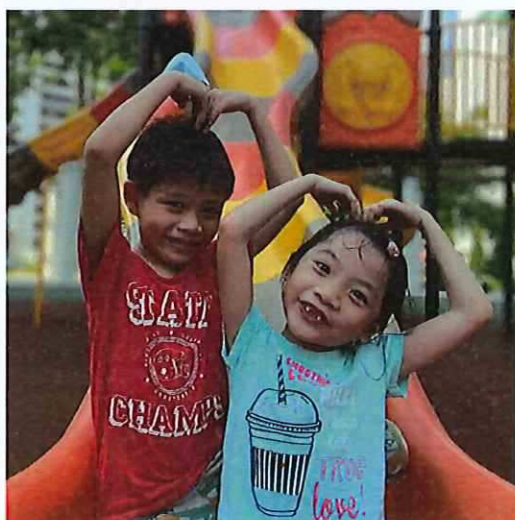
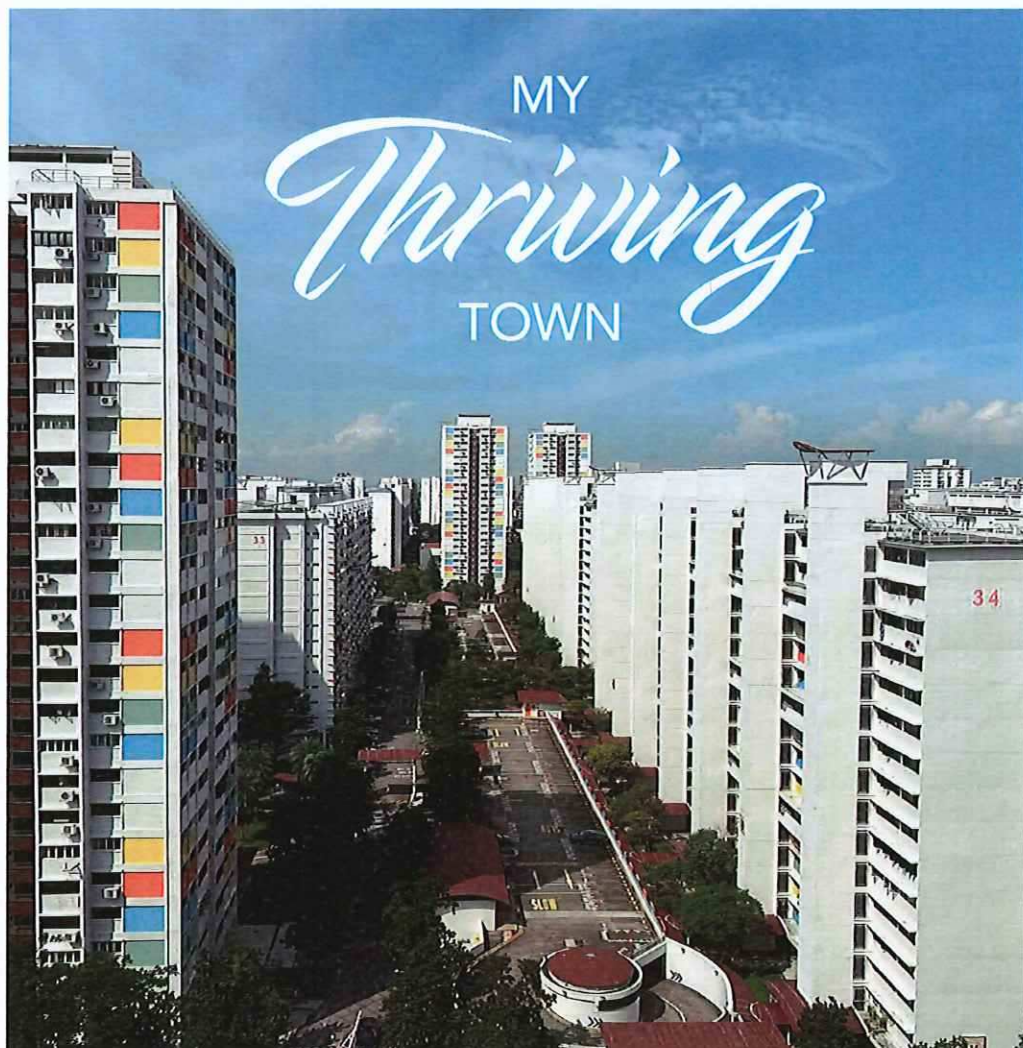
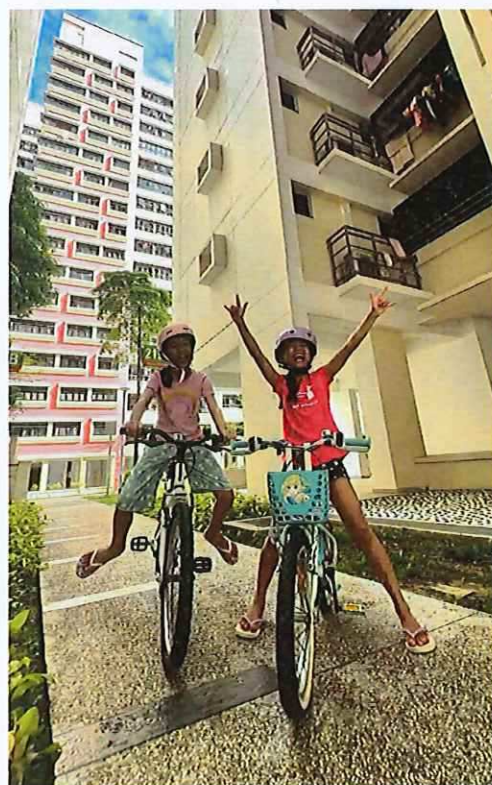
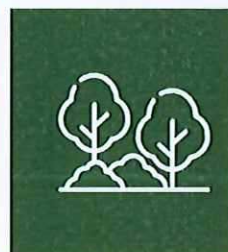


MY
Thriving
TOWN



**ANNUAL REPORT
2024/2025**

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CHAIRMAN'S MESSAGE

Dear Residents,

Over the past year, East Coast has continued to grow as a Caring, Vibrant and Green home for all. Guided by our shared values and strong kampong spirit, we have made meaningful strides together from enhancing our neighbourhoods and deepening community bonds, to pushing ahead with sustainability efforts for a greener tomorrow.

We remain focused on delivering well-maintained and inclusive public spaces, where residents of all ages can live, play and thrive together. Whether it is the upgrading of community facilities, the addition of new drop-off points, or the renewal of ageing infrastructure, each improvement reflects our commitment to providing a safe and liveable environment for everyone.

In FY2024/2025, we stepped up efforts under the East Coast Plan with the active participation of residents and partners. New sheltered walkways and linkways now offer better connectivity, while upgraded fitness corners and playgrounds add vibrancy to our everyday lives. Initiatives such as EV charging point installations and solar panel deployments bring us even closer to a cleaner and more sustainable East Coast.

Our continued transformation under the Neighbourhood Renewal Programme (NRP), Community Improvement Projects (CIPC) and Repairs & Redecoration (R&R) works is only made possible with your strong support. Your ideas, feedback and participation have played a vital role in shaping East Coast into the home we are all proud of, and we continue to look forward to your active participation in the many years ahead.

Looking ahead, we will continue working with our stakeholders including our residents, grassroots organisations and government agencies to strengthen our social fabric, promote inclusiveness and build resilience. With each upgrade, green solution, and community initiative, we move forward together towards a more united and future-ready East Coast.

On behalf of the Town Council, I thank all of you for your continued trust and support. Let us carry this spirit forward and make the East Side the Best Side, our home in East Coast for many generations to come.

Yours sincerely,



Jessica Tan
Chairman
East Coast Town Council



OUR TOWN

461

1-ROOM FLATS

16,013

4-ROOM FLATS

1,891

2-ROOM FLATS

RESIDENTIAL

8,680

5-ROOM FLATS

11,448

3-ROOM FLATS

908

EXECUTIVE APTS/
MAISONETTE FLATS



998

MARKETS/
HAWKER STALLS

146

SOCIAL COMMUNAL
& OTHEERS

COMMERCIAL

622

SHOPS

63

OFFICES

CARE MEETS CONVENIENCE

Nurturing our Neighbourhood with Thoughtful Upgrades

We are always looking for ways to make daily life a little easier and more enjoyable for everyone. From essential home improvements that bring peace of mind, to creating safer and more convenient pathways for your strolls and rides, East Coast Town Council is dedicated to enhancing the living spaces of our residents. These upgrades are more than just about convenience; they are about building a stronger, more comfortable community where everyone feels at home and supported.

In financial year 2024/2025, we have carried out many projects, both big and small, benefitting our residents. Some of the more notable ones include:



New covered linkway and drop off porch between Blk 102 and 105 Bedok North Ave 4 to shelter our residents from the weather elements.



New drop off porch at Blk 127 Simei St 1 for safer and more convenient pick-ups.



