

ANG MO KIO TOWN COUNCIL
(Established under the Town Councils Act 1988)

FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 MARCH 2025

FORVIS MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

Chairman's Message

Dear Residents,

It is my honour to be appointed as the Chairman of Ang Mo Kio Town Council (AMKTC) in this new term. I am deeply grateful for the trust and support you have given to the Ang Mo Kio team. Together with my fellow MPs, Town Councillors, and our dedicated Town Council management team and staff, I look forward to working together with you to build a kinder, greener, and more vibrant community we can all be proud to call home.

Upgrading and Improving Our Estates

Over the past term, we have made significant progress in upgrading and improving our estates. We upgraded five Markets and Food Centres in Teck Ghee, Cheng San, and Kebun Baru, including the Cheng San Market & Cooked Food Centre, which was the first pilot site for the Hawker Centres' Transformation Programme in 2024. The Remaking Our Heartlands (ROH) project at AMK Town Centre was also completed in the same year, bringing new features such as green roofs, a central stage, a heritage square with a water fountain, and the Saga Seed Playground.

In total, we refreshed the building facades and void deck exteriors of over 290 blocks, completed Repairs & Redecoration (R&R) works for over 550 blocks, and replaced more than 170 lifts to ensure safer and more reliable services for our residents.

Delivering Senior-Friendly Upgrades

This year, we delivered more than 60 Neighbourhood Renewal Programme (NRP) projects in Cheng San, Jalan Kayu, and Teck Ghee, and celebrated these milestones together with residents, community partners, and agencies. We also introduced the Silver Upgrading Programme (SUP) pilot at Chong Boon, with plans to expand it to more blocks in Ang Mo Kio Town after completion. To make our estates even more senior-friendly, dementia-friendly wayfinding murals have been introduced in over 150 blocks across five divisions, with Yio Chu Kang completing murals for all seven of its zones this year.

Keeping Our Estates Clean and Well-Maintained

Beyond infrastructure, AMKTC continues to focus on the daily upkeep and cleanliness of our Town. AMKTC Management Inspectors have completed inspections at all blocks in Ang Mo Kio GRC, Kebun Baru SMC, and Yio Chu Kang SMC, and are now into the second round of checks. These inspections serve as an extra measure of supervision in addition to the work of our Property Officers, ensuring that maintenance issues are detected early, and residents' feedback are addressed promptly.

Promoting Public Health and Community Responsibility

Clean estates are not just about appearance; they are also about protecting public health. Rodents, for example, can spread diseases, and their presence is often linked to the improper disposal of food waste. Hence, in 2025, AMKTC launched rodent

awareness campaigns at the Ang Mo Kio Bus Interchange and in our Markets and Food Centres. Through on-site displays of educational materials, we engaged over 300 people to raise awareness on how rodents can breed and simple, practical steps everyone can take to keep them at bay. This includes proper food waste management and disposal of waste, closing bins after use, and maintaining cleanliness in the common areas.

Alongside these efforts, we are rolling out the Ang Mo Kio Town Heroes initiative to inspire residents to take an active role in estate care. Through five interactive stations, residents will learn about recycling, dengue prevention, proper tray return habits, preventing high-rise littering, and embracing sustainability. Each small action adds up. Together, we can create a cleaner, healthier, and greener home for all.

Sustaining Our Green Vision

Sustainability remains a core focus. Over the past term, we planted more than 12,000 new trees and shrubs with residents and schools, and introduced 41 smart recycling boxes in partnership with 800 Super Waste Management Pte Ltd, with more initiatives to come.

Recognising Our Collective Efforts

Our efforts have been recognised with Green ratings in all four categories: estate cleanliness, estate maintenance, lift performance, and Service & Conservancy (S&CC) arrears management in the latest Town Council Management Report by the Ministry of National Development.

Looking Ahead

These achievements would not have been possible without the dedication of our Town Councillors, Town Council staff, and most importantly, our residents. Thank you for your feedback, patience, and support as we continue working together to build Ang Mo Kio with “One Heart, One Home.”



Kwek Hian Chuan Henry
MP for Kebun Baru SMC
Chairman of Ang Mo Kio Town Council

Hawker Centres' Transformation Programme at Cheng San Market & Cooked Food Centre

The programme aims to make hawker centres cleaner, more productive and more sustainable. The scope of improvement works goes beyond Repairs and Redecoration works. It includes reconfiguration of seats to enhance circulation, ventilation enhancements such as new fittings and fans, additional handwash basins, extensive re-tiling, and upgrading infrastructure like toilets for greater ease of cleaning and maintenance.



New Toilet Sinks



New Table & Chairs

Remaking Our Heartlands (ROH) Phase 1 Project Completion at AMK Town Centre

The Town Centre has seen significant improvements under the “Remaking Our Heartland” programme. Residents can now enjoy new facilities and amenities, such as improved flooring, more rest stops and seating areas, more green spaces, improved accessibility with new barrier-free access ramps, as well as better shopping experience with the new shopping boulevard. Young parents can also bring your children to enjoy the new saga seed playground and the new water fountain!



New Green Roofs



Shopping Boulevard



New Saga Seed Playground

Neighbourhood Renewal Programme (NRP) Completion

With each NRP project involving 1 or more precincts, improvements can be made more comprehensively with better coordination and integration across neighbouring precincts. This provides a greater variety of enhancements to meet the needs of residents.

NRP was completed in the following blocks in 2025:

- Blocks 221 to 226 Ang Mo Kio Avenue 1 (Teck Ghee)
- Blocks 525 to 532 Ang Mo Kio Avenue 10 (Cheng San)
- Blocks 531 to 547 Serangoon North Avenue 3/4 (Seletar-Serangoon)



Teck Ghee



Cheng San



Seletar-Serangoon

Upcoming Silver Upgrading Programme (SUP) Pilot at Chong Boon

In line with Age Well SG, HDB has launched the Silver Upgrading Programme (SUP), to help seniors age-in-place more comfortably by upgrading existing HDB precincts with higher densities of seniors to include senior-centric features. Senior-friendly enhancements under the SUP will be tailored for each precinct. They could include new active ageing facilities like therapeutic gardens and fitness trails, barrier-free access, rest areas along pathways, as well as dementia-friendly elements to aid in navigation.



