	118,750,622	14,618,695	4,658,560	(625,990)	137,401,887
Surplus for the financial year	10,191,881	711,634	1,496,856	-	12,400,371
Other comprehensive income:					
Net fair value gain on investment securities	-	-	-	200,074	200,074
Total comprehensive income for the financial year	10,191,881	711,634	1,496,856	200,074	12,600,445
Balance at 31 March 2024	128,942,503	15,330,329	6,155,416	(425,916)	150,002,332
Deficit for the financial year	(2,860,372)	380,948	1,470,557	-	(1,008,867)
Other comprehensive income:					
Net fair value gain on investment securities	-	-	-	123,366	123,366
Total comprehensive loss for the financial year	(2,860,372)	380,948	1,470,557	123,366	(885,501)
Balance at 31 March 2025	126,082,131	15,711,277	7,625,973	(302,550)	149,116,831

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

HOLLAND-BUKIT PANJANG TOWN COUNCIL

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

	Note	2025 S\$	2024 S\$
Operating activities			
Deficit before income tax and government grant		(164,910)	(407,312)
Adjustments for:			
Allowance made for doubtful receivables	20	101,000	221,000
Bad debts written off	20	18,398	4,742
Conservancy and service fees transferred to Ordinary sinking fund	4,5	11,449,731	10,850,620
Conservancy and service fees transferred to Lift replacement fund	4,6	6,165,243	5,842,643
Depreciation of plant and equipment	9	96,847	170,409
Depreciation of right-of-use assets	9	234,568	234,568
Interest income		(3,992,275)	(4,175,625)
Lease interest expense	14	18,928	25,437
Operating cash flows before movements in working capital		13,927,530	12,766,482
Changes in working capital:			
Trade and other receivables		2,083,356	3,442,834
Trade and other payables		2,399,686	1,449,836
Cash generated from operations		18,410,572	17,659,152
Government grants received		16,318,618	15,741,074
Income taxes paid	16	(482,455)	(277,722)
Goods and services tax	21	(880,948)	(615,357)
Ordinary sinking fund expenditure paid	5	(30,948,914)	(15,172,286)
Lift replacement fund paid	6	(1,915,951)	(4,068,640)
Town improvement and project fund expenditure paid	7	(2,817,008)	(2,367,953)
Net cash (used in)/generated from operating activities		(2,316,086)	10,898,268
Investing activities			
Interest received		4,077,000	3,687,849
Maturity/(Placement) of fixed deposits		7,000,000	(17,000,000)
Purchase of plant and equipment	9	(213,300)	(9,064)
Purchase of right-of-use assets	A	-	(2,520)
Purchase of investment securities	10	(5,000,000)	-
Proceeds from disposal of investment securities	10	3,520,000	7,000,000
Net cash generated from/(used in) investing activities		9,383,700	(6,323,735)
Financing activities			
Principal payment of lease liabilities	B	(233,072)	(226,563)
Lease interest paid	B	(18,928)	(25,437)
Net cash used in financing activities		(252,000)	(252,000)
Net increase in cash and cash equivalents		6,815,614	4,322,533
Cash and cash equivalents at beginning of financial year		56,136,394	51,813,861
Cash and cash equivalents at end of financial year	13	62,952,008	56,136,394

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

HOLLAND-BUKIT PANJANG TOWN COUNCIL**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025****Note A – Purchase of right-of-use assets**

In 2024, the Town Council acquired right-of-use assets with an aggregate cost of S\$586,420 of which S\$583,900 related to non-cash additions of new leases and the balance of S\$2,520 was paid in cash.

Note B – Reconciliation of liabilities arising from financing activities

The table below details changes in the Town Council's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Town Council's statement of cash flows as cash flows from financing activities.

			Cash flows		Non-cash flows		
	Note	At 1 April S\$	Principal repayment S\$	Lease interest paid S\$	New lease S\$	Lease interest expense S\$	At 31 March S\$
<u>2025</u>							
Lease liabilities	14	484,438	(233,072)	(18,928)	-	18,928	251,366
<u>2024</u>							
Lease liabilities	14	127,101	(226,563)	(25,437)	583,900	25,437	484,438

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

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

1. General information

Holland-Bukit Panjang Town Council (the "Town Council") was formed on 13 November 2001 under the Town Councils Act 1988. The registered office and principal place of operations is at Block 256 Bangkit Road #01-71 Singapore 670256.

The principal functions of the Town Council are to control, manage, maintain and improve the common property of residential, other commercial property and market and food centres in the housing estates of the Housing and Development Board ("HDB") within the Town. The Town consists of the Holland-Bukit Timah Group Representation Constituency which comprises Bukit Timah, Cashew, Ulu Pandan and Zhenghua Divisions and a Single Member Constituency of Bukit Panjang Division only.

The financial statements for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Town Council on 26 September 2025.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") including all related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the provisions of the Act and are prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements of the Town Council are measured and presented in the currency of the primary economic environment in which the Town Council operates (its functional currency). The financial statements of the Town Council are presented in Singapore dollars ("S\$ or SGD"), which is also the functional currency of the Town Council.

Adoption of new and revised standards effective for the current financial year

On 1 April 2024, the Town Council has adopted all the new and revised FRS, INT FRS and amendments to FRS, effective for the current financial year that are relevant to them. The adoption of these new and revised FRS pronouncements does not result in significant changes to the Town Council's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 116	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 7 and FRS 107	Supplier Finance Arrangements	1 January 2024

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. Material accounting policy information (Continued)

2.1 Basis of preparation (Continued)

Standards issued but not yet effective

At the date of authorisation of these financial statements, the following new or revised FRS pronouncements are issued but not yet effective. Management anticipates that their initial adoption of these will not have a material impact on the financial statements of the Town Council.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 21	Lack of Exchangeability	1 January 2025
Amendments to FRS 109 and FRS 107	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to FRS 109 and FRS 107	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to FRSs - Volume 11		1 January 2026
FRS 118	Presentation and Disclosure in Financial Statements	1 January 2027
FRS 119	Subsidiaries and Small Entities without Public Accountability: Disclosures	1 January 2027
Amendments to FRS 110 and FRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined

2.2 Town Council funds

In accordance with Section 47(1) of the Act, separate funds are established to account for the management of the different types of properties. The types of properties currently under the management of the Town Council are as follows:

- Residential Property
- Commercial Property

Car parks are managed by the Town Council for the HDB on an agency basis.

These routine funds related to properties under management, together with Ordinary sinking fund, Lift replacement fund and Town improvement and project fund form the Town Council funds.

All monies received by the Town Council are paid into and related expenditure is 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.

Ordinary sinking fund

In accordance with Section 47(4) of the Town Councils Act, separate sinking funds are established for improvement to, management and maintenance of residential and commercial properties. These Ordinary sinking funds are maintained as part of the Town Council funds.

Under the Town Councils Act, the Minister for National Development may, from time to time, prescribe the minimum amounts of conservancy and service fees and grants-in-aid to be paid into the Ordinary sinking fund.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. Material accounting policy information (Continued)

2.2 Town Council funds (Continued)

With the establishment of the Lift replacement funds, the minimum amount to be paid, by property type, into the Ordinary sinking fund is 26%. However, the minimum amount for grants-in-aid to be paid into the Ordinary sinking funds, does not apply to the Lift replacement fund matching grant ("LRF Matching Grant"). These minimum contributions are treated as operating income transfers and are deducted from conservancy and service fees and government grants in the statement of income and expenditure.

The Ordinary sinking funds are utilised for cyclical works, including major repainting, renewal or replacement of roofing system, water tanks, pumps and water supply system, 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 as defined under the Housing and Development Act.

Lift replacement fund

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

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

The minimum amount to be paid, by property type, into the LRF is 14% of conservancy and service fees and grants-in-aid for residential property and commercial property. These minimum contributions are treated as operating income transfers and are deducted from conservancy and service fees and government grants in the statement of income and expenditure.