Reroofing 17 blocks across Bedok North to prevent leaks and water damage, enhancing safety for our residents.



Other smaller, yet thoughtful works we have completed include:



New barrier-free access (BFA) ramps and railings added across many locations to improve accessibility for all at:

- Along the walkways at Bedok South Bunga Merah;
- Blk 123 Bedok North St 2;
- Blk 404 Bedok North Ave 3;
- Along the footpath near Blk 421 Bedok North Road and many more.



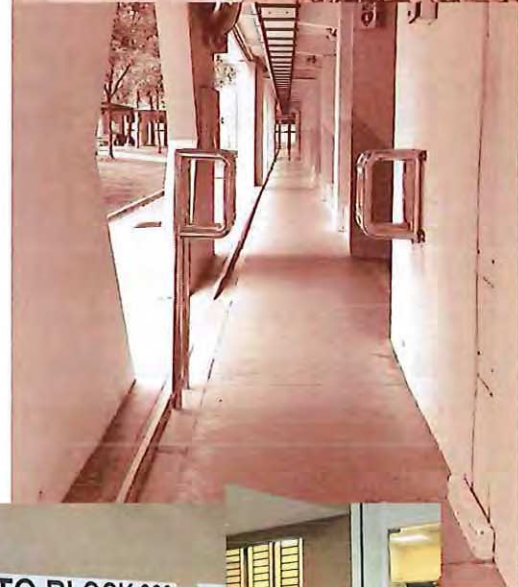
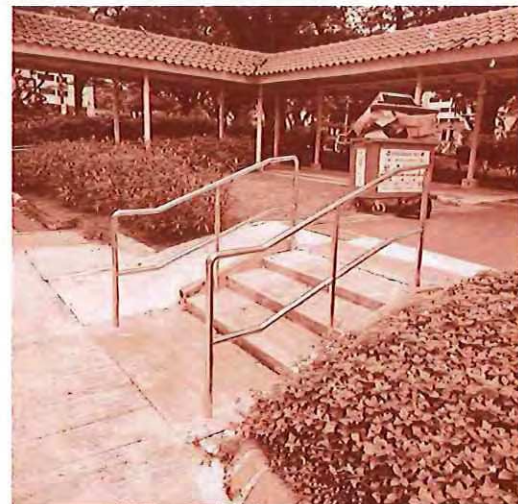
Repainting of ground markings in the carparks at Siglap East for safer commutes.



Installing of P-gates in areas such as Blk 123 Simei St 1 for safer walkways.



Adding more seatings, especially at the drop off porches, in Bedok Beacon and Orchid for more comfortable waiting areas.



REVITALISING OUR NEIGHBOURHOOD





Investing in our Community with Renewed Spaces

To foster a truly thriving neighbourhood, we are continuously rejuvenating our shared spaces. Our efforts include enhanced footpaths and cycling paths, along with significant upgrades to our lifts, playgrounds, and fitness corners. These vital improvements go beyond aesthetics as they cultivate a more vibrant and engaging environment for all residents to enjoy.

Some of our more notable projects in the year include:



Refreshing Blks 94B – 94E Bedok North Ave 4 through the Neighbourhood Renewal Programme (NRP); blocks were given a fresh coat of paint and a new fitness corner was added to encourage active living.



Rejuvenating 33 blocks in Changi Simei Zone 1 and 2 and 12 blocks in Blk 219A to D, 220A to C and 221A to C Bedok Central with Repairs & Redecoration (R&R) works with all blocks repainted for a cleaner and more vibrant neighbourhood.



Other smaller projects that inject life into our estates include:



Upgrading of jogging track in Simei Park and resurfacing of cycling track along Blk 120 to 139 Simei Street 1 to ensure a smoother, more enjoyable experience for active residents.



Many playgrounds and fitness corners were refreshed to offer residents of all ages more comfortable and enjoyable spaces for exercise and play.

SUSTAINABLE ECO HOME



Building a Brighter Future with Green Initiatives

We are committed to creating a sustainable, eco-friendly home for our community by embracing initiatives that benefit our residents and the environment.

One of our key efforts is the installation of solar panels by HDB SolarNova Batch 5 to help us achieve average net-zero energy usage in common areas. We also made it easier for residents to go green with quarterly e-waste recycling drives, alongside convenient textile recycling bins to encourage responsible waste disposal.

To enhance our green spaces, we have added more trees and shrubs to bring nature closer to homes. Our support for cleaner transportation continues to grow with more EV charging locations now available across the estate.

With all your support, we also received the **PUB Water Efficiency Award** for our responsible water management solutions this year. Together, these initiatives continue to help us build a greener, healthier and more sustainable home for all.



Solar panels installation has increased to 63 blocks across East Coast.



48 EV charging locations with almost 180 stations have been installed to date.



The first therapeutic garden for East Coast is opened between Blks 36 and 37 Bedok South Ave 2 to bring more green spaces to our neighbourhood.



Big tree logs from tree pruning are upcycled as decorative art pieces in the estate, while smaller tree trunks and branches are converted into mulch as fertiliser for our plants.



4 more textile recycling bins added for better waste management while promoting recycling habits.



Town Council also worked with our partners on many sustainable initiatives, including disposing unwanted electrical mobility devices (EMD) safely, providing red packets recycling during Chinese New Year and many more.

CORPORATE GOVERNANCE

COMPOSITION AND STRUCTURE

The selection, appointment, and reappointment of Town Councillors take into consideration the composition of the Council and the relevant experience, skills, and/or competencies of its members. In appointing the Town Councillors:

1. The Town Council utilises a referral process to search for potential candidates.
2. The Council considers a variety of factors, including audit and financial skills, time commitment, and prior experience.
3. At least two-thirds of the appointed Town Councillors must be residents of the HDB housing estates within the Town.
4. The Chairperson of the committee overseeing audit matters should not chair or be a member of other Council committees. The majority of the members of the committee overseeing audit matters should also not concurrently be members of other Council committees.
5. The Chairperson overseeing finance matters should not chair or be a member of other Council committees that oversee procurement matters. The majority of the members of the committee overseeing finance should also not concurrently be members of other Council committees that oversee procurement matters.
6. The tenure for a Chairperson of Council committees overseeing audit and risk management, and finance and procurement, should be a maximum of 10 consecutive years.

CORPORATE GOVERNANCE

CODE OF GOVERNANCE PRACTICES

The Code of Governance, which took effect from 1 April 2020, sets out the principles of good governance and highlights best practices that guide Town Councils in executing their fiduciary responsibilities, and in improving accountability and disclosure.

East Coast Town Council adheres to the Code of Governance Practices with the aim of providing greater transparency and raising governance standards. Policies and processes are developed and implemented in line with the guiding principles of the Code, across four main domains – Council Effectiveness, Internal Controls & Processes, Financial Management, and Vendor Management.

The Town Council manages risks effectively through a structured risk assessment methodology, enabling us to identify key risks, analyse their potential impact and consequences, and implement appropriate risk response strategies. This systematic framework, which incorporates Enterprise Risk Management (ERM) principles, supports informed decision-making and improves organisational outcomes. It is an ongoing effort that helps the Town Council and management make sound strategic and operational decisions aligned with the Council's objectives.

The Council is of the opinion that the Risk Management Framework, together with supporting internal control policies and procedures, is adequate to address the risks faced by the Town Council.



FINANCIAL STATEMENTS **EAST COAST TOWN COUNCIL**

(Established under Town Councils Act 1988)

For the year ended 31 March 2025

Financial statements

EAST COAST TOWN COUNCIL

(Established under Town Councils Act 1988)

For the year ended 31 March 2025

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Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements of the Town Council are properly drawn up in accordance with the provisions of the Town Councils Act 1988 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Town Council as at 31 March 2025, and of the financial performance, changes in Town Council funds and cash flows of the Town Council for the financial year ended on that date.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

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

A Town Council is established under the Town Councils Act and may be dissolved by the Singapore Minister's order published in the Gazette of Singapore. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of money and the acquisition and disposal of assets by the Town Council during the financial year ended 31 March 2025 are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Town Council whether purchased, donated or otherwise.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Town Council in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EAST COAST TOWN COUNCIL**
(Established under the Town Councils Act 1988)