3-Gen Fitness Trial



Multi-Generation Living Space

Ongoing Wayfinding Murals in Ang Mo Kio

In Ang Mo Kio, about 16.2% of residents are aged 65 and above, according to the Singapore's Census of Population 2020 (data.gov.sg). To better support the needs of its ageing population, colourful wayfinding murals have been introduced across selected blocks. Today, over 400 colourful wayfinding murals have been completed across nearly 150 blocks in Ang Mo Kio, spanning divisions such as Cheng San, Kebun Baru, Seletar-Serangoon, Teck Ghee, and Yio Chu Kang.



Wayfinding Murals in Kebun Baru



Wayfinding Murals in Yio Chu Kang

AMKTC Rodent Awareness Campaign

Rodent prevention in Ang Mo Kio is not just about pest control, it is about community awareness and shared responsibility. Through AMKTC's Rodent Awareness Campaigns at Ang Mo Kio Bus Interchange and its Markets and Food Centres, residents had the chance to learn more about the hidden risks of rodents and the simple steps they can take to help keep the estate clean and safe.



Ang Mo Kio Bus Interchange



Block 409 AMK Market and Food Centre

Smart Recycling Boxes Launched in Ang Mo Kio

37 Smart Recycling Boxes (SRBs) were officially launched in Ang Mo Kio in 2025. These new boxes address common recycling challenges, such as contamination from incorrect items, while making recycling more accessible and convenient for residents. With every bottle, can or piece of paper recycled using the new SRBs, residents will earn points that can be exchanged for FairPrice vouchers.



Teck Ghee



Seletar-Serangoon



Yio Chu Kang

Code of Governance Practices

Ang Mo Kio Town Council adopts best practices to execute its fiduciary responsibilities, improve accountability and disclosure. By exercising the code of governance practices, The Town Council aims to promote greater transparency and raise governance standards.

In the appointment and re-appointment of town Councillors, the Town Council takes into consideration the composition of the Council and the relevant experience, skills and/or competencies of the members. The following factors are used as guidelines:

- The Council utilizes a referral process to search for potential candidates;
- The Council considers a variety of factors, including audit and financial skills, time commitment, and prior experience; and
- At least two-thirds of the appointed town Councillors must be residents of HDB estates under the Town Council's management.

In carrying out an assessment of key risks facing the Town Council and whether internal controls in place are adequate and effective, the Town Council has implemented a comprehensive Risk Management Framework where key risks are identified and reported to the Council.

An annual risk assessment has been performed and the effectiveness of internal control has been assessed. The Council is of the opinion that the Risk Management Framework and supporting internal controls policies and procedures are adequate to address the risks of the Town Council.

ANG MO KIO TOWN COUNCIL

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ANG MO KIO TOWN COUNCIL**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Ang Mo Kio Town Council (the "Town Council"), which comprise the statement of financial position as at 31 March 2025, and the statements of income and expenditure, comprehensive income, changes in funds and cash flows of the Town Council for the financial year then ended, and notes to the financial statements, including a summary of 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 funds and cash flows of the Town Council for the financial year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ANG MO KIO TOWN COUNCIL**

Report on the Audit of the Financial Statements (Continued)

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

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

The Town Council is established under the Town Councils Act 1988 and may be dissolved by the Minister's order published in the Gazette. In preparing the financial statements, management is responsible for assessing the Town Council's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Town Council or for the Town Council to cease operations.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ANG MO KIO TOWN COUNCIL**

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

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

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditors' 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.

Management's responsibilities for Compliance with Legal and Regulatory Requirements

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

Auditors' Responsibilities for the Compliance Audit

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ANG MO KIO TOWN COUNCIL**

Report on Other Legal and Regulatory Requirements (Continued)

Auditors' Responsibilities for the Compliance Audit (Continued)

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



FORVIS MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
29 September 2025

ANG MO KIO TOWN COUNCIL

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

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
TOWN COUNCIL FUNDS			
Residential property			
Accumulated surplus	3	11,278,298	130,528
Sinking Funds	4	97,565,020	101,338,530
Lift Replacement Funds	5	119,632,359	107,085,060
Town Improvement and Project Funds	6	6,217,922	8,400,309
		234,693,599	216,954,427
Commercial property			
Accumulated surplus	3	3,947,468	3,165,680
Sinking Funds	4	43,213,974	45,834,635
Lift Replacement Funds	5	17,228,046	15,850,115
Town Improvement and Project Funds	6	350,635	1,384,320
		64,740,123	66,234,750
Carpark			
Accumulated surplus	3	56,803	12,698,822
		<u>299,490,525</u>	<u>295,887,999</u>
REPRESENTED BY:			
Non-current assets			
Plant and equipment	7	557,204	705,349
Right-of-use assets	8	201,308	678,967
Intangible asset	7	185,144	290,937
Total non-current assets		<u>943,656</u>	<u>1,675,253</u>
Current assets			
Financial assets at amortised cost	9	-	-
Financial assets at fair value through income and expenditure	9	32,136,480	1,981,200
Conservancy and service fees receivables	10	1,825,413	1,823,073
Receivables for Lift Enhancement Programme	11	8,081,217	3,218,539
Receivables for Neighbourhood Renewal Programme	12	959,394	1,852,454
Other receivables, deposits and prepayments	13	16,440,484	18,156,153
Cash and bank balances	14	265,941,556	299,471,764
Total current assets		<u>325,384,544</u>	<u>326,503,183</u>
Total assets		<u>326,328,200</u>	<u>328,178,436</u>