To assist Town Councils cope with the operating need and long-term capital expenditure requirement for lift replacements and lift-related works, the MND provides two additional grants-in-aids, Lift Maintenance Grant (LMG) and LRF Matching Grant, from 1 April 2017.

- (i) Quarterly contributions to the LRF from S&CC 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 47(12)(a) of the amended Town Councils Act.

The LRF Matching Grant is not subject to the minimum contribution rates to LRF, even though it is a grant-in-aid.

Town improvement and project fund

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

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

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

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. Material accounting policy information (Continued)

2.3 Inter-funds transfers

The Town Council may make inter-fund transfers with the criteria as set out in Section 47(12) and 57(1)(i) of the Town Councils Act 1988 and Rule 11A of the Town Councils Financial Rules.

2.4 Allocation of general overheads

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

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

5% of overheads are allocated to the Ordinary sinking fund.

2.5 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. 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 plant and equipment.

Subsequent costs recognised are added to the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Town Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income and expenditure when incurred.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

- | | |
|------------------------------------|---------|
| • Furniture, fixtures and fittings | 5 years |
| • Office equipment | 3 years |
| • Data processing equipment | 3 years |

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

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

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of plant and equipment is recognised in income and expenditure.

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

2. Material accounting policy information (Continued)

2.6 Impairment of non-financial assets

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

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

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

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

2.7 Financial instruments

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

Effective interest method

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. Material accounting policy information (Continued)

2.7 Financial instruments (Continued)

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Town Council commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Town Council applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through income and expenditure, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Town Council applies a practical expedient are measured at transaction price as defined in FRS 115.

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

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

Financial assets at amortised cost

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

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

Financial assets held at FVTOCI

A financial asset that is an investment in debt instrument is subsequently measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses are recognised in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognised in income and expenditure.

At initial recognition, the Town Council may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which FRS 103, as subsequently measured at FVTOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. Material accounting policy information (Continued)

2.7 Financial instruments (Continued)

Financial assets (Continued)

Upon derecognition, other than the aforementioned equity instruments for which their subsequent cumulative fair value changes would be transferred to accumulated income, the cumulative fair value changes recognised in other comprehensive income is recycled to income and expenditure.

Dividends from equity instruments are recognised in income and expenditure only when the Town Council's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Town Council and the amount of the dividend can be measured reliably.

Financial assets at FVTPL

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

Gains or losses are recognised in income and expenditure accounts.

Impairment of financial assets

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

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

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

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in income and expenditure. The Town Council directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derecognition of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. Material accounting policy information (Continued)

2.7 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and any equity instruments issued by Town Council are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Town Council after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Initial recognition and measurement

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

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

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

Other financial liabilities

Other payables

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

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

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents exclude deposits pledged with the financial institutions as collateral and which form an integral part of the Town Council's cash management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. Material accounting policy information (Continued)

2.9 Leases

At inception of a contract, the Town Council assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a contract contains more than one lease component, the Town Council allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Town Council applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Town Council by the end of the lease term or the cost of the right-of-use asset reflects that the Town Council will exercise a purchase option, the right-of-use asset will be depreciated over the following useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment.

- | | |
|-------------------|---------|
| • Office premises | 3 years |
|-------------------|---------|

The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability, where applicable.

Right-of-use assets are presented within "Plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The Town Council generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Town Council obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

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

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. Material accounting policy information (Continued)

2.9 Leases (Continued)

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

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

2.10 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in income and expenditure as they arise.

2.11 Government grants

The Town Council receives six types of grants from the government: Service and Conservancy Charges ("S&CC") Operating Grant, Payments from CCC, GST Subvention Grant, Lift Maintenance Grant, LRF Matching Grant and Special Funding Support Package.

- (i) Service and Conservancy Charge operating grants to meet the current financial year's operating expenditure are taken to the statement of income and expenditure and other comprehensive income.
- (ii) Payments from CCC are granted to provide funding support for community improvement projects under the CIPC scheme.
- (iii) The GST Subvention is given as grants-in-aid to the Town Council to assist the Town Council in absorbing the GST increases in service and conservancy charges for HDB residential flats.
- (iv) The Lift Maintenance Grant is provided as additional support to help Town Councils in coping with higher-related lift servicing and maintenance costs.
- (v) The LRF Matching Grant is provided to help the Town Councils to build up the Lift replacement fund for long-term expenditure requirements.
- (vi) The Special Funding Support grant is given to buffer Town Councils from the full impact of increased costs of estate maintenance, with a periodical rise of Service and Conservancy Charge. The funding is computed based on Town Council's gazetted S&CC rate increases (for each flat type excluding GST) multiplied by the number of residential units managed by the Town Council as at 3 April 2023. The total amount of funding will be the sum of all the eligible flat types, subject to the cap.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

2. Material accounting policy information (Continued)

2.11 Government grants (Continued)

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as an additional government grant.

2.12 Government assistance

(a) Neighbourhood Renewal Programme

Neighbourhood Renewal Programme (NRP) is established in respect of the neighbourhood renewal programme works carried out on the qualifying properties. This upgrading scheme was entered into between the Town Council and HDB. The funding for the programme comes from the Government and is for the specific use of projects under the programme.

(b) Lift Enhancement Programme

Lift Enhancement Programme (LEP) is established in respect of the lift enhancement programme to upgrade the features of older lifts to meet the standards of newer models. HDB will fund the enhancement cost for lifts eligible for LEP on a per-lift basis, capped at 92.5% of the cost, which is derived from summing the individual caps on each lift component. Appeals for funding above the capped amount will be handled on a case-by-case basis.

2.13 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

2.14 Revenue recognition

Revenue is recognised when the Town Council satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised in Singapore is the amount allocated to the satisfied performance obligation.

Conservancy and service fees

Conservancy and service fees are recognised on a monthly basis and charged to the residents over time.

2. Material accounting policy information (Continued)

2.14 Revenue recognition (Continued)

Conservancy and service fees (Continued)

Service and Conservancy Charges (S&CC) Revision

S&CC is the main source of income for Town Councils. The S&CC collected goes into the general upkeep and maintenance of common property and open spaces in the HDB estates, such as cleaning, landscaping, pest control and maintenance of mechanical and electrical fixtures such as lifts and lights.

Although our Town Council has been adopting a prudent financial approach and exploring cost-saving measures to keep the costs down, our Town Council have been facing greater cost pressures due to higher energy prices and maintenance costs from the higher tender rates. As our estate mature, higher expenditure is also expected.

Our Town Council had carefully assessed its financial position for the next 5 years, taking into consideration and increasing expenses and long-term financial needs to ensure that our estates are well-maintained. With the rising costs, our Town Council will not have sufficient funds to run the estates in the next 5 years at the current S&CC rates. As such, our Town Council has to adjust the S&CC.

The Town Council understands that residents are impacted by the rising costs. To help our residents cope with the increase, the S&CC adjustments will be staggered over 2 years, effective from 1 July 2023 and 1 July 2024. The Ministry of National Development (MND)'s special funding support for the Town Councils will also help in cushioning the full impact of rising maintenance costs on residents.

Our Town Council will continually look for opportunities to raise productivity and realise cost savings to reduce the burden of S&CC increases on residents.

Agency fees

Agency fees for routine maintenance of HDB's carparks are recognised as a performance obligation over time.

Interest income

Interest income from fixed deposits is recognised on a time proportion basis using the effective interest rates. Income from funds placed with fund managers is recognised based on fair value through income and expenditure.