4



Auditor's Responsibilities for the Compliance Audit

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

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

JR CHAN COMPANY
Public Accountants and
Chartered Accountants

Singapore

28 August 2025

Statement of financial position as at 31 March 2025

	Notes	2024/2025 \$	2023/2024 \$
TOWN COUNCIL FUND			
Residential Property			
Accumulated surplus	3	2,265,878	474,052
Ordinary Sinking Fund	4	30,764,421	35,750,875
Lift Replacement Fund	5	33,229,385	28,632,578
Town Improvement and Project Fund	6	250,452	430,120
		66,510,136	65,287,625
Other Commercial Property			
Accumulated surplus	3	732,479	1,025,479
Ordinary Sinking Fund	4	29,868,274	28,395,986
Lift Replacement Fund	5	11,753,307	10,705,816
Town Improvement and Project Fund	6	22,361	40,530
		42,376,421	40,167,811
Carpark			
Accumulated surplus	3	3,394,606	2,597,038
		112,281,163	108,052,474
Represented by:			
Non-Current Assets			
Plant and equipment	7	427,102	625,815
Current Assets			
Financial assets at fair value through profit or loss	8	21,597,723	21,032,884
Receivable from Neighbourhood Renewal Programme	13(a)	3,076,630	4,784,708
Conservancy and service fee receivables	9	484,182	325,382
Other receivables	10	4,091,860	4,740,599
Interest/investment income receivable		333,008	727,306
Fixed deposits	11, 12	56,998,382	54,948,625
Cash and bank balances	12	33,701,885	25,701,915
		120,283,670	112,261,419
Total Assets		120,710,772	112,887,234
Less:			
Current Liabilities			
Conservancy and service fees received in advance		568,747	558,268
Payables and accrued expenses	13(b)	6,564,306	3,180,368
Lease Liability	15(b)	87,834	162,183
Current tax payable	21(b)	1,145,643	906,115
Total Liabilities		8,366,530	4,806,934
Less:			
Non-current Liabilities			
Lease liability	15(b)	63,079	27,826
Net Assets		112,281,163	108,052,474



JESSICA TAN
Chairman



SYARIMAN BIN ELENDRUS
Secretary

Date: 20 AUG 2025

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

Statement of income and expenditure for the financial year ended 31 March 2025

	Notes	2024/2025 \$	2023/2024 \$
OPERATING INCOME			
Conservancy and service fees	3	34,076,733	32,178,925
Less: Operating transfer to Ordinary Sinking Fund	3, 4	8,859,948	8,366,523
Less: Operating transfer to Lift Replacement Fund	3, 5	4,770,744	4,505,052
		20,446,041	19,307,350
Agency fees	14	2,471,997	2,377,201
Other income	16	2,369,569	2,352,558
		25,287,607	24,037,109
Less:			
OPERATING EXPENDITURE			
Cleaning works		6,214,389	6,093,171
Managing agent's fees		4,530,626	4,361,228
Lift maintenance		5,597,548	5,326,709
Other works and maintenance		4,518,940	4,578,303
Water and electricity		4,462,326	5,408,142
General and administrative expenditure	18	2,612,203	2,305,022
		27,936,032	28,072,575
OPERATING DEFICIT		(2,648,425)	(4,035,466)
Add:			
NON-OPERATING INCOME			
Interest income		162,174	171,624
DEFICIT BEFORE TAXATION AND GOVERNMENT GRANTS		(2,486,251)	(3,863,842)
Less:			
Income tax	21(a)	125,866	139,320
DEFICIT BEFORE GOVERNMENT GRANTS		(2,612,117)	(4,003,162)
Add:			
Government Grants	22	11,709,157	11,421,764
Less: Transfer to Ordinary Sinking Fund	3,4,22	2,127,021	2,049,998
Less: Transfer to Lift Replacement Fund	3,5,22	4,090,833	3,904,270
Less: Transfer to Town Improvement and Project Fund	3,6,22	582,792	736,737
		4,908,511	4,730,759
SURPLUS/(DEFICIT) FOR THE YEAR		2,296,394	727,597
Add:			
Accumulated surplus at 1 April		4,096,569	3,368,972
Appropriation to Town Improvement and Project Fund	-	-	-
ACCUMULATED SURPLUS AT 31 MARCH		6,392,963	4,096,569

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

Statement of comprehensive income for the financial year ended 31 March 2025

	Notes	Total		Residential Property		Commercial Property		Carpark	
		2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024
		\$	\$	\$	\$	\$	\$	\$	\$
Surplus/(Deficit) for the year									
- Accumulated surplus/(deficit)	3	2,296,394	727,597	1,791,826	419,232	(293,000)	(319,314)	797,568	627,679
- Ordinary Sinking Fund	4	(3,514,166)	6,507,878	(4,986,454)	6,243,421	1,472,288	264,457	-	-
- Lift Replacement Fund	5	5,644,298	4,198,301	4,596,807	3,238,651	1,047,491	959,650	-	-
- Town Improvement and Project Fund	6	(197,837)	(391,027)	(179,668)	(352,903)	(18,169)	(38,124)	-	-
Total surplus for the year, representing total comprehensive income for the year attributable to Town Council Fund		4,228,689	11,042,749	1,222,511	9,548,401	2,208,610	866,669	797,568	627,679

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

Statement of changes in funds **for the financial year ended 31 March 2025**

	Total \$	Residential Property \$	Commercial Property \$	Carpark \$
Balance at 1 April 2023	97,009,725	55,739,224	39,301,142	1,969,359
Total comprehensive income for the year	11,042,749	9,548,401	866,669	627,679
Balance at 31 March 2024	108,052,474	65,287,625	40,167,811	2,597,038
Balance at 1 April 2024	108,052,474	65,287,625	40,167,811	2,597,038
Total comprehensive income for the year	4,228,689	1,222,511	2,208,610	797,568
Balance at 31 March 2025	112,281,163	66,510,136	42,376,421	3,394,606

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

Statement of cash flows

for the financial year ended 31 March 2025

	Notes	2024/2025 \$	2023/2024 \$
Cash Flows from Operating Activities			
Deficit before taxation and government grants	3	(2,486,251)	(3,863,842)
Adjustments for:			
Depreciation of plant and equipment	7	382,869	380,347
Lease interest expense	15(c)	13,529	15,432
Conservancy and service fees transferred to Ordinary Sinking Fund	4	8,859,948	8,366,523
Conservancy and service fees transferred to Lift Replacement Fund	5	4,770,744	4,505,052
Interest income	3	(162,174)	(171,624)
Operating surplus before working capital changes		11,378,665	9,231,888
Increase in conservancy and service fee received in advance		10,479	16,117
Decrease in conservancy and service fee receivables and other receivables		879,497	553,146
Net movement in receivable/advances received for Neighbourhood Renewal Programme		1,708,078	(2,925,485)
Increase in payables		3,383,916	108,741
Cash generated from operations		17,360,635	6,984,407
Income tax paid	21(b)	(329,229)	(184,053)
Ordinary Sinking Fund expenditure	4	(16,185,319)	(6,128,271)
Lift Replacement Fund Expenditure	5	(4,100,113)	(5,091,527)
Town Improvement and Project Fund expenditure	6	(780,629)	(1,127,764)
Net cash used in operating activities		(4,034,655)	(5,547,208)
Cash Flows from Investing Activities			
Purchase of plant and equipment	7	(3,100)	(61,395)
Interest and investment income received		2,776,532	2,456,325
Proceed from disposal of plant and equipment		-	100
Net cash generated from investing activities		2,773,432	2,395,030
Cash Flows from Financing Activities			
Fixed deposit pledged		(489)	(32)
Payment of lease liability		(216,806)	(217,466)
Payment of lease interest	15(c)	(13,529)	(15,432)
Government grants received	22(b)	11,540,746	11,454,772
Net cash generated from financing activities		11,309,922	11,221,842
Net increase in cash and cash equivalents		10,048,699	8,069,664
Cash and cash equivalents at beginning of year		80,515,276	72,445,612
Cash and cash equivalents at end of year	12	90,563,975	80,515,276

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

Notes to the financial statements

for the financial year ended 31 March 2025

1 General information

The financial statements of the Town Council are presented in Singapore dollars. They are drawn up in accordance with the Financial Reporting Standards in Singapore and the provisions of the Town Councils Act 1988. The financial statements were approved and authorised for issue by the Town Council on 28 August 2025.

East Coast Town Council ("the Town Council") was formed on 13 January 1997 by the Town Councils (Declaration of Towns) Order 1997 under the Town Councils Act 1988. East Coast Town Council was managing and maintaining East Coast Group Representation Constituency (GRC), which comprises Bedok, Changi Simei, Fengshan, Kampong Chai Chee and Siglap Divisions.

Under the Town Council (Declaration) Order 2025, as from 30 May 2025, the Town Council for the Town of East Coast was reconstituted and now consists of East Coast GRC which comprises Bedok, Changi Simei, Fengshan, Kampong Chai Chee and Joo Chiat Divisions.

The properties boundaries had been re-drawn to take in about 59 blocks in Chai Chee estate from Marine Parade – Braddell Heights Town Council for management. In addition, the 6 blocks of properties in Changi Village estate and 13 Build-To-Order ("BTO") blocks of flats from Tampines Street 96 were handed over to Pasir Ris - Changi Town Council and Tampines Town Council respectively on 1 August 2025.

The principal place of operation is at Block 206, Bedok North Street 1, #01-353, Singapore 460206.

The 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 within the Town.

The daily operation of the Town Council has been outsourced to EM Services Pte Ltd and the Town Council employs five employees as of 31 March 2025 (2023/2024 – five employees).