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

ANG MO KIO TOWN COUNCIL

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
Less: Liabilities			
Non-current liability			
Lease liabilities	15	72,343	209,164
Total non-current liability		<u>72,343</u>	<u>209,164</u>
Current liabilities			
Conservancy and service fees received in advance		2,313,802	2,166,925
Advances received for Lift Enhancement Programme	11	2,612,461	299,699
Deferred grant income for Lift Enhancement Programme	11	1,148,287	-
Advances received for Electrical Load Upgrading Programme	16	1,032,258	1,095,661
Lease liabilities	15	136,821	491,508
Payables and accrued operating expenses	17	16,251,980	24,943,108
Income tax payable	26	3,269,723	3,084,372
Total current liabilities		<u>26,765,332</u>	<u>32,081,273</u>
Total liabilities		<u>26,837,675</u>	<u>32,290,437</u>
Net assets		<u>299,490,525</u>	<u>295,887,999</u>

Kwek Hian Chuan
Chairman

Singapore
29 September 2025

Ho Juan San
General Manager/Secretary

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

ANG MO KIO TOWN COUNCIL

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

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
Operating income			
Conservancy and service fees	3	82,029,557	77,314,946
Less:			
Operating income transfer to Sinking Funds (26% transferred to Sinking Funds)	3, 4	(21,327,685)	(20,101,881)
Operating income transfer to Lift Replacement Funds (14% transferred to Lift Replacement Funds)	3, 5	<u>(11,484,138)</u>	<u>(10,824,096)</u>
		49,217,734	46,388,969
Agency fees	3, 18	6,330,432	6,008,674
Other income	3, 19	<u>4,275,537</u>	<u>4,249,398</u>
		59,823,703	56,647,041
Less:			
Operating expenditure			
Cleaning works		(12,755,668)	(13,396,072)
Managing agent's fees	20	(10,741,420)	(8,538,304)
Lift maintenance		(12,682,865)	(12,851,673)
Other works and maintenance		(12,535,829)	(12,339,293)
Water and electricity		(17,640,486)	(17,718,057)
General and administrative expenditure	21	<u>(6,828,224)</u>	<u>(5,290,885)</u>
		<u>(73,184,492)</u>	<u>(70,134,284)</u>
		(13,360,789)	(13,487,243)
Operating deficit		(13,360,789)	(13,487,243)
Add: Interest income	3	<u>669,179</u>	<u>1,188,011</u>
		(12,691,610)	(12,299,232)
Deficit before taxation and government grants		(12,691,610)	(12,299,232)
Less:			
Income tax	3, 26	<u>(385,009)</u>	<u>(427,548)</u>
		(13,076,619)	(12,726,780)
Deficit before government grants		(13,076,619)	(12,726,780)
Add:			
Government grants	3, 27	<u>32,868,672</u>	<u>31,118,518</u>
Less: Transfer to			
- Sinking Funds	3, 4, 27	(6,031,329)	(5,755,293)
- Lift Replacement Funds	3, 27	(10,859,647)	(9,791,731)
- Town Improvement and Project Funds	3, 6, 27	<u>(2,059,290)</u>	<u>(2,290,056)</u>
		13,918,406	13,281,438
		<u>841,787</u>	<u>554,658</u>
SURPLUS FOR THE YEAR		<u>841,787</u>	<u>554,658</u>
Add:			
(Deficit)/Surplus for the year from:			
- Sinking Funds	4	(6,394,171)	(22,685,907)
- Lift Replacement Funds	5	13,925,230	12,446,426
- Town Improvement and Project Funds	6	<u>(4,770,320)</u>	<u>(1,301,675)</u>
		3,602,526	(10,986,498)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>3,602,526</u>	<u>(10,986,498)</u>


Kwek Hian Chuan
Chairman


Ho Juan San
General Manager/Secretary

Singapore
29 September 2025

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

ANG MO KIO TOWN COUNCIL

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

	Residential property \$	Commercial property \$	Carpark \$	Total \$
Balance as at 1 April 2023	225,131,030	71,392,766	10,350,701	306,874,497
(Deficit)/Surplus for the year	(8,176,603)	(5,158,016)	2,348,121	(10,986,498)
Balance as at 31 March 2024	216,954,427	66,234,750	12,698,822	295,887,999
Surplus/(Deficit) for the year	2,889,172	(1,494,627)	2,207,981	3,602,526
Transfer from carpark to residential property	14,850,000	-	(14,850,000)	-
Balance as at 31 March 2025	234,693,599	64,740,123	56,803	299,490,525

The surplus/(deficit) for the year comprises the following:

	Note	2025 \$	2024 \$
Accumulated surplus	3	841,787	554,658
Sinking Funds	4	(6,394,171)	(22,685,907)
Lift Replacement Funds	5	13,925,230	12,446,426
Town Improvement and Project Funds	6	(4,770,320)	(1,301,675)
		<u>3,602,526</u>	<u>(10,986,498)</u>