Other income

Other income comprises mainly temporary occupation licenses ("TOL"), liquidated damages claims and other miscellaneous income and are recognised when due.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. Material accounting policy information (Continued)

2.15 Income Tax

Tax is provided on the following income:

- (i) Income derived from investments and bank deposits;
- (ii) Fees, rent and other charges received from non-residents or non-owners of properties in the Town for the use of common property and maintenance of carparks where the Town Council opts to manage and maintain them; and
- (iii) Agency fees derived from acting as agent for the HDB.

Income tax is accounted for using the asset and liability method that requires the recognition of taxes payable or refundable for the current financial 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, and 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.

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

Tax shall be payable at the rate of 10% on the income derived from certain investments which have been approved under Section 43H(2) of the Income Tax Act 1947.

2.16 Goods and Services Tax (GST)

Conservancy and service fees, other income, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivable or payable in the statement of financial position

2.17 Related parties

A related party is defined as follows:

- (a) A person or close member of that person's family is related to the Town Council if that person:
 - (i) has control or joint control over the Town Council;
 - (ii) has significant influence over the Town Council; or
 - (iii) is a member of the key management personnel of the Town Council or of a parent of the Town Council.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. Material accounting policy information (Continued)

2.17 Related parties (Continued)

(b) An entity is related to the Town Council if any of the following conditions applies:

- (i) the entity and the Town Council are members of the same Town Council (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Town Council of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Town Council or an entity related to the Town Council. If the Town Council is itself such a plan, the sponsoring employers are also related to the Town Council;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.18 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Town Council, directly or indirectly, including any director (whether executive or otherwise) of the Town Council.

2.19 Current versus non-current classification

The Town Council presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- (i) Expected to be realised or intended to sold or consumed in the normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realised within twelve months after the reporting period; or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) There is no right at the end of reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The Town Council classifies all other liabilities as non-current.

Deferred tax assets and liabilities, if any, are classified as non-current assets and liabilities.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS requires the Town Council to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Town Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results could differ from those estimates.

3.1 Critical judgements made in applying the Town Council's accounting policies

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation of plant and equipment

The Town Council depreciates the plant and equipment over their estimated useful lives after taking into account their estimated residual values. The estimated useful life reflects management's estimate of the period that the Town Council intends to derive future economic benefits from the use of the Town Council's plant and equipment. The residual value reflects management's estimated amount that the Town Council would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Town Council's plant and equipment as at 31 March 2025 was S\$586,171 (2024: S\$704,286) (Note 9).

Allowance for ECL on trade and other receivables

The Town Council uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Town Council's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. The Town Council adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Town Council's trade receivables as at 31 March 2025 is S\$1,498,000 (2024: S\$1,397,000) (Note 26).

Allowance for impairment of non-financial assets

At the end of each financial year, an assessment is made on whether there are indicators that the Town Council's non-financial assets are impaired. Where necessary, the Town Council's assessments are based on the estimation of the value-in-use of the assets defined in FRS 36 Impairment of Assets by forecasting the expected future cash flows for a year of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows.

Provision for income tax

The Town Council is subject to income taxes in Singapore. Judgement is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of operations. The Town Council recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made. The carrying amount of the Town Council's current tax payable as at 31 March 2025 was S\$1,712,207 (2024: S\$1,357,128) (Note 16).

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

4. Accumulated surplus

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

	Note	Total 2025 S\$	2024 S\$	Residential Property 2025 S\$	2024 S\$	Commercial Property 2025 S\$	2024 S\$	Carpark Property 2025 S\$	2024 S\$
Operating income									
Conservancy and service fees		44,037,411	41,733,202	41,940,999	39,801,739	2,096,412	1,931,463	-	-
Less: Operating income transfer to Ordinary sinking fund (minimum required by law)	5	(11,449,731)	(10,850,620)	(10,904,665)	(10,348,453)	(545,066)	(502,167)	-	-
Less: Operating income transfer to Lift replacement fund (minimum required by law)	6	(6,165,243)	(5,842,643)	(5,871,745)	(5,572,245)	(293,498)	(270,398)	-	-
		26,422,437	25,039,939	25,164,589	23,881,041	1,257,848	1,158,898	-	-
Agency fees and other income	17, 18	6,110,377	6,197,450	1,730,342	1,899,115	294,167	299,411	4,085,868	3,998,924
Less: Operating expenditure		32,532,814	31,237,389	26,894,931	25,780,156	1,552,015	1,458,309	4,085,868	3,998,924
		(33,145,673)	(32,071,475)	(29,221,593)	(28,317,762)	(1,265,395)	(1,210,496)	(2,658,685)	(2,543,217)
Add: Interest income		(612,859)	(834,086)	(2,326,662)	(2,537,606)	286,620	247,813	1,427,183	1,455,707
		447,949	426,774	389,304	370,944	13,160	12,452	45,485	43,378
Operating (deficit)/surplus before income tax and government grants		(164,910)	(407,312)	(1,937,358)	(2,166,662)	299,780	260,265	1,472,668	1,499,085
Less: Income tax	16	(515,205)	(493,605)	(511,789)	(490,061)	(1,305)	(1,315)	(2,111)	(2,229)
Less: Goods and services tax	21	(233,820)	(162,434)	(226,411)	(156,959)	(7,409)	(5,475)	-	-
(Deficit)/Surplus before government grants		(913,935)	(1,063,351)	(2,675,558)	(2,813,682)	291,066	253,475	1,470,557	1,496,856
Add: Government grants	22(i)	15,410,598	15,273,831	15,247,766	15,091,352	162,832	182,479	-	-
Less: Transfer to									
- Ordinary sinking fund	5,22(i)	(2,639,193)	(2,488,629)	(2,635,411)	(2,484,957)	(3,782)	(3,672)	-	-
- Lift replacement fund	6,22(i)	(5,210,968)	(5,923,728)	(5,060,643)	(5,753,394)	(150,325)	(170,334)	-	-
- Town improvement and project fund	7,22(i)	(1,470,000)	(1,118,488)	(1,470,000)	(1,118,488)	-	-	-	-
		6,090,437	5,742,986	6,081,712	5,734,513	8,725	8,473	-	-
SURPLUS FOR THE FINANCIAL YEAR		5,176,502	4,679,635	3,406,154	2,920,831	299,791	261,948	1,470,557	1,496,856
Add: Accumulated surplus at 1 April		8,310,042	7,630,407	909,168	1,923,337	1,245,458	1,048,510	6,155,416	4,658,560
Less :									
- Lift replacement fund – voluntary contribution	6	-	(2,000,000)	-	(1,935,000)	-	(65,000)	-	-
- Appropriation to Town improvement and project fund	7	-	(2,000,000)	-	(2,000,000)	-	-	-	-
ACCUMULATED SURPLUS AT 31 MARCH		13,486,544	8,310,042	4,315,322	909,168	1,545,249	1,245,458	7,625,973	6,155,416

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

5. Ordinary sinking fund

	Note	2025 S\$	Total 2024 S\$	Residential Property 2025 S\$	2024 S\$	Commercial Property 2025 S\$	2024 S\$
Balance at 1 April		75,050,479	74,682,845	66,232,432	65,943,649	8,818,047	8,739,196
Add:							
Operating income transfer from conservancy and service fees	4	11,449,731	10,850,620	10,904,665	10,348,453	545,066	502,167
Investment, interest and other income	5(i)	1,873,417	2,466,332	1,873,417	2,466,332	-	-
GST subvention	4,22(i)	634,512	525,853	634,512	525,853	-	-
Lift maintenance grant	4,22(i)	176,124	173,628	172,342	169,956	3,782	3,672
S&CC operating grant	4,22(i)	1,277,046	1,260,578	1,277,046	1,260,578	-	-
Special Funding Support	4,22(i)	551,511	528,570	551,511	528,570	-	-
		15,962,341	15,805,581	15,413,493	15,299,742	548,848	505,839
Less: Expenditure	5(ii)	(30,948,914)	(15,172,286)	(30,191,938)	(14,750,543)	(756,976)	(421,743)
Less: Income tax	16	(82,556)	(103,962)	(82,556)	(103,962)	-	-
Less: Goods and services tax	21	(204,800)	(161,699)	(198,103)	(156,454)	(6,697)	(5,245)
(Deficit)/Surplus for the financial year		(15,273,929)	367,634	(15,059,104)	288,783	(214,825)	78,851
Add: Fair value reserve		59,776,550	75,050,479	51,173,328	66,232,432	8,603,222	8,818,047
	8	(259,220)	(334,576)				
Balance at 31 March		59,517,330	74,715,903				