2(a) Basis of preparation

The financial statements are prepared in accordance with the provisions of the Town Councils Act and Financial Reporting Standards in Singapore ("FRS") including related Interpretations to FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

The financial statements are presented in Singapore dollars which is the Town Council's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

Critical judgements, assumptions and estimation uncertainties

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

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(a) Basis of preparation (cont'd)****Critical judgements, assumptions and estimation uncertainties (cont'd)**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

(i) 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 **\$427,102** (2023/2024 - \$625,815) (Note 7).

(ii) 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 **\$1,145,643** (2023/2024 - \$906,115) (Note 21).

(iii) Allowance for 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 **\$585,417** (2023/2024: \$585,649) (Note 26.4).

(iv) Allowance for non-financial assets

At the end of each financial year, an assessment is made on whether there are indicators that the Town Council's investments 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.

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(b) New or revised accounting standards and interpretations not yet effective**

In the current financial year, the Town Council has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS does not result in changes to the Town Council's accounting policies and has no material effect on the amounts reported for the current year.

FRS and INT FRS issued but not yet effective

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

	<i>Description</i>	<i>Effective date (annual periods beginning on or after)</i>
FRS 109	Amendments to FRS 109 Financial Instruments	1 January 2026
FRS 107	Amendments to FRS 107 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
	Annual Improvement to FRSs Volume 11	1 January 2026
FRS 118	FRS 118 Presentation and Disclosure in Financial Statements	1 January 2027
FRS 119	FRS 119 Subsidiaries without Public Accountability: Disclosures	1 January 2027
FRS 110	Amendments to FRS 110 Consolidated Financial Statements	To be determined

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

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

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information****(a) Funds****Town Council Fund**

In accordance with Section 47(1) of the Town Councils Act, separate funds are established to account for the management of the various types of properties.

The types of properties 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 Housing and Development Board (HDB) on an agency basis.

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

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

Assets and liabilities of the various funds of the Town Council are pooled in the Statement of Financial Position.

Ordinary Sinking Fund

In accordance with Section 47(4) of the Town Councils Act, a separate Ordinary Sinking Fund is established for the improvement to, management and maintenance of residential property and other commercial property. This Ordinary Sinking Fund is maintained as part of the Town Council Fund.

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, less LRF matching grant-in-aid to be paid into the Sinking Fund Ordinary.

For the past financial years up to FY 2016/2017, the minimum amounts to be paid into the Ordinary Sinking Fund were as follows:

	Property Type	Percentage of Conservancy and Service Fees and Grant-in-Aid, less LRF Matching Grant-in-Aid
(i)	1-room to 3-room	30%
(ii)	4-room	35%
(iii)	5-room and Executive	35%
(iv)	Shop with living accommodation	35%
(v)	Commercial property	35%

The minimum amount to be paid into the Ordinary Sinking Fund has been revised to 26% for all residential and commercial properties with effect from 1 April 2017.

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(a) Funds (cont'd)**

These minimum contributions are treated as operating transfers and netted off against the conservancy and service fees and government grants in the Statement of Income and Expenditure.

The Ordinary Sinking Fund is utilised for cyclical major repainting, renewal or replacement of roofing system, water tanks, pumps and water supply system, lightning protection system and major repairs and maintenance of the common area and contributions to the HDB in respect of general upgrading works carried out on the common property under the Housing and Development Act.

Lift Replacement Fund ("LRF")

In accordance with 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) 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

The Town Council maintains a Town Improvement and Project Fund as part of the Town Council Fund. This Fund is utilised for improvement and development works in the Town.

The fund is set up by transfer from Accumulated Surplus based on specific projects to be carried out. In addition, the Town Council receives payments from Citizens' Consultative Committee (CCC) for approved projects.

Expenditure on Town Improvement Projects is taken directly to the Town Improvement and Project Fund. Payments from CCC are shown as part of Government Grants in the Statement of Income and Expenditure and then transferred to the Town Improvement and Project Fund.

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(b) Allocation of General Overheads**

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

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

No overheads are allocated to the Sinking Fund, Lift Replacement Fund and Town Improvement and Project Fund.

(c) Government Grants

The Town Council receives various types of grants from Government, namely, Conservancy and Service Grant, Lift Maintenance Grant, LRF Matching Grant, GST Subvention Grant, Payment from Citizens' Consultative Committee and the one-off support scheme grants.

Conservancy and Service Grant to meet the current year's expenditure is taken to the Statement of Income and Expenditure. The Lift Maintenance Grant helps Town Councils cope with the higher lift-related servicing and maintenance costs. The LRF Matching Grant is to assist Town Councils in building up the LRF.

The GST Subvention is given as grants-in-aid to Town Councils for absorbing the GST increase in conservancy and service charges for residential properties.

Payment from Citizens' Consultative Committee is given as reimbursement claims under the Community Improvement Projects Committee scheme.

The Jobs Growth Incentive and Wage Credit Scheme grants provide wage support to employers to help them retain their local employees during this period of economic uncertainty.

It is TCs' responsibility to ensure the financial sustainability of the operations. As cost of maintenance rise over time, and in recognising the recent sharp and steep cost increase faced by TCs, MND has given a time-limited special funding support for TCs need to adjust S&CC to meet their long-term financial sustainability. The special grant co-shares the burden of S&CC increase and help to buffer the Town Council and residents from the full impact of such cost increases.

The special grant is equivalent to the additional S&CC income generated from gazetted S&CC increases from FY2023 and FY2024, subject to a cap of 13% S&CC increase.

TCs can flexibly use this special funding support to defray their operational costs in general, similar to the current S&CC Operating Grant and Lift Maintenance Grant, subject to the same governing requirements in the Town Councils Act.

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.

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(c) Government Grants (cont'd)**

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.

(d) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. Depreciation is calculated on the straight-line basis to write off the cost of the assets over their estimated useful lives as follows:

Machinery	5 years
Furniture and fittings	5 years
Office equipment	5 years

Plant and equipment costing below \$1,000 each are charged to the Statement of Income and Expenditure in the year of purchase. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Town Council and the cost can be measured reliably. Other subsequent expenditure is charged to the Statement of Income and Expenditure during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

(e) 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.

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(e) Financial instruments (cont'd)**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 profit or loss.

Financial assetsInitial 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 profit or loss, 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 profit or loss ("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.

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

The Town Council's financial assets consist only of financial assets that are subsequently measured at amortised cost and financial assets subsequently measured at FVTPL.

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 the statement of income and expenditure when the asset is derecognised, modified or impaired.

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(e) Financial instruments (cont'd)**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 the statement of 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.

Upon derecognition, other than the abovementioned equity instruments for which their subsequent cumulative fair value changes would be transferred to accumulated profits, the cumulative fair value changes recognised in other comprehensive income is recycled to profit or loss.

Dividends from equity instruments are recognised in the statement of 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 the statement of income and expenditure.

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 has 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.

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(e) Financial instruments (cont'd)**

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

Financial liabilities and equity instrumentsClassification 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.

Financial liabilitiesInitial 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 profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(e) Financial instruments (cont'd)**

Financial liabilities are classified as at fair value through profit or loss 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 profit or loss 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.

(f) Funds with fund manager

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

Funds with fund manager comprises mainly equities, bonds, cash and fixed deposits. Equities and bonds are stated on an aggregate portfolio basis and are classified as financial assets at fair value through profit or loss in the statement of financial position.

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

(g) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Cash on hand and in banks and short-term deposits which are held to maturity are carried at cost.

(h) Receivable/Advances received for Neighbourhood Renewal Programme

Neighbourhood Renewal Programme (NRP) is established in respect of the NRP works carried out on the qualifying properties to upgrade the quality of HDB estates. It is implemented by the Town Council with full funding from the Government. The funding for the programme belongs to the government which is received in advance and is for the specific use of projects under the programme. The funding is subject to a budget allocation of \$3,400 per dwelling unit to cover NRP expenditure and \$150 per dwelling unit or \$125,000, whichever

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(h) Receivable/Advances received for Neighbourhood Renewal Programme (cont'd)**

is higher to cover miscellaneous NRP expenditure. However, if the cost of project works incurred exceeds the funding provided, the Town Council has to bear the cost of excess expenditure. From 2015, the NRP included repainting of blocks and repair works for items such as spalling concrete/crack lines, apron drains & apron floors, etc. This allows the NRP works to be better coordinated with the Town Councils routine maintenance programme, thus enabling blocks and precincts to be more comprehensively enhanced without inconveniencing resident twice. As such, the NRP budget was increased from S\$3,400 to S\$4,700 per flat to fund the additional upgrading works. In 2022, the NRP budget allocation was revised to provide a one-off increase in budget of \$850 per DU for NRP block and precinct works. This was applicable to projects up to Batch 13. In 2024, the budget allocation was further revised to provide an additional one-off increase in budget of \$1,400 per DU for NRP block and precinct works. This increased the budget allocation for eligible ongoing NRP Batch 7 to 15 projects to \$6,100 per DU.