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

ANG MO KIO TOWN COUNCIL

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

	Note	2025 \$	2024 \$
Operating activities			
Deficit before taxation and government grants	3	(12,691,610)	(12,299,232)
Adjustments for:			
Depreciation of plant and equipment	7	224,174	219,234
Depreciation of right-of-use assets	8	477,659	482,321
Amortisation of intangible asset	7	105,793	105,793
Interest income	3	(669,179)	(1,188,011)
Interest expense on lease liabilities	15	21,717	34,975
Loss allowance on conservancy and service fees receivables	31	119,189	52,508
Loss allowance on late payment penalty	31	1,382	11,719
Fair value (gain)/loss on financial assets at fair value through income and expenditure		-	(90,140)
Operating income transfer to Sinking Funds	4	21,327,685	20,101,881
Operating income transfer to Lift Replacement Funds	5	11,484,138	10,824,096
Operating surplus before working capital changes		20,400,948	18,255,144
Increase/(Decrease) in operating receivables		1,423,683	(2,558,950)
(Decrease)/Increase in operating payables		(8,691,129)	7,616,340
Increase in deferred grant income	11	1,148,287	-
Cash generated from operations before income tax		14,281,789	23,312,534
Interest received	3	669,179	1,188,011
Interest paid	15	(21,717)	(34,975)
Income tax paid	26	(1,050,350)	(472,148)
Sinking Funds income - Other income	22	204	203
Lift Replacement Funds income from Lift Enhancement Programme	23	4,635,665	746,268
Sinking Funds expenditure	22	(36,598,065)	(53,384,241)
Lift Replacement Funds expenditure	23	(15,534,969)	(12,022,894)
Town Improvement and Project Funds expenditure	24	(6,829,610)	(3,591,731)
Lift Enhancement Programme expenditure		(2,549,916)	(746,266)
Neighbourhood Renewal Programme Funds expenditure	12	(1,729,903)	(1,853,958)
Electrical Load Upgrading Programme Funds expenditure	16	(411,617)	(946,168)
Net cash used in operations before government grants		(45,139,310)	(47,805,365)
Government grants received		32,868,672	31,118,518
Funding from Housing & Development Board for Neighbourhood Renewal Programme	12	2,622,963	742,517
Funding from Housing & Development Board for Electrical Load Upgrading Programme	16	348,214	895,164
Fixed deposit pledged	14	(3,071)	-
Net cash used in operating activities		(9,302,532)	(15,049,166)
Investing activities			
Interest and investment income received		5,836,790	11,629,367
Redemptions of financial assets at amortised cost	9	9,826,750	-
Additional investment in financial assets at fair value through income and expenditure	9	(29,500,000)	-
Additional investments in financial assets at amortised cost	9	(9,826,750)	-
Purchase of plant and equipment	7	(76,029)	(151,877)
Net cash (used in)/generated from investing activities		(23,739,239)	11,477,490

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

ANG MO KIO TOWN COUNCIL

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

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
Financing activity			
Repayment of lease liabilities		(491,508)	(480,395)
Net cash used in financing activity		<u>(491,508)</u>	<u>(480,395)</u>
Net decrease in cash and cash equivalents		(33,533,279)	(4,052,071)
Cash and cash equivalents at beginning of year		<u>299,370,302</u>	<u>303,422,373</u>
Cash and cash equivalents at end of year	14	<u>265,837,023</u>	<u>299,370,302</u>

Reconciliation of liabilities arising from financing activity

	<u>Non-cash movements</u>				<u>As at 31 March 2025</u> \$
	<u>As at 1 April 2024</u> \$	<u>New leases</u> \$	<u>Interest expense</u> \$	<u>Repayment</u> \$	
Lease liabilities	700,672	-	21,717	(513,225)	209,164

	<u>Non-cash movements</u>				<u>As at 31 March 2024</u> \$
	<u>As at 1 April 2023</u> \$	<u>New leases</u> \$	<u>Interest expense</u> \$	<u>Repayment</u> \$	
Lease liabilities	876,174	304,893	34,975	(515,370)	700,672

ANG MO KIO TOWN COUNCIL

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

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

1. General information

Ang Mo Kio Town Council (the "Town Council") was formed in 1989 under the Town Councils Act 1988. The principal functions of the Town Council are to control, manage, maintain and improve the common areas of residential units, other commercial properties and market and food centres in the housing estates of the Housing & Development Board ("HDB") within the Town.

The Town Council manages the Yio Chu Kang Single Member Constituency ("SMC"), Kebun Baru SMC and Ang Mo Kio Group Representation Constituency ("GRC"), comprising the divisions of Cheng San - Seletar, Ang Mo Kio - Hougang, Jalan Kayu, Fernvale and Teck Ghee.

In accordance with the Act, the MND issued the Town Councils (Declaration) Order 2025 ("Order") on 30 May 2025. This Order is to put into effect the formation of Town Councils following the conclusion of General Election 2025. Refer details in Note 34.

The principal office of operations is situated at Block 342, Ang Mo Kio Avenue 1, #01-1561, Singapore 560342.

The financial statements of the Town Council for the financial year ended 31 March 2025 were authorised for issue by the Town Council on 30 September 2025.

2(a) Basis of preparation

The financial statements have been drawn up in accordance with the provisions of the Singapore Financial Reporting Standards ("FRSs") including all related Interpretations of the FRS ("INTs FRS") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

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

Critical accounting judgments and key sources of estimation uncertainty

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

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

2(a) Basis of preparation (Continued)

Critical accounting judgments and key sources of estimation uncertainty (Continued)

(a) Key sources of estimation uncertainty

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 is \$3,269,723 (2024: \$3,084,372).

Allowance for expected credit losses ("ECL") of conservancy and service fees receivables and late payment penalty receivables

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

The ECL for conservancy and service fees receivables are estimated using an allowance matrix with fixed provision rates depending on the number of months that conservancy and service fees are past due with reference to the recommended guidelines by Ministry of National Development ("MND") that are assessed by property type and household profile.

Impairment for doubtful conservancy and service fees receivables and late payment penalty receivables amounting to \$876,382 (2024: \$802,640) and \$221,986 (2024: \$226,944), respectively.

As at 31 March 2025, the carrying amount of the Town Council's conservancy and service fees receivables and late payment penalty receivables are \$1,825,413 (2024: \$1,823,073) in Note 10, and \$147,898 (2024: \$151,297) in Note 13, respectively.

Depreciation of plant and equipment

The Town Council depreciates the plant and equipment over their estimated useful life after taking into account of 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 impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. If depreciation on plant and equipment increases/decreases by 10% from management estimate would not have a material effect on the financial statements. The carrying amount of the Town Council's plant and equipment as at 31 March 2025 is \$557,204 (2024: \$705,349) in Note 7.

Determination of incremental borrowing rate for leases

The Town Council recognises a lease liability at the present value of the remaining lease payments using the Town Council's incremental borrowing rate for the underlying lease asset; and recognises a corresponding right-of-use asset, on a lease-by-lease basis.