Represented by:

Non-current assets

Investment securities 1,499,110 1,458,815

Current assets

Investment securities 747,820 4,232,759
Cash and cash equivalents 54,506,725 65,607,155
Conservancy and service fees receivables 393,073 364,533
Due from accumulated surplus 3,479,660 3,190,258
Interest receivable 663,712 934,437
Other receivables 994,204 3,618

Total assets

60,785,194 74,332,760

62,284,304 75,791,575

Current liabilities

Payables and accrued expenses (2,578,688) (920,092)
Income tax payable (188,286) (155,580)

Total liabilities (2,766,974) (1,075,672)

NET ASSETS 59,517,330 74,715,903

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

5. Ordinary sinking fund (Continued)

(i) Investment, interest and other income

	<u>2025</u> S\$	<u>2024</u> S\$
Interest from fixed deposits	1,786,893	2,136,343
Interest from bonds	74,651	162,157
Interest from other investments	30,373	29,844
Premium paid on redemption	(20,000)	-
Other income	1,500	137,988
	<u>1,873,417</u>	<u>2,466,332</u>

(ii) Expenditure

	<u>2025</u> S\$	<u>2024</u> S\$
Electrical rewiring	7,322,662	4,359,633
Re-roofing works	1,303,362	-
Replacement of water pumpsets	1,060,155	-
Replacement of booster pump	46,540	-
Redecoration and alteration	17,632,544	7,106,775
Replacement of chute	125,020	157,068
Replacement of fire protection system	-	2,325,555
Lamp post replacement	541,070	532,045
Replacement of metal sunbreaker and connection system	196,900	-
Replacement of water pipes	1,437,770	-
Project management fee	1,186,641	572,444
General and administrative charges	96,250	118,766
	<u>30,948,914</u>	<u>15,172,286</u>

Included in general and administrative charges is 5% allocation from the operating fund amounting to S\$96,000 (2024: S\$113,000) (Note 2.4).

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

6. Lift replacement fund

	Note	Total	Residential Property	Commercial Property
		2025 S\$	2025 S\$	2024 S\$
Balance as at 1 April		61,026,071	50,482,662	4,273,531
Add:				
Operating income transfer from conservancy and service fees	4	6,165,243	5,842,643	270,398
Investment, interest and other income	6(i)	1,652,409	1,420,507	-
GST subvention	4,22(i)	341,660	283,153	-
Lift maintenance grant	4,22(i)	94,836	92,800	1,977
S&CC operating grant	4,22(i)	687,640	687,773	-
LRF matching grant *	4,22(i)	3,789,864	3,641,575	168,357
Special Funding Support	4,22(i)	296,968	296,968	-
		13,028,620	12,584,797	443,823
Less: Expenditure	6(ii)	(1,915,951)	(1,782,574)	(133,377)
Less: Income tax	16	(239,773)	(239,773)	-
Less: Goods and services tax	21	(442,328)	(291,224)	-
Surplus for the financial year		10,430,568	8,543,409	(9,458)
Add : Transfer from operating fund – voluntary contribution	4	-	10,134,586	295,982
		71,456,639	66,451,291	370,835
Add : Fair value Reserve	8	(43,330)	-	65,000
Balance at 31 March		71,413,309	56,316,705	4,709,366
Represented by:				
Non-current assets				
Investment securities	10	6,961,530	5,908,660	-
Current assets				
Investment securities	10	3,995,140	-	-
Cash and cash equivalents	13	57,424,714	47,642,720	-
Conservancy and service fees receivables	11	211,655	196,287	-
Due from accumulated surplus		2,517,480	5,342,665	-
Interest receivable		671,120	521,969	-
Other receivables	12	926,037	1,916,937	-
		1,597,157	2,438,906	-
		65,746,146	55,620,578	-
Total assets		72,707,676	61,529,238	-
Current liabilities				
Payables and accrued expenses	15	(791,980)	(169,327)	-
Income tax payable	16	(502,387)	(425,180)	-
Total liabilities		(1,294,367)	(594,507)	-
NET ASSETS		71,413,309	60,934,731	4,709,366

* Included in the LRF matching grant for FY2024/2025 was S\$nil (FY2023/2024: S\$1,000,000) matching grant in relation to S\$nil (FY2023/2024: S\$2,000,000) voluntary contribution made during the financial year ended 31 March 2025. This voluntary contribution was made in accordance with Section 47(12) of the Town Councils Act.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

6. Lift replacement fund (Continued)

(i) Investment, interest and other income

	<u>2025</u> S\$	<u>2024</u> S\$
Interest from fixed deposits	1,423,566	1,196,476
Interest from bonds	227,963	222,890
Interest from cash at bank	880	1,141
	<u>1,652,409</u>	<u>1,420,507</u>

(ii) Expenditure

	<u>2025</u> S\$	<u>2024</u> S\$
Replacement of main sheaves/ropes/lift overhauls	832,961	1,256,692
Replacement of Automatic Rescue Device (ARD) battery	179,909	280,967
Replacement of Emergency Battery Operated Power Supply (EBOPS) battery	92,340	47,219
Lift modernisation works	105,762	-
Replacement of lift position display panel	15,530	766,969
Replacement of inverter units	365,251	1,048,286
Lift Enhancement Programme (LEP)	238,239	475,063
Other lift works	-	32,300
Project management fee	80,809	160,989
General and administrative charges	5,150	155
	<u>1,915,951</u>	<u>4,068,640</u>

HOLLAND-BUKIT PANJANG TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

7. Town improvement and project fund

	Note	Total		Residential Property		Commercial Property	
		2025	2024	2025	2024	2025	2024
		S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 April		6,041,656	5,231,963	5,484,198	4,674,505	557,458	557,458
Add/(Less):							
Transfer from government grants	4,22(i)	1,470,000	1,118,488	1,470,000	1,118,488	-	-
Other Income		5,000	59,158	5,000	59,158	-	-
Expenditure	7(i)	(2,817,008)	(2,367,953)	(2,817,008)	(2,367,953)	-	-
Deficit for the financial year		(1,342,008)	(1,190,307)	(1,342,008)	(1,190,307)	-	-
Add : Appropriation from accumulated surplus	4	-	2,000,000	-	2,000,000	-	-
Balance at 31 March		4,699,648	6,041,656	4,142,190	5,484,198	557,458	557,458

Represented by:

Current assets

CIPC Grants receivables	1,626,385	1,638,529
Other receivables	136,454	-
Due from accumulated surplus	1,762,839	1,638,529
Total assets	3,403,039	4,429,834
	5,165,878	6,068,363

Current liabilities

Payables and accruals	(466,230)	(26,707)
Total liabilities	(466,230)	(26,707)
NET ASSETS	4,699,648	6,041,656

HOLLAND-BUKIT PANJANG TOWN COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

7. Town improvement and project fund (Continued)

(i) Expenditure

	<u>2025</u> S\$	<u>2024</u> S\$
Construction of covered link way/playground or fitness corner	1,557,217	532,072
Other amenities	993,191	1,488,461
Consultancy and maintenance fee	229,742	268,977
General and administrative charges	36,858	78,443
	<u>2,817,008</u>	<u>2,367,953</u>