(i) Provisions

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

(j) 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. East Coast Town Council has gazetted the increase in Service and Conservancy Charges (S&CC) in June 2023 implemented as two tiers with effect from 1 July 2023 and 1 July 2024 respectively. The range of increment is between 4.5% to 6.5% for the first year and 5.5% to 7.5% for the 2nd year. The increase in S&CC is expected to boost the operating income of the Town Council which is to be recognised upon materialisation.

Agency fees

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

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(j) Revenue recognition (cont'd)**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 the profit and loss.

Other income

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

(k) Income tax

Income tax is provided on the following income:

- (i) Income derived from investments and bank deposits;
- (ii) Agency fee derived from acting as agents for HDB;
- (iii) Fees, rents and other charges, received from non-residents of properties in the Town; and
- (iv) Donations from non-residents or non-owners of properties in the Town.

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

In respect of government 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.

(l) Employee benefitsDefined contribution plan

The Town Council operates a defined contribution plan in the form of Central Provident Fund. The Town Council's obligation, in regard to the defined contribution plan, is limited to the amount it contributes to the fund. The expenses are disclosed under manpower cost (Note 17) and general administrative expenditure accordingly (Note 18).

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(l) Employee benefits (cont'd)**Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

(m) Impairment of non-financial assets

At the end of each reporting period, the Town Council reviews the carrying amounts of its assets to determine whether there is any indication that these assets have suffered an 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.

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. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that it does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately or credited to the fund to which the asset relates.

(n) Inter-fund transfer

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

(o) Leases

The Town Council applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated. Accordingly, the comparative information was prepared and disclosures made in accordance with the requirements of FRS 17 Leases and FRS INT 4 Determining whether an Arrangement contains a lease. The impact of the lease obligation to the opening retained earnings is insignificant and hence there is no adjustment to the changes in equity.

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.

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(o) Leases (cont'd)**

For these leases, the Town Council recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Town Council by the end of the lease term or the cost of the right-of-use asset reflects that the Town Council will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of plant and equipment. 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 payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Town Council is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Town Council is reasonably certain to terminate early and lease payments for an optional renewal period if the Town Council is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Town Council 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 the statement of income and expenditure 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.

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(p) Functional currency**

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

(q) 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.
- (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 jointed 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).

East Coast Town Council**(Established under the Town Councils Act 1988)****Notes to the financial statements for the financial year ended 31 March 2025****2(c) Summary of material accounting policy information (cont'd)****(r) 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.

(s) 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 normal operating cycle.
- (ii) Held primarily for the purpose of trading.
- (iii) Expected to be realised within twelve months after the reporting period.
- (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.
- (iv) There is no unconditional right to defer the 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.

(t) 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.

3 Accumulated surplus

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

	Note	Total	Residential property		Commercial property		Carpark	
		2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	
		\$	\$	\$	\$	\$	\$	
OPERATING INCOME								
Conservancy and service fees		34,076,733	32,178,925	29,552,481	27,962,940	4,524,252	4,215,985	-
Less: Operating transfer to Ordinary Sinking Fund	4	8,859,948	8,366,523	7,683,644	7,270,367	1,176,304	1,096,156	-
Less: Operating transfer to Lift Replacement Fund	5	4,770,744	4,505,052	4,137,348	3,914,813	633,396	590,239	-
		20,446,041	19,307,350	17,731,489	16,777,760	2,714,552	2,529,590	-
Agency fees	14	2,471,997	2,377,201	-	-	-	-	2,471,997
Other income	16	2,369,569	2,352,558	1,660,946	1,705,900	604,277	566,394	2,377,201
		25,287,607	24,037,109	19,392,435	18,483,660	3,318,829	3,095,984	80,264
Less:								2,457,465
OPERATING EXPENDITURE		27,936,032	28,072,575	22,526,082	22,808,900	3,627,992	3,431,051	1,832,624
OPERATING (DEFICIT)/SURPLUS		(2,648,425)	(4,035,466)	(3,133,647)	(4,325,240)	(309,163)	(335,067)	624,841
Add:		162,174	171,624	135,246	143,054	12,727	13,494	15,076
NON-OPERATING INCOME								
(DEFICIT)/SURPLUS BEFORE TAXATION AND GOVERNMENT GRANTS		(2,486,251)	(3,863,842)	(2,998,401)	(4,182,186)	(296,436)	(321,573)	639,917
Less:								
Income tax	21(a)	125,866	139,320	105,092	116,132	9,756	10,950	12,238
(DEFICIT)/SURPLUS BEFORE GOVERNMENT GRANTS		(2,612,117)	(4,003,162)	(3,103,493)	(4,298,318)	(306,192)	(332,523)	627,679
Add:								
Government grants	22	11,709,157	11,421,764	11,314,982	11,018,094	394,175	403,670	-
Less: Transfer to Ordinary Sinking Fund	4,22	2,127,021	2,049,998	2,121,305	2,044,274	5,716	5,724	-
Less: Transfer to Lift Replacement Fund	5,22	4,090,833	3,904,270	3,770,895	3,604,803	319,938	299,467	-
Less: Transfer to Town Improvement and Project Fund	6,22	582,792	736,737	527,463	651,467	55,329	85,270	-
		4,908,511	4,730,759	4,895,319	4,717,550	13,192	13,209	-
SURPLUS/(DEFICIT) FOR THE YEAR		2,296,394	727,597	1,791,826	419,232	(293,000)	(319,314)	627,679
Add:								
ACCUMULATED SURPLUS AT 1 APRIL		4,096,569	3,368,972	474,052	54,820	1,025,479	1,344,793	1,969,359
Less:								
Appropriation to Town Improvement and Project Fund		-	-	-	-	-	-	-
		4,096,569	3,368,972	474,052	54,820	1,025,479	1,344,793	1,969,359
ACCUMULATED SURPLUS AT 31 MARCH		6,392,963	4,096,569	2,265,878	474,052	732,479	1,025,479	2,597,038

4 Ordinary Sinking Fund

	Note	Total 2024/2025 \$	2023/2024 \$	Residential property		Commercial property	
				2024/2025 \$	2023/2024 \$	2024/2025 \$	2023/2024 \$
Balance at 1 April		64,146,861	57,638,983	35,750,875	29,507,454	28,395,986	28,131,529
Add:							
Investment income	19(a)	1,947,474	2,478,274	1,084,469	1,268,638	863,005	1,209,636
Operating transfer from Conservancy and Service fees	3,22	8,859,948	8,366,523	7,683,644	7,270,367	1,176,304	1,096,156
Transfer from Government Grants – Conservancy & Service Grants	3,22	1,144,920	1,138,136	1,144,920	1,138,136	-	-
– Lift Maintenance Grant	3,22	147,108	147,108	141,392	141,384	5,716	5,724
– GST Subvention	3,22	447,215	369,793	447,215	369,793	-	-
– Special Funding Support	3,22	387,778	394,961	387,778	394,961	-	-
		12,934,443	12,894,795	10,889,418	10,583,279	2,045,025	2,311,516
Less:							
Expenditure	19(b)	16,185,319	6,128,271	15,729,331	4,207,455	455,988	1,920,816
Income Tax	21(a)	263,290	258,646	146,541	132,403	116,749	126,243
(Deficit)/Surplus for the year		(3,514,166)	6,507,878	(4,986,454)	6,243,421	1,472,288	264,457
Balance at 31 March		60,632,695	64,146,861	30,764,421	35,750,875	29,868,274	28,395,986
Represented by:							
Current Assets	8	21,969,613	21,206,476				
Financial assets at fair value through profit or loss		199,479	161,764				
Conservancy and service fee receivables		159,056	351,599				
Interest receivable		1,394,132	305,579				
Other receivables and investment income receivable		2,611,545	2,331,147				
Amount due from routine fund		33,003,838	31,843,451				
Fixed deposits		4,493,665	9,224,389				
Cash and bank balances		63,831,328	65,424,405				
Total Assets							
Less:							
Current Liabilities		2,676,700	888,755				
Payables and accrued expenses		521,933	388,789				
Current tax payable		3,198,633	1,277,544				
Total Liabilities		60,632,695	64,146,861				
NET ASSETS							