2(a) Basis of preparation (Continued)

Critical accounting judgments and key sources of estimation uncertainty (Continued)

(a) Key sources of estimation uncertainty (Continued)

Determination of incremental borrowing rate for leases (Continued)

Management applied significant estimates and assumptions in determining the incremental borrowing rate, with key inputs to the computation comprising the term of the lease, nature and quality of the security, economic environment and credit spread. The carrying amount of the Town Council's right-of-use assets and lease liabilities are disclosed in Note 8 and 15, respectively. A 5% change in the estimated incremental borrowing rate would not have a material effect on the financial statements.

2(b) Adoption of new and revised standards

In the current financial year, the Town Council has adopted all the new and revised FRSs and INTs FRS that are relevant to its operations and effective for annual periods beginning on or after 1 April 2024. The adoption of these new or revised FRSs and INTs FRS did not result in changes to the Town Council's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

2(c) FRSs and INTs FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRSs and INTs FRS were issued but not yet effective:

FRSs	Title	Effective date (annual periods beginning on or after)
FRS 21, FRS 101	Amendments to FRS 21: <i>Lack of Exchangeability</i>	1 January 2025
FRS 109, FRS 107	Amendments to FRS 109 and FRS 107: <i>Amendments to the Classification and Measurement of Financial Statements</i>	1 January 2026
Various	Annual improvements to FRSs – Volume 11	1 January 2026
FRS 118	Presentation and Disclosure in Financial Statements	1 January 2027
FRS 119	Subsidiaries and Small Entities without Public Accountability: <i>Disclosures</i>	1 January 2027
FRS 109, FRS 107	Amendments to FRS 109 and FRS 107: <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

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

The Town Council does not intend to early adopt any of the above new or revised standards, interpretations and amendments to the existing standards. Other than the following standards, management anticipates that the adoption of the aforementioned new or revised standards, with the exception of FRS 118 Presentation and Disclosure in Financial Statements, will not have a material impact on the financial statements of the Town Council in the period of their initial adoption.

FRS 118, effective for annual periods beginning on or after 1 January 2027, replaces FRS 1 Presentation of Financial Statements and introduces new requirements for presentation and disclosure in financial statements. FRS 118 mandates a new structure for the statement of income and expenditure and also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenditure, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

2(c) FRSs and INTs FRS issued but not yet effective (Continued)

As a consequential result of FRS 118 requirements, all entities are required to use the operating surplus subtotal, instead of surplus or deficit, as the starting point for presenting operating cash flows under the indirect method. The classification of cash flows from dividends and interests in either operating, investing and financing cash flows is also fixed.

FRS 118 will apply retrospectively. The Town Council is still in the process of assessing the corresponding impact on the primary financial statements and notes to the financial statements.

2(d) Summary of material accounting policies

(a) Town Council Funds

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 under the management of the Town Council are as follows:

- Residential property
- Commercial property

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

The routine funds related to properties under management, together with Sinking Funds, Lift Replacement Funds and Town Improvement and Project Funds form the Town Council funds. All monies received by the Town Council are paid into and related expenditures are paid out of the appropriate funds set up for each property type managed.

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

Sinking Funds

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

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

With effect from 1 April 2017, the amounts to be paid into the Sinking Fund were revised and the minimum amounts to be paid, by property type, into the Sinking Fund are as follows:

- (a) At least 26% of all conservancy and service charges which are levied by the Town Council for residential property and for commercial property, respectively, and are paid or due and payable, or both, to the Town Council in that quarter; and
- (b) At least 26% of -
 - (i) the total grants-in-aid received by the Town Council in that relevant quarter for residential property and commercial property, respectively; less
 - (ii) the Lift Replacement Funds matching grant-in-aid received by the Town Council in that same relevant quarter for that same property.

2(d) Summary of material accounting policies (Continued)

(a) Town Council Funds (Continued)

Sinking Funds (Continued)

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

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

Lift Replacement Funds

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

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

14% of the closing balance shown in the Town Council's audited accounts for financial year ended 31 March 2017 in respect of each ordinary sinking fund established for residential property and commercial property, respectively, has been paid by the Town Council into every lift replacement fund established by the Town Council for that residential property and commercial property, respectively.

The minimum amounts that are paid by each property type into the Lift Replacement Funds for every quarter of the financial year starting 1 April 2017, and for every quarter of any subsequent financial year end, are as follows:

- (a) At least 14% of all conservancy and service charges which are levied by the Town Council for residential property and for commercial property, respectively, and are paid or due and payable, or both, to the Town Council in that quarter; and
- (b) At least 14% of -
 - (i) the total grants-in-aid received by the Town Council in that relevant quarter for residential property and commercial property, respectively; less
 - (ii) the Lift Replacement Funds matching grant-in-aid received by the Town Council in that same relevant quarter for that same property.

The Lift Replacement Fund is utilised for cyclical works, including major lift upgrading and lift renewal, installation or replacement of any video monitoring devices in lifts, major lift replacements and lift-related replacement works. To help Town Councils to cope with the operating need and long-term capital expenditure requirement for lift replacements and lift-related works, the Ministry of National Development provides two additional grants-in-aids, namely Lift Maintenance Grant (LMG) and LRF Matching Grant, from 1 April 2017.

2(d) Summary of material accounting policies (Continued)

(a) Town Council Funds (Continued)

Town Improvement and Project Funds

Town Improvement and Project Funds ("TIPF") are established and maintained as part of the Town Council Funds. These funds are utilised for improvement and development works in the town.

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

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

(b) Inter-funds transfer

Under Section 47(12) of the Town Councils Act 1988 and Rule 11A(1) of the Town Council Financial Rules, if there is a surplus in an operating fund or a surplus in an ordinary sinking fund of the Town Council at the end of the financial year, the Town Council may transfer the whole or part of the surplus in the operating fund to a lift replacement fund or an ordinary sinking fund, or transfer the whole or part of the surplus in an ordinary sinking fund to a lift replacement fund, but only to make good any deficit in the lift replacement fund.