8. Fair value reserve

	<u>Note</u>	<u>2025</u> S\$	<u>2024</u> S\$
Fair value reserve from investment securities		<u>(302,550)</u>	<u>(425,916)</u>
Movements:			
Balance at 1 April		(425,916)	(625,990)
Fair value gain on investment securities recognised in other comprehensive income (Note 10)		123,366	200,074
Balance at 31 March		<u>(302,550)</u>	<u>(425,916)</u>
Fair value reserve is taken up in:			
Ordinary sinking fund	5	(259,220)	(334,576)
Lift replacement fund	6	(43,330)	(91,340)
		<u>(302,550)</u>	<u>(425,916)</u>

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

9. Plant and equipment

	Furniture, fixtures and fittings S\$	Office equipment S\$	Data processing equipment S\$	Office premises (right-of- use assets) S\$	Total S\$
Cost					
At 1 April 2023	1,229,967	114,301	597,867	1,071,768	3,013,903
Additions	9,064	-	-	-	9,064
Disposals	-	(1,119)	(2,792)	-	(3,911)
Additions (right-of-use assets)	-	-	-	586,420	586,420
At 31 March 2024	1,239,031	113,182	595,075	1,658,188	3,605,476
Additions	213,300	-	-	-	213,300
Disposals	(204,120)	-	(9,661)	-	(213,781)
At 31 March 2025	1,248,211	113,182	585,414	1,658,188	3,604,995
Accumulated depreciation					
At 1 April 2023	1,150,853	113,601	287,702	947,968	2,500,124
Depreciation	71,440	672	98,297	-	170,409
Disposals	-	(1,119)	(2,792)	-	(3,911)
Depreciation (right-of-use assets)	-	-	-	234,568	234,568
At 31 March 2024	1,222,293	113,154	383,207	1,182,536	2,901,190
Depreciation	14,855	28	81,964	-	96,847
Disposals	(204,120)	-	(9,661)	-	(213,781)
Depreciation (right-of-use assets)	-	-	-	234,568	234,568
At 31 March 2025	1,033,028	113,182	455,510	1,417,104	3,018,824
Carrying amount					
At 31 March 2024	16,738	28	211,868	475,652	704,286
At 31 March 2025	215,183	-	129,904	241,084	586,171

Information about the Town Council's leasing activities are disclosed in Note 14.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

10. Investment securities

Financial instruments as at 31 March 2025

	<u>Note</u>	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
At fair value through other comprehensive income:			
Debt securities (quoted)		12,455,780	10,847,985
Equity securities (unquoted)		747,820	752,249
At end of year		<u>13,203,600</u>	<u>11,600,234</u>
Movement in investment securities:			
At beginning of year		11,600,234	18,400,160
Additions		5,000,000	-
Disposals		(3,520,000)	(7,000,000)
Net fair value gain (Note 8)		123,366	200,074
At end of year		<u>13,203,600</u>	<u>11,600,234</u>
Classified as:			
Non-current portion		8,460,640	7,367,475
Current portion		4,742,960	4,232,759
		<u>13,203,600</u>	<u>11,600,234</u>
Details of investment securities:			
Unit trusts		747,820	752,249
Corporate bonds		505,630	497,695
Government/Statutory Board bonds		11,950,150	10,350,290
		<u>13,203,600</u>	<u>11,600,234</u>
Taken up in:			
<i>Non-current</i>			
Ordinary sinking fund	5	1,499,110	1,458,815
Lift replacement fund	6	6,961,530	5,908,660
		<u>8,460,640</u>	<u>7,367,475</u>
<i>Current</i>			
Ordinary sinking fund	5	747,820	4,232,759
Lift replacement fund	6	3,995,140	-
		<u>4,742,960</u>	<u>4,232,759</u>

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

11. Conservancy and service fees receivables

	<u>Note</u>	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
Conservancy and service fees receivables		1,857,507	1,742,052
Add: Interest receivable on late payments		1,152,313	1,056,997
		<u>3,009,820</u>	<u>2,799,049</u>
Less: Allowance for doubtful receivables	26	<u>(1,498,000)</u>	<u>(1,397,000)</u>
		<u>1,511,820</u>	<u>1,402,049</u>
Taken up in:			
Accumulated surplus		907,092	841,229
Ordinary sinking fund	5	393,073	364,533
Lift replacement fund	6	211,655	196,287
		<u>1,511,820</u>	<u>1,402,049</u>

Conservancy and service fees receivables are generally on 30 (2024: 30) days' credit terms. Penalty fee is charged on the outstanding balances.

Allowances made in respect of estimated irrecoverable amounts are determined by reference to past historic credit loss experience of the customers for the last 3 years prior to the respective reporting dates (Note 26).

Conservancy and service fees receivables are denominated in Singapore dollar as at the reporting date.

12. Other receivables

	<u>Note</u>	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
Billing for work carried out, reimbursement from contractors		1,301,865	2,136,527
Claims for Citizens' Consultative Committee funding		1,626,385	1,638,529
Deposits		23,345	23,345
GST subvention receivable		619,739	578,475
Interest receivable		1,407,982	1,492,706
Legal fee and disbursement		32,107	30,085
LRF matching grant receivable from government		826,846	1,763,986
Lift Enhancement Programme (LEP)		-	132,033
Elevator Energy Regeneration System (EERS) receivable		116,103	-
Neighbourhood Renewal Programme (NRP)		2,617,174	1,505,519
Security deposits		430,414	413,994
Others		<u>126,653</u>	<u>102,067</u>
Financial assets measured at amortised cost		9,128,613	9,817,266
GST receivable		906,587	-
Property tax		99,451	91,829
		<u>10,134,651</u>	<u>9,909,095</u>
Taken up in:			
Accumulated surplus		5,116,739	4,893,605
Ordinary sinking fund	5	1,657,916	938,055
Lift replacement fund	6	1,597,157	2,438,906
Town improvement fund	7	1,762,839	1,638,529
		<u>10,134,651</u>	<u>9,909,095</u>

Other receivables are denominated in Singapore dollar as at the reporting date.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

13. Cash and cash equivalents

	<u>Note</u>	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
Cash on hand		3,496	5,184
Cash at bank		11,948,512	10,131,210
Fixed deposits with financial institutions		120,000,000	122,000,000
		<u>131,952,008</u>	<u>132,136,394</u>
Fixed deposits maturing:			
– Within 3 months		51,000,000	46,000,000
– Between 3 to 12 months		69,000,000	76,000,000
		<u>120,000,000</u>	<u>122,000,000</u>
Taken up in:			
Accumulated surplus			
Cash and bank balances		5,020,569	4,886,519
Fixed deposits with financial institutions		15,000,000	14,000,000
		20,020,569	18,886,519
Ordinary sinking fund			
Cash and bank balances		3,506,725	1,607,155
Fixed deposits with financial institutions		51,000,000	64,000,000
	5	54,506,725	65,607,155
Lift replacement fund			
Cash and bank balances		3,424,714	3,642,720
Fixed deposits with financial institutions		54,000,000	44,000,000
	6	57,424,714	47,642,720
		<u>131,952,008</u>	<u>132,136,394</u>

Fixed deposits are placed for varying periods from three to twelve (2024: two to twelve) months, bear interest rates ranging from 2.12% to 3.20% (2024: 3.00% to 3.85%) per annum. The weighted average effective interest rates per annum relating to fixed deposits is 2.57% (2024: 3.43%). Cash and cash equivalents are denominated in Singapore dollar as at the reporting date.

For purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
Cash and fixed deposits in the statement of financial position	131,952,008	132,136,394
Less:		
Fixed deposits with maturity more than 3 months	(69,000,000)	(76,000,000)
Cash and cash equivalents in the statement of cash flows	<u>62,952,008</u>	<u>56,134,394</u>

HOLLAND-BUKIT PANJANG TOWN COUNCIL**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025****14. Leases****The Town Council as lessee**

Lease payments are made monthly. Apart from the above, the Town Council does not have any significant short term or low value leases.

Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified with plant and equipment (Note 9) are as follows:

	<u>2025</u> S\$	<u>2024</u> S\$
As at 1 April	475,652	123,800
Additions	-	586,420
Depreciation	<u>(234,568)</u>	<u>(234,568)</u>
As at 31 March	<u>241,084</u>	<u>475,652</u>

Lease Liabilities

	<u>2025</u> S\$	<u>2024</u> S\$
Undiscounted lease payments due:		
- Year 1	224,000	252,000
- Year 2	35,000	224,000
- Year 3	-	35,000
	<u>259,000</u>	<u>511,000</u>
Less: Unearned interest cost	<u>(7,634)</u>	<u>(26,562)</u>
	<u>251,366</u>	<u>484,438</u>
Within one year	216,584	233,071
After one year but within five years	<u>34,782</u>	<u>251,367</u>
	<u>251,366</u>	<u>484,438</u>

The effective interest rates charged during the financial year ended 31 March 2025 is 5.00% (2024: 5.00%) per annum. Interest rates are fixed at the contract dates, and thus expose the Town Council to fair value interest rate risk.

Amounts recognised in profit or loss

	<u>2025</u> S\$	<u>2024</u> S\$
Interest expenses on lease liabilities	<u>18,928</u>	<u>25,437</u>

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

14. Leases (Continued)

The Town Council leases office premises from non-related parties under non-cancellable lease agreements. There are no restrictions placed upon the Town Council by entering into these contracts.

There are no lease expenses not capitalised in lease liabilities but recognised in the income and expenditure.

The total cash outflow for leases during the financial year ended 31 March 2025 is S\$252,000 (2024: S\$252,000).

As at 31 March 2025, the Town Council has no lease commitments for short-term leases.

Further information about the financial risk management are disclosed in Note 27.

Lease liabilities are denominated in Singapore dollar as at the reporting date.

15. Payables and accrued expenses

	<u>Note</u>	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
Accrued operating expenses		871,091	909,429
Accrued Town Improvement Fund (TIF) work order expenses		466,230	20,421
Accruals for completed works/payables to contractors		2,391,693	1,054,887
Amount due to related party		561,772	519,343
Others		244,490	342,501
Financial liabilities measured at amortised cost		4,535,276	2,846,581
Advance from conservancy and service fee receivables		1,141,291	1,058,142
Advance received for Lift Enhancement Programme (LEP)		631,279	-
GST Payable		-	3,437
		<u>6,307,846</u>	<u>3,908,160</u>
Taken up in:			
Accumulated surplus		2,470,948	2,792,034
Ordinary sinking fund	5	2,578,688	920,092
Lift replacement fund	6	791,980	169,327
Town improvement fund	7	466,230	26,707
		<u>6,307,846</u>	<u>3,908,160</u>

Payables are generally on 30 to 90 (2024: 30 to 90) days' credit terms.

Payables and accrued expenses are denominated in Singapore dollar as at the reporting date.

The amount due to related party is unsecured, interest free and without fixed repayment terms.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

15. Payables and accrued expenses (Continued)

	<u>2025</u> S\$	<u>2024</u> S\$
Advance from conservancy and service fee receivables	1,141,291	1,058,142
Taken up in:		
Accumulated surplus	684,774	634,885
Ordinary sinking fund	296,736	275,117
Lift replacement fund	159,781	148,140
	<u>1,141,291</u>	<u>1,058,142</u>

The contract liabilities primarily relate to the advance consideration received from customers for conservancy and service fees. The contract liabilities are recognised as revenue when the Town Council fulfils its performance obligation under the contracts with the customers. Significant changes in the contract liabilities balances during the period are as follows:

	<u>2025</u> S\$	<u>2024</u> S\$
Revenue recognised that was included in contract liabilities at beginning of the year	(979,467)	(803,309)
Increases due to cash received, excluding amounts recognised as revenue during the year	1,062,616	624,851

Contract liabilities are denominated in Singapore dollar as at the reporting date.

16. Income tax

	<u>Note</u>	<u>2025</u> S\$	<u>2024</u> S\$
Current income tax			
– Current year		836,789	874,672
– Under provision in prior financial years		745	6,500
Tax expense		<u>837,534</u>	<u>881,172</u>
Taken up in:			
Accumulated surplus	4	515,205	493,605
Ordinary sinking fund	5	82,556	103,962
Lift replacement fund	6	239,773	283,605
		<u>837,534</u>	<u>881,172</u>

The Town Council is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2024: 17%).

The Town Council enjoys a concessionary tax rate of 10% (2024: 10%) for the income earned on investment in bonds.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

16. Income tax (Continued)

Reconciliation of effective tax rate is as follows:

	<u>2025</u> S\$	<u>2024</u> S\$
Taxable income:		
Government grants and other income	15,809,478	16,426,948
Investment and interest income	3,992,275	4,175,626
	<u>19,801,753</u>	<u>20,602,574</u>
Income tax at statutory tax rate	3,366,298	3,502,438
Singapore statutory stepped income exemption	(17,425)	(17,425)
Tax effect on concessionary income	(21,183)	(26,954)
Tax remission of government grants under Section 92(2) of Singapore Income Tax Act 1947	(2,490,901)	(2,583,387)
Under provision in prior financial years	745	6,500
Tax expense	<u>837,534</u>	<u>881,172</u>

Movements in the income tax payable are as follows:

	<u>Note</u>	<u>2025</u> S\$	<u>2024</u> S\$
Balance at 1 April		1,357,128	753,678
Payments made during the financial year		(482,455)	(277,722)
Current financial year's income tax expense		836,789	874,672
Under provision in prior financial years		745	6,500
Balance at 31 March		<u>1,712,207</u>	<u>1,357,128</u>
Taken up in:			
Accumulated surplus		1,021,534	776,368
Ordinary sinking fund	5	188,286	155,580
Lift replacement fund	6	502,387	425,180
		<u>1,712,207</u>	<u>1,357,128</u>

17. Agency fees

These are fees received for routine maintenance of HDB's carparks in the Town.

18. Other income

	<u>2025</u> S\$	<u>2024</u> S\$
Administrative fees	15,854	29,829
Agency fees	541	459
Collection from coin operator	112,936	137,144
Interest on late payment of conservancy and service fees	281,448	309,766
Liquidated damages	142,920	33,863
Roof top access	53,697	65,712
Sale of tender documents	10,507	22,131
Sundry fines	13,410	17,430
Sundry income	716	200
Temporary occupation licence income	1,271,615	1,256,269
Use of common property - net	24,710	20,350
Use of void deck	22,700	24,150
Use of water and electricity	109,180	312,549
	<u>2,060,234</u>	<u>2,229,852</u>

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

19. Managing agent's fees

The Town Council's management of its daily operations has been outsourced to a managing agent.

20. General and administrative expenditure

	<u>2025</u> S\$	<u>2024</u> S\$
Advertising, publicity and public relations	197,299	259,970
Allowance made for doubtful receivables	101,000	221,000
Agency fees – HDB collection	201	604
Audit fee	56,800	50,575
Bad debts written off	18,398	4,742
Computer services	275,398	276,401
Depreciation of plant and equipment	96,847	170,409
Depreciation of right-of-use assets	234,568	234,568
Lease interest expense	18,928	25,437
Office upkeep	162,981	148,242
Office supplies and stationery	21,788	31,717
Property tax	124,980	143,123
Town Councillors' allowance	198,000	198,000
Telephone and postage	171,506	178,401
Others	288,768	158,179
	<u>1,967,462</u>	<u>2,101,368</u>
Taken up in:		
Accumulated surplus	1,871,462	1,998,368
Ordinary sinking fund	96,000	103,000
	<u>1,967,462</u>	<u>2,101,368</u>

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 unclaimable portion is charged to income and expenditure during the financial year.