5 Lift Replacement Fund

	Note	Total		Residential property		Commercial property	
		2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024
		\$	\$	\$	\$	\$	\$
Balance at 1 April		39,338,394	35,140,093	28,632,578	25,393,927	10,705,816	9,746,166
Add:							
Investment income	20(a)	1,062,436	1,059,531	773,218	765,680	289,218	293,851
Operating transfer from Conservancy and Service fees	3	4,770,744	4,505,052	4,137,348	3,914,813	633,396	590,239
		5,833,180	5,564,583	4,910,566	4,680,493	922,614	884,090
Add:							
Transfer from Government Grants – LRF Matching Grant	3.22	2,945,516	2,800,424	2,628,657	2,504,039	316,859	296,385
– Conservancy & Service Grants	3.22	616,496	612,844	616,496	612,844	-	-
– Lift Maintenance Grant	3.22	79,212	79,212	76,134	76,130	3,078	3,082
– GST Subvention	3.22	240,805	199,119	240,805	199,119	-	-
– Special Funding Support	3.22	208,803	212,671	208,803	212,671	-	-
		4,090,832	3,904,270	3,770,895	3,604,803	319,937	299,467
Less:							
Expenditure	20(b)	4,100,113	5,091,527	3,953,944	4,917,272	146,169	174,255
Less:							
Income Tax	21(a)	179,601	179,025	130,710	129,373	48,891	49,652
Surplus for the year		5,644,298	4,198,301	4,596,807	3,238,651	1,047,491	959,650
Balance at 31 March		44,982,692	39,338,394	33,229,385	28,632,578	11,753,307	10,705,816

Represented by:

Current Assets		
Conservancy and service fee receivables	107,412	87,104
Interest receivable	101,048	276,091
Other receivables	700,404	2,599,480
Amount due from routine fund	1,273,409	1,295,508
Fixed deposits	23,911,253	23,022,471
Cash and bank balances	20,535,130	12,368,867
Total Assets	46,628,656	39,649,521
Less:		
Current Liabilities		
Payables and accrued expenses	1,287,338	60,709
Current tax payable	358,626	250,418
Total Liabilities	1,645,964	311,127
NET ASSETS	44,982,692	39,338,394

6 Town Improvement and Project Fund

	Note	Total 2024/2025 \$	2023/2024 \$	Residential property 2024/2025 \$	Residential property 2023/2024 \$	Commercial property 2024/2025 \$	Commercial property 2023/2024 \$
Balance at 1 April		470,650	861,677	430,120	783,023	40,530	78,654
Transfer from Government Grants	3,22	582,792	736,737	527,463	651,467	55,329	85,270
Less:							
Expenditure	23	780,629	1,127,764	707,131	1,004,370	73,498	123,394
Deficit for the year		(197,837)	(391,027)	(179,668)	(352,903)	(18,169)	(38,124)
Appropriation from Accumulated Surplus		-	-	-	-	-	-
Balance at 31 March		272,813	470,650	250,452	430,120	22,361	40,530
Represented by:							
Current Assets							
Other receivables		1,036,578	948,558				
Less:							
Current Liabilities							
Payables and accrued expenses		37,513	67,985				
Fund due to operating fund		726,252	409,923				
		763,765	477,908				
		272,813	470,650				

7 Plant and equipment

	<u>Total</u>	<u>Lease</u> <u>Office</u>	<u>Machinery</u>	<u>Furniture</u> <u>and fittings</u>	<u>Office</u> <u>equipment</u>
	\$	\$	\$	\$	\$
<u>Cost</u>					
At 1 April 2023	2,678,758	1,244,917	43,576	865,695	524,570
Additions	61,395	-	48,828	4,135	8,432
Written-off/Disposals	(7,900)	-	-	-	(7,900)
At 31 March 2024	2,732,253	1,244,917	92,404	869,830	525,102
Additions	3,100	-	-	-	3,100
Additions (Right-of-use assets)	181,056	181,056	-	-	-
Written-off	(4,000)	-	-	-	(4,000)
At 31 March 2025	2,912,409	1,425,973	92,404	869,830	524,202
<u>Accumulated depreciation</u>					
At 1 April 2023	1,733,991	845,582	43,576	597,113	247,720
Depreciation for the year (Note 18)	163,543	-	3,255	78,396	81,892
Depreciation for the year (Right-of-use assets)	216,804	216,804	-	-	-
Written-off/Disposals	(7,900)	-	-	-	(7,900)
At 31 March 2024	2,106,438	1,062,386	46,831	675,509	321,712
Depreciation for the year (Note 18)	166,063	-	9,766	75,795	80,502
Depreciation for the year (Right-of-use assets)	216,806	216,806	-	-	-
Written-off	(4,000)	-	-	-	(4,000)
At 31 March 2025	2,485,307	1,279,192	56,597	751,304	398,214
<u>Carrying net book value</u>					
At 31 March 2025	427,102	146,781	35,807	118,526	125,988
At 31 March 2024	625,815	182,531	45,573	194,321	203,390

8 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represents funds together with the related profits placed with professional fund managers.

The funds with fund managers are administered by UOB Asset Management Ltd who was re-appointed to invest and manage funds on behalf of the Town Council for a period of 5 years commencing 1 September 2020. The terms of the agreement are as follows:

- (i) Fund manager guarantees the maintenance of the principal amount at the end of the term of investment for mandate with principal guarantee feature and will make good any shortfall if the principal amount is diminished or reduced at the end of the term of the investment.
- (ii) The fund manager will be paid an administration fee. Additionally, performance fees will be levied based on the excess return of the funds above the Performance Benchmark (PB) at the earlier of the expiry date or the termination of the agreement with UOB.
- (iii) The investments are invested in accordance with the Town Councils Act.

Funds with a fund manager are designated at fair value through profit or loss at inception.

	2024/2025 \$	2023/2024 \$
Balance at 1 April	21,206,476	20,007,254
Add/(Less):		
Investment income	427,970	505,329
Management fees	(113,456)	(133,774)
Fair value gain	448,623	827,667
Balance at 31 March	21,969,613	21,206,476
Represented by:		
Quoted equities	4,667,357	4,612,742
Quoted bonds	10,250,585	15,642,575
Treasury Bills	6,679,781	777,567
Financial assets at fair value through profit or loss	21,597,723	21,032,884
Cash and fixed deposits (Note 12)	103,414	102,875
Accrued interest	72,532	99,245
Account Receivable (Note 10)	223,197	-
Fee payable to fund managers (Note 13b)	(27,253)	(28,528)
	21,969,613	21,206,476

The fair value of quoted bonds, quoted equities and treasury bills is determined by reference to stock exchange quoted prices.

The quoted bonds managed by fund managers bear interest rates per annum ranging from 2.625% to 4.25% (2023/2024 – 1.75% to 3.80%) to be received semi-annually in arrears. The maturity period of the bonds ranges from April 2025 to October 2025 (2023/2024 – April 2024 to September 2025).

9 Conservancy and service fee receivables

	2024/2025 \$	2023/2024 \$
Conservancy and service fee receivables	1,069,599	911,031
Less: Allowance for impairment	(585,417)	(585,649)
	<u>484,182</u>	<u>325,382</u>
<u>Allowance for impairment</u>		
Balance at 1 April	585,649	585,057
Amount Recovered/(written off) against allowance - net	(232)	592
Balance at 31 March	<u>585,417</u>	<u>585,649</u>

The average credit period generally granted to conservancy and service fee receivables is about 30 days (2023/2024 - 30 days). Conservancy and service fee receivables with short duration are not discounted and the carrying amounts are assumed to be a reasonable approximation of fair value. The conservancy and service fee receivables are denominated in Singapore dollars.

10 Other receivables

	2024/2025 \$	2023/2024 \$
S&CC Grants Receivable	1,297	-
GST receivable from IRAS	269,427	31,307
GST Subvention grant receivable	440,189	407,757
LRF matching grant receivables	638,596	591,935
Receivable from Citizens' Consultative Committee	1,036,578	948,558
Recoverable from HDB	954,856	2,201,918
Recoverable from NEA	7,122	10,568
Payment in advance/deposits	429,477	424,879
Account Receivable from Fund Manger	223,197	-
Others	91,121	123,677
	<u>4,091,860</u>	<u>4,740,599</u>

Other receivables with a short duration are not discounted and the carrying amounts are assumed to be a reasonable approximation of fair values. The other receivables are denominated in Singapore dollars.

11 Fixed deposits

Fixed deposits are denominated in Singapore dollars.

Included in fixed deposits is an amount of \$32,878 (2023/2024 - \$32,389) pledged with a bank as security for guarantee granted to the Town Council.

12 Cash and bank balances

	2024/2025	2023/2024
	\$	\$
Cash and bank balances	33,598,471	25,599,040
Cash and fixed deposits held by fund managers (Note 8)	103,414	102,875
	33,701,885	25,701,915

Cash and bank balances are denominated in Singapore dollars.

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

	2024/2025	2023/2024
	\$	\$
Cash and bank balances	33,598,471	25,599,040
Fixed deposits	56,998,382	54,948,625
	90,596,853	80,547,665
Less: Fixed deposit pledged	32,878	32,389
	90,563,975	80,515,276

13 Payables

(a) (Receivable from)/Advances received for Neighbourhood Renewal Programme

	2024/2025	2023/2024
	\$	\$
Balance at 1 April	(4,784,708)	(1,859,223)
Received from Government	2,159,704	-
Payment to contractors	(451,626)	(2,925,485)
	1,708,078	(2,925,485)
Balance as at 31 March	(3,076,630)	(4,784,708)

(b) Payables and accrued expenses

	2024/2025	2023/2024
	\$	\$
Accounts payable	3,734,680	2,223,903
Accrued operating expenses	1,459,322	668,411
Advance received for LEP Cost Sharing	1,055,334	-
Refundable deposits	287,717	259,526
Fee payable to fund managers (Note 8)	27,253	28,528
	6,564,306	3,180,368

Included in payables and accrued expense are amounts owing to a related party amounting to \$615,993 (2023/2024: \$108,074).