Under Section 57(1)(i) of the Act, the Minister may make rules for the circumstances under which a surplus in an operating fund, sinking fund or lift replacement fund established for residential property, may be transferred to the same fund established for commercial property, and vice versa.

Under Rule 11A(2) and (3) of the Town Council Financial Rules, a surplus in an operating fund, sinking fund or lift replacement fund established for residential property, may be transferred to the same fund established for commercial property, and vice versa, to make good any deficit.

(c) Allocation of General Overheads

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

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

Such allocation by EDU is not applied to the Sinking Funds, Town Improvement and Project Funds and Lift Replacement Funds.

2(d) Summary of material accounting policies (Continued)

(d) Government grants

The Town Council receives six types of grants from the government: Service and Conservancy Charge operating grant, payments from Citizens' Consultative Committees, Goods and Services Tax ("GST") subvention grant, Lift Maintenance grant and Lift Replacement Funds ("LRF") matching grant.

- (i) Service and Conservancy Charge operating grant to meet the current year's operating expenditure are taken to income or expenditure.
- (ii) Payments from Citizens' Consultative Committees are granted to provide funding support for community improvement projects under the CIPC scheme.
- (iii) The GST subvention is given as grants-in-aid and is granted to assist the Town Councils for absorbing the GST increases in service and conservancy charges for HDB residential flats.
- (iv) The Lift Maintenance grant is given to help the Town Councils cope with higher lift-related servicing and maintenance costs, with a disbursement of \$600 annually for each lift maintained by the Town Council.
- (v) The Lift Replacement Funds matching grant is given to encourage Town Councils to set aside sufficient funds for the replacement of their existing lifts and lift parts, with disbursements to Town Councils made every quarter, matching 50% of the Town Council's quarterly contribution to its LRF.
- (vi) The time-limited Special Funding Support was provided to Town Councils that need to adjust their S&CC to meet their long-term financial sustainability. This funding support is meant to help buffer Town Council and residents from the full impact of the rising maintenance costs. The funding is equivalent to the additional S&CC income generated from the gazetted S&CC increases (for each flat type excluding GST) from 1 July 2023 to 30 June 2024 based on the number of residential units managed by each Town Council as at 3 April 2023. The total amount of funding will be the sum of all the eligible flat types, subject to a cap of 13% based on the Town Council's residential S&CC income in FY2022 audited financial statements. The special funding support will be subject to the minimum contribution rates of 26% to the Sinking Fund and 14% to the Lift Replacement Fund under the Town Council Act. The Town Council receives the last tranche of the Special Funding Support in the financial year ended 31 March 2025.

Government grants are recognised at fair value when there are reasonable assurance that the attached conditions will be complied with and that the grants will be received. Grants in recognition of specific expenditures are recognised as income over the periods necessary to match them with the related expenditure that they are intended to compensate, on a systematic basis unless the accounting treatment is specified.

2(d) Summary of material accounting policies (Continued)

(e) Plant and equipment and depreciation

Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Furniture, fixtures and fittings	5 years
Office equipment	3 - 5 years

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 reliably measured. Other subsequent expenditure is recognised as an expense 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. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

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

(f) Impairment of non-financial assets

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

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

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

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

2(d) Summary of material accounting policies (Continued)

(g) 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.

(i) Financial assets

Initial recognition and measurement

With the exception of conservancy and service fees receivables that do not contain a significant financing component or for which the Town Council applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through income and expenditure, which are initially measured at fair value.

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

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

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

Financial assets at amortised cost

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

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

2(d) Summary of material accounting policies (Continued)

(g) Financial instruments (Continued)

(i) Financial assets (Continued)

Effective interest method

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

Financial assets at FVTIE

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

Gains or losses are recognised in income and expenditure.

Impairment of financial assets

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

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

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

The Town Council uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for conservancy and service fees receivables, where the loss allowance is equal to lifetime ECL. The ECL for conservancy and service fees receivables are estimated using an allowance matrix with fixed provision rates depending on the number of months that conservancy and service fees are past due with reference to the recommended guidelines by MND that are assessed by property type and household profile.

2(d) Summary of material accounting policies (Continued)

(g) Financial instruments (Continued)

(I) Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

For details on the Town Council's accounting policy for its impairment of financial assets, refer to Note 31.

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.

(II) Financial liabilities

Initial recognition and measurement

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

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

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

Other financial liabilities

Payables and accrued expenses

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

2(d) Summary of material accounting policies (Continued)

(g) Financial instruments (Continued)

(II) Financial liabilities (Continued)

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.

(III) Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) Currently has a legally enforceable right to set off the recognised amounts; and
- (b) Intends either to settle on a net basis, or to realise the asset and settle the liability

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances and demand deposits with financial institutions that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(i) Provisions

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

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

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

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in income and expenditure as they arise.

(j) Employee benefits

Defined contribution plan

The Town Council contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore. The Town Council contributes to the CPF for its employees. Other personnel are under the direct payroll of its managing agent. The contributions to CPF are charged to income or expenditure in the period to which the contributions relate.

2(d) Summary of material accounting policies (Continued)

(j) Employee benefits (Continued)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Key management personnel consist of Town Councillors.

(k) Recognition of Income

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

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

(i) Conservancy and service fees

Conservancy and service fees are recognised when due.

(ii) Agency fees

Agency fees for routine maintenance of HDB's carparks are recognised when due.

(iii) Interest and investment income

Interest income from fixed deposits is recognised on a time-proportion basis using the effective interest method.

Interest income from bonds is recognised using the effective interest method.

(iv) Other income

Other income comprises mainly temporary occupation licences, liquidated damages claims and other miscellaneous income, and are recognised when due.

(l) 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 or non-owners of properties in the Town; and
- (iv) Donations from non-residents or non-owners of properties in the Town.