Disallowed input tax in the respective funds are as follows:

	<u>Note</u>	<u>2025</u> S\$	<u>2024</u> S\$
Accumulated surplus	4	233,820	162,434
Ordinary sinking fund	5	204,800	161,699
Lift replacement fund	6	442,328	291,224
		<u>880,948</u>	<u>615,357</u>

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

22. Government grants

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

Note	2025 S\$	2024 S\$	Total	Service and Conservancy Charges Grant	Payment from Citizens' Consultative Committees		GST Subvention		Lift Maintenance Grant		LRF Matching Grant		Special Funding Support	
					2025 S\$	2024 S\$	2025 S\$	2024 S\$	2025 S\$	2024 S\$	2025 S\$	2024 S\$	2025 S\$	2024 S\$
Government grant received/receivable	4	15,410,598	15,273,831	4,911,715	4,848,378	1,118,488	2,440,422	2,022,509	677,400	667,800	3,789,864	4,583,696	2,121,197	2,032,960
Less: Transfer to														
– Ordinary sinking fund	4,5	(2,639,193)	(2,488,629)	(1,277,046)	(1,260,578)	-	(634,512)	(525,853)	(176,124)	(173,628)	-	-	(551,511)	(528,570)
– Lift replacement fund	4,6	(5,210,968)	(5,923,728)	(687,640)	(678,773)	-	(341,660)	(283,153)	(94,836)	(93,492)	(3,789,864)	(4,583,696)	(296,968)	(284,614)
– Town improvement and project fund	4,7	(1,470,000)	(1,118,488)	-	-	(1,470,000)	-	-	-	-	-	-	-	-
		6,090,437	5,742,986	2,947,029	2,909,027	-	1,464,250	1,213,503	406,440	400,680	-	-	1,272,718	1,219,776

(ii) The total amounts of grants received (including grants received in advance) since the formation of the Town Council are as follows:

	2025 S\$	2024 S\$
Total grants received/receivable at 1 April	192,281,654	177,007,823
Grants received/receivable during the financial year	15,410,598	15,273,831
Total grants received/receivable at 31 March	207,692,252	192,281,654

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

23. Inter-fund transfers

The Town Council may make inter-fund transfers with the criteria as set out in Section 47(12) and 57(1)(i) of the Town Councils Act 1988 and Rule 11A of the Town Councils Financial Rules.

24. Commitments

Expenditure commitments approved by the Town Council but not provided for in the financial statements as at reporting date are as follows:

	<u>2025</u> S\$	<u>2024</u> S\$
Amount approved and contracted for	31,592,319	48,695,528
Amount approved but not contracted for	84,493,171	104,755,000
	<u>116,085,490</u>	<u>153,450,528</u>

25. Significant related party transactions

Holland-Bukit Panjang Town Council is managed by the managing agent, EM Services Pte Ltd. The related party refers to the managing agent who manages the operations of the Town Council and provides key management personnel services to the Town Council.

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Town Council entered into the following transactions with the managing agent:

	<u>2025</u> S\$	<u>2024</u> S\$
Expenditure paid to managing agent in relation to:		
Managing agent's fee	5,334,240	5,126,492
Project management fees	1,508,046	986,906
Lift maintenance and other fees	1,722,417	2,401,771
Other installation and maintenance work	247,422	994,709

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Town Council, directly or indirectly, including any Town Councillors (whether executive or otherwise) of that Town Council.

The Town Council pays the monthly fee to EM Services Pte Ltd and does not incur significant manpower and related costs except for Town Councillors' allowances.

	<u>2025</u> S\$	<u>2024</u> S\$
Town Councillors' allowances (Note 20)	<u>198,000</u>	<u>198,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

26. Financial instruments and financial risks

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

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

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Town Council. The Town Council performs on-going credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Town Council has no significant concentration of credit risk and categorised the receivables as low credit risks. Generally the credit terms are 30 days and the Town Council has no significant trade receivables overdue. No other financial assets carry a significant exposure to credit risk. The Town Council has established credit limits for customers and monitors their balances. Cash and cash equivalents are placed with banks and financial institutions which are regulated.

The Town Council's major classes of financial assets are cash and cash equivalent, trade and other receivables-bank deposits, conservancy and service fee receivables and other receivables. Bank deposits are mainly deposited with banks with high credit ratings.

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

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

To assess and manage its credit risks, the Town Council categorises the aforementioned financial assets according to their risk of default. The Town Council defines default to have taken place when internal or/and external information indicates that:

- the borrower is unlikely to pay its credit obligations to the Town Council in full, without recourse by the Town Council to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

The Town Council has not rebutted the presumption included in FRS 109 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

26. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The Town Council's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Counterparty has a low credit risk ^{Note 1} and does not have any past due amounts	12-months ECL
2	Significant increase in credit risk since initial recognition ^{Note 2} or financial asset is > 30 days past due	Lifetime ECL – not credit impaired
3	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
4	Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4}	Written off

Note 1. Low credit risk

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

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Town Council compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Town Council considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Town Council's future outlook of the industry in which the debtor operates and the most recent news or market talks about the debtor, as applicable. In its assessment, the Town Council will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset.

Irrespective of the outcome of the above assessment, the Town Council presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Town Council has reasonable and supportable information that demonstrates otherwise.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

26. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The ageing analysis of conservancy and service fee receivables with number of months of fees past due but not impaired are as follows:

	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
With less than 3 months of fees outstanding	488,785	446,478
With more than 3 months but less than 6 months of fees outstanding	198,232	150,857
With more than 6 months but less than 12 months of fees outstanding	190,755	216,371
With more than 12 months of fees outstanding	634,048	588,343

Based on historical default rates, the Town Council believes that no additional impairment allowance is necessary in respect of conservancy and service fee receivables not past due or past due but not impaired.

Note 3. Credit impaired

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

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

Note 4. Write off

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

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

The Town Council does not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

26. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Trade receivables

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

The ECL for conservancy and service fees receivables are estimated using an allowance matrix with fixed provision rates depending on the number of months that conservancy and service fees is past due, assessed by property type and household profile, and adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets.

Conservancy and service fees receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

The loss allowance for conservancy and service fees receivables are determined as follows:

	<u>Past due for 0 to 3 months</u>	<u>Past due for 3 to 6 months</u>	<u>Past due more than 6 months</u>	<u>Past due more than 12 months</u>	<u>Past due more than 24 months</u>	<u>Total</u>
31 March 2025						
Expected credit loss rates	0%	0%	0%	50%	75%	
Conservancy and service fees receivables (gross)	488,785	198,232	190,755	411,057	1,720,991	3,009,820
Loss allowance	-	-	-	206,000	1,292,000	1,498,000
31 March 2024						
Expected credit loss rates	0%	0%	0%	50%	75%	
Conservancy and service fees receivables (gross)	446,478	150,857	216,371	369,406	1,615,937	2,799,049
Loss allowance	-	-	-	185,000	1,212,000	1,397,000

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Town Council's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

26. Financial instruments and financial risks (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Town Council's exposure to interest rate risk relates primarily to interest-earning fixed deposits with financial institutions and investments in government and corporate bonds. The Town Council's surplus funds are placed with reputable financial institutions or invested in Singapore government bonds. The exposure to interest rate risk is minimal since the deposits are with fixed rate of interest throughout the term.

Equity price risk

Equity price risk is applicable to investments in equity shares or similar instruments. As the investment in equity is not significant, the exposure to price risk is minimal.

Liquidity risk

Liquidity risks refer to the risks in which the Town Council encounters difficulties in meeting its short-term obligations. The Town Council manages the liquidity risk by maintaining sufficient cash, internally generated cash flows, as well as on the basis of expected payment dates of the financial liabilities.