The average credit period taken to settle trade payables is about 30 days (2023/2024 - 30 days). The other payables are with short-term duration. The carrying amounts are assumed to be a reasonable approximation of fair values. Payables and accrued expenses are denominated in Singapore dollars.

14 Agency fees

These are fees received for routine maintenance of HDB car parks in the Town.

15 The Town Council as a lease

The Town Council has leased offices for 36 months as at 31 March 2025. Lease payments are made monthly. Apart from the office leases, the town council does not have any significant short term or low value leases.

15(a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying assets classified with plant and equipment as follows:

	2024/2025 \$	2023/2024 \$
As at 1 April	182,531	399,335
Additions	181,055	-
Depreciation	(216,806)	(216,804)
As at 31 March	<u>146,780</u>	<u>182,531</u>

15(b) Finance lease liabilities

	2024/2025 \$	2023/2024 \$
Within one year	87,834	162,183
After one year but within five years	63,079	27,826
	<u>150,913</u>	<u>190,009</u>

The finance lease terms are generally 3 years on inception.

The effective interest rates charged during the financial year ended 31 March 2025 is 5.00% (2023/2024 – 5.00%) per annum. Interest rates are fixed at the contract dates, and thus expose the town council to fair value interest rate risk. As at the end of the financial year, the fair values of the town council's finance lease obligations approximate their carrying amounts. The town council's obligations under finance leases are secured by the lessors' title to the leased assets, which will revert to the lessors in the event of default by the town council. The lessor has the sole and unfettered discretion to allow the Town Council to extend the lease on the expiry date of the lease term. The estimated reinstatement cost for the above lease is insignificant.

15(c) Amounts recognised in statement of income and expenditure

	2024/2025 \$	2023/2024 \$
Interest expenses on lease liabilities	13,529	15,432
	<u>13,529</u>	<u>15,432</u>

The total cash outflow for leases in the current financial year is \$230,335 (2024: \$232,898).

16 Other income

Other income comprises the following:

	2024/2025	2023/2024
	\$	\$
Administrative fee	24,448	29,336
Agency fees	1,006	1,067
Late payment fees	98,228	89,920
Liquidated damages	468,865	325,340
Sale of tender documents	52,700	65,539
Sundry fines	33,600	56,450
Temporary Occupation Licence ("TOL") income	1,436,426	1,397,359
Use of void decks/common property	9,550	12,500
Use of water and electricity	204,205	305,640
Others *	40,541	69,407
	2,369,569	2,352,558

* Includes Jobs Growth Incentive of Nil (2023/2024: \$3,000) and Progressive Wage Credit Scheme of \$1,724 (2023/2024: \$3,318).

17 Manpower Cost

Included in general administrative expenditure are the cost of manpower provided by the Town Council.

	2024/2025	2023/2024
	\$	\$
Staff salaries and related costs	506,372	394,095
CPF contributions	67,928	52,840
	574,300	446,935

18 General and administrative expenditure

The general and administrative expenditure comprises the following:

	2024/2025	2023/2024
	\$	\$
Advertising, publicity and public relations	269,426	241,036
Agency fees - HDB/NEA collection	4,957	5,400
Audit fee	57,980	56,271
Computer services	244,779	265,676
Depreciation of plant and equipment (Note 7)	166,063	163,543
Depreciation charge – Right of Use	216,806	216,804
Lease interest Expense – Right of Use	13,529	15,432
Plant and equipment not capitalised	917	3,850
Maintenance of machinery and equipment	4,400	1,695
Office rental and upkeep expenditure	137,727	111,091
Office supplies and stationery	85,323	93,004
Postage and telephone	130,011	121,154
Property tax	145,767	134,871
Service charges *	701,404	513,677
Town councillors' allowances **	177,000	176,991
Irrecoverable GST	253,643	182,010
Others	2,471	2,517
	2,612,203	2,305,022

* Includes manpower costs of \$574,300 (2023/2024 - \$446,935) (Note 17)

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

19 Ordinary Sinking Fund income and expenditure**(a) Income**

	2024/2025	2023/2024
	\$	\$
Interest income from fixed deposits/current account	1,184,337	1,279,052
Surplus from funds with fund managers	763,137	1,199,222
	1,947,474	2,478,274

(b) Expenditure

	2024/2025	2023/2024
	\$	\$
Electrical rewiring	4,665,099	-
Reroofing works	692,867	695,888
Replacement of water pumps	502,250	305,980
Roof Top Safety Measure	235,192	1,395,914
Replacement of booster pumps	300,990	339,090
Redecoration and repainting	8,571,098	2,662,121
Replacement of Water Pipe	399,700	-
Replacement of Refuse Chute Handling Equipment	-	324,260
Other Major Works	-	22,648
Project management fees	607,869	253,536
Irrecoverable GST	210,254	128,834
	16,185,319	6,128,271

20 Lift Replacement Fund income and expenditure**(a) Income**

	2024/2025	2023/2024
	\$	\$
Interest income from fixed deposits/current account	1,062,436	1,059,531
	1,062,436	1,059,531

(b) Expenditure

	2024/2025	2023/2024
	\$	\$
Replacement of Main Sheaves / Ropes	1,784,667	1,912,532
Replacement of ARD Battery	192,813	251,392
Replacement of EBOPS Battery	56,434	98,103
Lift Overhauls / Replacement / Enhancement works*	111,271	1,895,319
Replacement of Lift Position Display Panel (CPI/HPI)	1,286,997	222,563
Replacement of Inverter Units	242,263	295,184
Other Lift Works	8,970	12,217
Project management fees	126,289	177,774
Irrecoverable GST	290,409	226,443
	4,100,113	5,091,527

*Under the Lift Enhancement Programme, 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.

21 Income tax

(a) Income tax expense

Income tax expense attributable to profit is made up of:

	2024/2025 \$	2023/2024 \$
- Current income tax provision	568,757	576,991
	<u>568,757</u>	<u>576,991</u>
Taken up in:		
Statement of Income and Expenditure		
- Current financial year	125,866	139,320
	<u>125,866</u>	<u>139,320</u>
Ordinary Sinking Fund		
- Current financial year	263,290	258,646
	<u>263,290</u>	<u>258,646</u>
Lift Replacement Fund		
- Current financial year	179,601	179,025
	<u>179,601</u>	<u>179,025</u>

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

	2024/2025 \$	2023/2024 \$
Government grants	11,709,157	11,421,764
Investment and interest income	3,038,931	2,941,415
Other income	671,016	724,861
Allowable expenses	(89,368)	(72,434)
	<u>15,329,736</u>	<u>15,015,606</u>
Tax calculated at a tax rate of 17% (2023/2024: 17%)	2,606,055	2,552,654
Singapore statutory stepped income exemption	(17,425)	(17,425)
Tax effect of certain income taxed at concessionary tax rate	(43,183)	(30,185)
Tax remission of government grants under Section 92(2) of Singapore income Tax Act 1947	(1,976,690)	(1,928,053)
	<u>568,757</u>	<u>576,991</u>

(b) Income tax payable

	2024/2025 \$	2023/2024 \$
Balance at 1 April	906,115	513,177
Current financial year's income tax expense	568,757	576,991
Payments during the year	(329,229)	(184,053)
Balance at 31 March	<u>1,145,643</u>	<u>906,115</u>

(Established under the Town Councils Act 1988)

Notes to the financial statements for the financial year ended 31 March 2025

22 Government grants

(a) Government grants taken to the Income & Expenditure Statement during the year are as follows:

	Total		Conservancy and Service Grant		Payment from Citizens' Consultative Committee		GST Subvention Grant		Lift Maintenance Grant		LRF Matching Grant		Special Funding Support	
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Government grants received/receivable	11,709,157	11,421,764	4,403,540	4,377,447	582,792	736,737	1,720,054	1,422,277	565,800	565,800	2,945,516	2,800,424	1,491,454	1,519,079
Less:														
Transfer to Ordinary Sinking Fund (Note 4)	2,127,021	2,049,998	1,144,920	1,138,136	-	-	447,215	369,793	147,108	147,108	-	-	387,778	394,961
Less:														
Transfer to Lift Replacement Fund (Note 5)	4,090,833	3,904,270	616,496	612,844	-	-	240,805	199,119	79,212	79,212	2,945,516	2,800,424	208,803	212,671
Less:														
Transfer to Town Improvement and														
Projects Fund (Note 6)	582,792	736,737	-	-	582,792	736,737	-	-	-	-	-	-	-	-
	4,908,511	4,730,759	2,642,124	2,626,467	-	-	1,032,034	853,365	339,480	339,480	-	-	894,873	911,447

(b) The total amounts of grants received (including grants transferred from other Town Councils) since the formation of the Town Council is as follows:

	2024/2025	2023/2024
	\$	\$
Total grants received at 1 April	223,063,884	211,609,112
Add:		
Grants received during the year	11,540,747	11,454,772
Total grants received at 31 March	234,604,631	223,063,884

23 Town improvement projects

These projects are partially funded by Government grants under the Community Improvement Projects Committee (CIPC) scheme and are given through the Citizens' Consultative Committee (CCC).