2(d) Summary of material accounting policies (Continued)

(l) Income tax (Continued)

Income tax is accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current financial year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws, and the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority.

In respect of government grant 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 interest income derived from qualifying debt securities which have been approved under Section 13 of the Income Tax Act 1947.

(m) Leases

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

Where a contract contains more than one lease component, the Town Council allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Town Council applied the practical expedient 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 *Leases*. For these leases, the Town Council recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, as follows:

Office premises:	over lease term of 3 years
Office equipment:	over lease term of 5 years

2(d) Summary of material accounting policies (Continued)

(m) Leases (Continued)

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 remeasurements of the lease liability, where applicable.

The right-of-use assets are presented as a separate line item in the statement of financial position.

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.

Lease payments included in the measurement of the lease liability comprise:

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

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

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in 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.

Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2(d) Summary of material accounting policies (Continued)

(n) Intangible asset

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

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

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

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

(o) Contingencies

A contingent liability is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Town Council; or
- (ii) a present obligation that arises from past events but is not recognised because:
 - (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Town Council.

ANG MO KIO TOWN COUNCIL

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

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	Residential property		Commercial property		Carpark		Total	
	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	130,528	7,772,969	3,165,680	3,752,399	12,698,822	10,350,701	15,995,030	21,876,069
Add/(Less):								
Transfer from Town Improvement and Project Funds	6 4,760,662	3,240,791	253,647	108,141	-	-	5,014,309	3,348,932
Appropriation to Town Improvement and Project Funds	6 (6,217,922)	(8,400,309)	(350,635)	(1,384,320)	-	-	(6,568,557)	(9,784,629)
Transfer from Carpark to Residential property	14,850,000	-	-	-	(14,850,000)	-	-	-
	13,523,268	2,613,451	3,068,692	2,476,220	(2,151,178)	10,350,701	14,440,782	15,440,372
OPERATING INCOME								
Conservancy and service fees	75,659,722	71,195,798	6,369,835	6,119,148	-	-	82,029,557	77,314,946
Less:								
Operating income transfer to Sinking Funds (26% transferred to Sinking Funds)	4 (19,671,531)	(18,510,903)	(1,656,154)	(1,590,978)	-	-	(21,327,685)	(20,101,881)
Operating income transfer to Lift Replacements (14% transferred to Lift Replacement Funds)	5 (10,592,365)	(9,967,415)	(891,773)	(856,681)	-	-	(11,484,138)	(10,824,096)
Agency fees	18 45,395,826	42,717,480	3,821,908	3,671,489	-	-	49,217,734	46,388,969
Other income	19 2,934,035	2,969,435	1,131,273	1,150,039	6,330,432	6,008,674	6,330,432	6,008,674
	48,329,861	45,686,915	4,953,181	4,821,528	210,229	129,925	4,275,537	4,249,398
Less: Operating expenditure	(64,738,731)	(62,132,455)	(4,088,959)	(4,146,647)	(4,356,802)	(3,855,183)	(73,184,492)	(70,134,284)
OPERATING (DEFICIT)/SURPLUS	(16,408,870)	(16,445,540)	864,222	674,881	2,183,859	2,283,416	(13,360,789)	(13,487,243)
Add: Interest income	580,669	1,030,473	31,721	56,510	56,789	101,028	669,179	1,188,011
(DEFICIT)/SURPLUS BEFORE INCOME TAX AND GOVERNMENT GRANTS	(15,828,201)	(15,415,067)	895,943	731,391	2,240,648	2,384,444	(12,691,610)	(12,299,232)
Less: income tax	26 (334,095)	(370,937)	(18,247)	(20,288)	(32,667)	(36,323)	(385,009)	(427,548)
(DEFICIT)/SURPLUS BEFORE GOVERNMENT GRANTS	(16,162,296)	(15,786,004)	877,696	711,103	2,207,981	2,348,121	(13,076,619)	(12,726,780)
Add: Government grants	27 32,341,459	30,586,719	527,213	531,799	-	-	32,868,672	31,118,518
Less: Transfer to								
Sinking Funds	4,27 (6,030,861)	(5,754,409)	(468)	(884)	-	-	(6,031,329)	(5,755,293)
Lift Replacement Funds	5,27 (10,386,194)	(9,379,479)	(473,453)	(412,252)	-	-	(10,859,647)	(9,791,731)
Town Improvement and Project Funds	6,27 (2,007,078)	(2,149,750)	(52,212)	(140,306)	-	-	(2,059,290)	(2,290,056)
	13,917,326	13,303,081	1,080	(21,643)	-	-	13,918,406	13,281,438
(DEFICIT)/SURPLUS FOR THE YEAR	(2,244,970)	(2,482,923)	878,776	689,460	2,207,981	2,348,121	841,787	554,658
ACCUMULATED SURPLUS AT END OF YEAR	11,278,298	130,528	3,947,468	3,165,680	56,803	12,698,822	15,282,569	15,995,030

ANG MO KIO TOWN COUNCIL

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

4. Sinking Funds

	Note	Residential property		Commercial property		Total	
		2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
Balance as at beginning of year		101,338,530	117,028,095	45,834,635	52,830,977	147,173,165	169,859,072
Add:							
Income	22	3,170,296	5,507,687	153,935	298,914	3,324,231	5,806,601
Operating income transfer from conservancy and service fees	3	19,671,531	18,510,903	1,656,154	1,590,978	21,327,685	20,101,881
Transfer from special funding support grant (SFS)	3,27	1,001,558	1,026,256	-	-	1,001,558	1,026,256
Transfer from government grants	3,27	5,029,303	4,728,153	468	884	5,029,771	4,729,037
		28,872,688	29,772,999	1,810,557	1,890,776	30,683,245	31,663,775
Less:							
Expenditure	22	(32,191,597)	(44,546,809)	(4,406,468)	(8,837,432)	(36,598,065)	(53,384,241)
Income tax	26	(454,601)	(915,755)	(24,750)	(49,686)	(479,351)	(965,441)
Deficit for the year		(3,773,510)	(15,689,565)	(2,620,661)	(6,996,342)	(6,394,171)	(22,685,907)
Balance as at end of year		97,565,020	101,338,530	43,213,974	45,834,635	140,778,994	147,173,165