The Town Council's operations are partially supported by various government grants from the government and the Town Council is satisfied that funds for operations are available as and when required.

It is expected that all the liabilities will be paid when due. The Town Council expects to meet its cash commitments with cash inflows from operating activities and government grants.

The contractual undiscounted cash flows of the non-derivative financial instruments due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Financial instruments by category

The carrying amount of the different categories of financial instruments at amortised cost is as disclosed on the face of the statement of financial position and as follows:

2025			Less than 1	Between 2	More than
	<u>Note</u>	<u>Total</u>	<u>year</u>	<u>to 5 years</u>	<u>5 years</u>
		<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Financial assets					
Investment securities	10	13,203,600	4,742,960	1,499,110	6,961,530
Conservancy and service fees receivables	11	1,511,820	1,511,820	-	-
Other receivables	12	9,128,613	9,128,613	-	-
Cash and cash equivalents	13	131,952,008	131,952,008	-	-
Total		155,796,041	147,335,401	1,499,110	6,961,530
Financial liabilities					
Payables and accrued expenses	15	4,535,276	4,535,276	-	-
Total		4,535,276	4,535,276	-	-

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

26. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

Financial instruments by category (Continued)

2024					
	<u>Note</u>	<u>Total</u> <u>S\$</u>	<u>Less than 1</u> <u>year</u> <u>S\$</u>	<u>Between 2</u> <u>to 5 years</u> <u>S\$</u>	<u>More</u> <u>than 5</u> <u>years</u> <u>S\$</u>
Financial assets					
Investment securities	10	11,600,234	4,232,759	4,431,555	2,935,920
Conservancy and service fees receivables	11	1,402,049	1,402,049	-	-
Other receivables	12	9,817,266	9,817,266	-	-
Cash and cash equivalents	13	132,136,394	132,136,394	-	-
Total		154,955,943	147,588,468	4,431,555	2,935,920
Financial liabilities					
Payables and accrued expenses	15	2,846,581	2,846,581	-	-
Total		2,846,581	2,846,581	-	-

27. Fair value of assets and liabilities

The carrying amounts of cash and cash equivalents, conservancy and service fees receivables and other current receivables and payables approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of applicable assets and liabilities are determined and categorised using a fair value hierarchy as follows:

- Level 1 – the fair value of assets and liabilities with standard terms and conditions and which trade in active markets that the Town Council can access at the measurement date are determined with reference to quoted market prices (unadjusted).
- Level 2 – in the absence of quoted market prices, the fair values of the other financial assets and financial liabilities (excluding derivative instruments) are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets/liabilities in non-active markets or inputs other than quoted prices that are observable for the asset or liability.
- Level 3 – in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Town Council holds its financial assets and financial liabilities carried at fair value or at valuation (Level 1 and 2) as follows:

	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
Financial assets		
Investment securities (Note 10):		
Level 1	12,455,780	10,847,985
Level 2	747,820	752,249
	<u>13,203,600</u>	<u>11,600,234</u>

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

27. Fair value of assets and liabilities (Continued)

Valuation policies and techniques

At least on an annual basis, the Town Council evaluates all significant changes in fair value measurements for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources, if necessary and appropriate. Valuation techniques are used for the determination of the fair values of bonds and funds with a bank. During the financial year, there is no change in the applicable valuation technique.

28. Funds management

The Town Council's objectives when managing funds are:

- (i) to safeguard the Town Council's ability to continue as going concern;
- (ii) to provide resources to sustain future development; and
- (iii) 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 funding structure to ensure optimal funding structure, taking into consideration the future funding requirements, 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 from 31 March 2025.

The Town Council is not subjected to any externally imposed capital requirements during the financial years ended 31 March 2025 and 31 March 2024.

The Town Council total funds amounted to S\$149,116,831 (2024: S\$150,002,332).

29. Events subsequent to the reporting date

The writ of election was issued on 15 April 2025 with the polling for the General Elections to be held on 3 May 2025.

Under Section 48 of the Town Councils Act, where a writ of election is issued, Town Councils are required to transfer the excess of revenue over expenditure (referred to as surpluses) in any fund (other than a sinking fund) established under Section 47 of the Town Councils Act to such sinking funds of that Town Council. The Town Councils Financial Rules set out the manner to determine the Town Councils' transferable surpluses and the requirement for an audit of the Statement of Transferable Surpluses.

The amounts to be transferred to the Ordinary sinking fund and the Lift replacement fund are S\$4,839,184 and S\$2,605,714 respectively, after taking into consideration of capital commitments and capital expenditure as at 14 April 2025, the day before the writ of election, in accordance with Rule 4A of Town Councils Financial Rules which is set out as follow:

- (a) Operating Fund established for residential property and commercial property, respectively, is transferred in the following proportions:
 - (i) 65% to Ordinary Sinking Fund established for that residential property and commercial property, respectively.
 - (ii) 35% to Lift Replacement Fund established for that residential property and commercial property, respectively
- (b) Fund established for the management and maintenance of parking places is transferred in the following proportions:
 - (i) 65% to Ordinary Sinking Fund established for the residential property.
 - (ii) 35% to Lift Replacement Fund established for the residential property.

HOLLAND-BUKIT PANJANG TOWN COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

29. Events subsequent to the reporting date (Continued)

Holland-Bukit Panjang Town Council has been reconstituted after the General Elections. There were no changes in the Town Council Boundary.

30. Comparative figures

Certain comparative figures in the financial statements have been reclassified to conform to current year's presentation as follows:

	As previously reported S\$	Adjustment S\$	As restated S\$
<u>Statement of Financial Position as at 31 March 2024</u>			
Non-current liabilities			
Lease liabilities	-	(251,367)	(251,367)
Current liabilities			
Lease liabilities	-	(233,071)	(233,071)
Payables and accrued expenses	(4,392,598)	484,438	(3,908,160)
<u>Statement of Cash Flows for the financial year ended 31 March 2024</u>			
Operating activities			
<i>Adjustments for:</i>			
Allowance made for doubtful receivables	(225,742)	446,742	221,000
Bad debts written off	-	4,742	4,742
Depreciation of right-of-use assets	-	234,568	234,568
Interest income	-	(4,175,625)	(4,175,625)
Fair value gain on investment securities	200,074	(200,074)	-
Unrealized investment losses	3,748,851	(3,748,851)	-
Interest expenses - banks	426,774	(426,774)	-
<i>Operating cash flows before movements in working capital</i>	20,631,754	(7,865,272)	12,766,482
<i>Changes in working capital:</i>			
Trade and other receivables	(201,438)	3,644,272	3,442,834
Trade and other payables	1,807,173	(357,337)	1,449,836
<i>Cash generated from operations</i>	22,237,489	(4,578,337)	17,659,152
Government grants received	-	15,741,074	15,741,074
Income taxes paid	(881,172)	603,450	(277,722)
<i>Net cash (used in)/generated from operating activities</i>	(867,919)	11,766,187	10,898,268
Investing activities			
Interest received	426,774	3,261,075	3,687,849
Placement of fixed deposits	-	(17,000,000)	(17,000,000)
Acquisition of right-of-use assets	-	(2,520)	(2,520)
<i>Net cash generated from/(used in) investing activities</i>	7,417,710	(13,741,445)	(6,323,735)
Financing activities			
Payment on lease liabilities	(475,652)	249,089	(226,563)
Government grants received	15,273,831	(15,273,831)	-
<i>Net cash generated from/(used in) financing activities</i>	14,772,742	(15,024,742)	(252,000)
<i>Net increase in cash and cash equivalents</i>	21,322,533	(17,000,000)	4,322,533
<i>Cash and cash equivalents at beginning of financial year</i>	110,813,861	(59,000,000)	51,813,861
<i>Cash and cash equivalents at end of financial year</i>	132,136,394	(76,000,000)	56,136,394