Expenditure

	2024/2025 \$	2023/2024 \$
Construction of covered walkways/pavilion	152,471	509,401
Construction/upgrading of playground and fitness corner	15,741	-
Footpath/jogging Tracks	75,674	-
Miscellaneous projects	374,670	492,775
Professional/project management fee	162,073	125,588
	780,629	1,127,764

Out of the total of \$780,629 (2023/2024 - \$1,127,764) spent on town improvement projects, \$582,792 (2023/2024 - \$736,737) was met from CIPC grants.

24 Commitments for capital expenditure

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

	2024/2025 \$	2023/2024 \$
Amount approved and contracted for	14,970,017	10,084,305
Amount approved but not contracted for	64,106,754	73,949,000
	79,076,771	84,033,305

Included in the amount approved and contracted for are commitments for the Neighbourhood Renewal Programme of \$1,202,771 (2023/2024: \$1,973,305).

25 Significant related party transactions

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

	2024/2025 \$	2023/2024 \$
Managing agent's fee charged by a related party	4,530,626	4,361,228
Energy saving cost charged by a related party*	23,345	447,305
Repair and maintenance works charged by a related party	1,827,410	2,311,737
Consultancy and project management fee charged by a related party	870,408	538,275
Reimbursement of Cost for Project Development Office	105,415	130,327

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

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

26 Financial risk management objectives and policies

The Town Council's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. Risk management is integral to the whole operation of the Town Council. The Town Council has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. The management continually monitors the Town Council's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Town Council's activities.

The Town Council does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

26.1 Currency risk

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

The Town Council's operational activities are carried out in Singapore dollars. Hence, the Town Council is not exposed to foreign currency risk.

26.2 Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

26 Financial risk management objectives and policies (cont'd)**26.2 Cash flow and fair value interest rate risk (cont'd)**

The Town Council's interest-bearing assets, comprises mainly of short-term bank deposits and financial assets at fair value through profit or loss, are exposed to financial market risk due to fluctuations in interest rates, which may affect the Town Council's interest income.

The Town Council manages this exposure by performing ongoing evaluations of their investment portfolio.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 75 (2023/2024 - 75) basis points lower/higher with all other variables held constant, the Town Council's surplus net of tax would have been **\$427,488** (2023/2024 - \$412,115) lower/higher.

In respect of interest-earning financial assets the following table indicates their effective interest rates at reporting date:

	Note	Effective <u>interest</u> <u>rate</u> %	<u>Total</u> \$	Less than <u>1 year</u> \$	1 to 5 <u>years</u> \$
31 March 2025					
Financial assets					
Fixed deposits	12	2.95%	56,998,382	56,998,382	-
31 March 2024					
Financial assets					
Fixed deposits	12	3.31%	54,948,625	54,948,625	-

26.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

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

	Less than <u>1 year</u> \$	1 to 5 <u>years</u> \$	Over <u>5 years</u> \$	<u>Total</u> \$
At 31 March 2025				
Fixed deposits	56,998,382	-	-	56,998,382
Cash and bank balances	33,701,885	-	-	33,701,885
Other financial assets	7,286,776	-	-	7,286,776
<hr/>				
Other current financial liabilities	6,652,140	-	-	6,652,140
Other non-current financial liabilities	-	63,079	-	63,079

26 Financial risk management objectives and policies (cont'd)**26.3 Liquidity risk (cont'd)**

	Less than <u>1 year</u> \$	1 to 5 <u>years</u> \$	Over <u>5 years</u> \$	<u>Total</u> \$
At 31 March 2024				
Fixed deposits	54,948,625	-	-	54,948,625
Cash and bank balances	25,701,915	-	-	25,701,915
Other financial assets	10,121,809	-	-	10,121,809
Other Current financial liabilities	3,342,554	-	-	3,342,554
Other non-current financial liabilities	-	27,826	-	27,826

26.4 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 has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Town Council performs ongoing 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 are mainly deposited with banks with high credit ratings.

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 30 days past due.

26 Financial risk management objectives and policies (cont'd)**26.4 Credit risk (cont'd)**

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.

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 fulfill 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.

26 Financial risk management objectives and policies (cont'd)**26.4 Credit risk (cont'd)**

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.

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

	2024/2025	2023/2024
	\$	\$
With less than 3 months of fees outstanding	298,106	265,221
With more than 3 months but less than 6 months of fees outstanding	118,520	36,857
With more than 6 months but less than 12 months of fees outstanding	47,408	11,054
With more than 12 months of fees outstanding	-	-

Based on historical default rates, the Town Council has provided an impairment allowance of **\$585,417** (2024: \$585,649) for the current financial year in respect of conservancy and service fee receivables past due as disclosed in Note 9.

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 cash flows 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.

26 Financial risk management objectives and policies (cont'd)**26.4 Credit risk (cont'd)**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 cash flows 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 statement of financial position.

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 trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by service types and customer 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 financial assets. In considering the impact of the economic environment on the ECL rates, the Town Council assesses the growth rates of the major industries which its customers operate in.

The estimated credit loss of trade receivables is as follows:

	2025	Rate of Provision	2024	Rate of Provision
	\$	%	\$	%
<u>Based on invoice date</u>				
Arrears in excess of 3 months	-	-	65,456	61.7
Arrears in excess of 6 months	114,746	73.41	101,394	100
Arrears in excess of 12 months	123,012	100	91,282	100
Arrears in excess of 24 months	304,965	100	287,684	100
Ex-arrears	42,694	100	39,833	100
Expected Credit Loss at 31 March	<u>585,417</u>		<u>585,649</u>	

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 statement of financial position.

26 Financial risk management objectives and policies (cont'd)**26.5 Price risk**

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

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

At the end of the reporting period, if the fair value had been 2% (2023/2024 - 2%) lower/higher with all other variables held constant, the Town Council's surplus for the year would have been **\$431,954** (2023/2024 - \$420,658) lower/higher, arising as a result of higher/lower fair value gains on investments.

27 Management of Town Council's funds

The Town Council's objectives when managing funds are:

- (a) To safeguard the Town Council's ability to continue as going concern; and
- (b) To provide capacity to support the Town Council's investment in public sector human capital, intellectual capital and technical capability development.

The Town Council actively and regularly reviews and manages its funds structure to ensure optimal capital structure, taking into consideration the future requirements, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected investments in public sector capability development.

There were no changes in the Town Council's approach to funds management during the year. The Town Council is not subject to externally imposed requirements. As at the end of the reporting period, the Town Council's total funds amounted to **\$112,281,163** (2023/2024 - \$108,052,474).

28 Fair value of financial instruments**Fair values**

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

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

Fair value hierarchy

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

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

(a) Assets measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value as at 31 March 2025:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<u>Recurring fair value measurements</u>				
As at 31 March 2025				
<i>Financial assets through profit or loss</i>				
Quoted equities (Note 8)	4,667,357	-	-	4,667,357
Quoted bonds (Note 8)	-	10,250,585	-	10,250,585
Treasury Bills (Note 8)	6,679,781	-	-	6,679,781
As at 31 March 2024				
<i>Financial assets through profit or loss</i>				
Quoted equities (Note 8)	4,612,742	-	-	4,612,742
Quoted bonds (Note 8)	-	15,642,575	-	15,642,575
Treasury Bills (Note 8)	777,567	-	-	777,567

29 Subsequent events**(a) General Election 2025**

East Coast Town Council has been reconstituted under the Town Council (Declaration) Order 2025, as from 30 May 2025 issued by Ministry of National Development following General Election 2025.

The properties boundaries have been re-drawn to take in about 59 blocks in Chai Chee estate from Marine Parade - Braddell Heights Town Council for management. In addition, the 6 blocks of properties in Changi Village estate and 13 blocks of BTO flats from Tampines Street 96 were handed over to Pasir Ris - Changi Town Council and Tampines Town Council respectively.

The effective date of taking/handing over the properties for management between the town councils is 1 August 2025.

(b) Transferable Surpluses as at Writ Of Election

The amount of surpluses transferable to the ordinary sinking fund and lift replacement fund in accordance with Section 48 of the Town Council's act and Rule 4a of the Town Council Financial Rules as at 14 April 2025 (issuance of Writ of Election) following General Election 2025 was as follows:

Ordinary Sinking Fund	\$1,744,028
Lift Replacement Fund	\$ 939,092
Total	\$2,683,120