Represented by:

Current assets

Financial assets at fair value through income and expenditure	9	17,063,080	1,981,200
Conservancy and service fees receivables	10	474,607	473,999
Other receivables, deposits and prepayments	13	3,302,698	2,166,354
Due from accumulated surplus		6,179,726	7,538,474
Cash and cash equivalents	14	117,577,479	141,466,923

Total assets

144,597,590 153,626,950

Less:

Current liabilities

Payables and accrued operating expenses	17	2,373,804	5,028,799
Income tax payable	26	1,444,792	1,424,986

Total liabilities

3,818,596 6,453,785

NET ASSETS

140,778,994 147,173,165

ANG MO KIO TOWN COUNCIL

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

5. Lift Replacement Funds

	Note	Residential property		Commercial property		Total	
		2025	2024	2025	2024	2025	2024
		\$	\$	\$	\$	\$	\$
Balance as at beginning of year		107,085,060	95,818,878	15,850,115	14,669,871	122,935,175	110,488,749
Add:							
Income	23	7,274,795	4,276,660	212,960	212,439	7,487,755	4,489,099
Operating income transfer from conservancy and service fees	3	10,592,365	9,967,415	891,773	856,681	11,484,138	10,824,096
Transfer from special funding support grant (SFS)	3,27	539,300	552,602	-	-	539,300	552,602
Transfer from government grants (excluding Lift Replacement Funds matching grant)	3,27	2,708,092	2,545,928	252	476	2,708,344	2,546,404
Lift Replacement Funds matching grant	3,27	7,138,802	6,280,949	473,201	411,776	7,612,003	6,692,725
		28,253,354	23,623,554	1,578,186	1,481,372	29,831,540	25,104,926
Less:							
Expenditure	23	(15,353,895)	(11,754,727)	(181,074)	(268,167)	(15,534,969)	(12,022,894)
Income tax	26	(352,160)	(602,645)	(19,181)	(32,961)	(371,341)	(635,606)
Surplus for the year		12,547,299	11,266,182	1,377,931	1,180,244	13,925,230	12,446,426
Balance as at end of year		119,632,359	107,085,060	17,228,046	15,850,115	136,860,405	122,935,175

Represented by:

Current assets

Financial assets at fair value through income and expenditure	9	15,073,400	-
Conservancy & service fees receivables	10	255,558	255,230
Other receivables, deposits and prepayments	13	4,405,894	3,332,281
Receivables for Lift Enhancement Programme	11	8,081,217	3,218,539
Due from accumulated surplus		5,137,800	3,460,836
Cash and cash equivalents	14	111,146,079	117,077,127

Total assets

144,099,948 127,344,013

Less:

Current liabilities

Advance for Lift Enhancement Programme	11	2,612,461	299,699
Deferred grant income for Lift Enhancement Programme	11	1,148,287	-
Payables and accrued operating expenses	17	2,471,848	3,225,373
Income tax payable	26	1,006,947	883,766

Total liabilities

7,239,543 4,408,838

NET ASSETS

136,860,405 122,935,175

ANG MO KIO TOWN COUNCIL

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

6. Town Improvement and Project Funds

	Note	Residential property		Commercial property		Total	
		2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
Balance as at beginning of year		8,400,309	4,511,088	1,384,320	139,519	9,784,629	4,650,607
Add/(Less):							
Transfer from government grants	3, 27	2,007,078	2,149,750	52,212	140,306	2,059,290	2,290,056
Expenditure	24	(5,646,725)	(3,420,047)	(1,182,885)	(171,684)	(6,829,610)	(3,591,731)
Deficit for the year		(3,639,647)	(1,270,297)	(1,130,673)	(31,378)	(4,770,320)	(1,301,675)
		4,760,662	3,240,791	253,647	108,141	5,014,309	3,348,932
Less:							
Transfer to accumulated surplus*	3	(4,760,662)	(3,240,791)	(253,647)	(108,141)	(5,014,309)	(3,348,932)
Add:							
Appropriation from accumulated surplus**	3	6,217,922	8,400,309	350,635	1,384,320	6,568,557	9,784,629
Balance as at end of year		6,217,922	8,400,309	350,635	1,384,320	6,568,557	9,784,629

Represented by:

Current assets

Other receivables, deposits and prepayments
Cash and cash equivalents***
Amount due from accumulated surplus**

13	6,219,818	8,662,779
14	(842,120)	1,318,652
	1,886,899	174,757

Total assets

7,264,597	10,156,188
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Less:

Current liabilities
Payables and accrued operating expenses

17	696,040	371,559
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Total liabilities

696,040	371,559
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NET ASSETS

6,568,557	9,784,629
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* At the end of each financial year, the Town Council would transfer any surplus or deficit from the Town Improvement and Project Funds to the accumulated surplus.

** The amount required by the Town Improvement and Project Funds for the following financial year would then be appropriated from the accumulated surplus.

*** Cash and cash equivalents are in negative balance. It pertains to the timing difference between the receivables and payables. During the financial year, the Town Council incurs expenses for on-going projects while the Town Council only received partial CIPC grants. The routine fund and TIPF fund share the same bank account, the overall cash and cash equivalents balances are in positive.

ANG MO KIO TOWN COUNCIL

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

7. Plant and equipment and intangible asset

<u>Plant and equipment</u>	<u>Furniture, fixtures and fittings</u> \$	<u>Office equipment</u> \$	<u>Total</u> \$
Cost			
At 1 April 2023	2,175,109	307,960	2,483,069
Additions	46,827	105,050	151,877
At 31 March 2024	2,221,936	413,010	2,634,946
Additions	5,431	70,598	76,029
At 31 March 2025	2,227,367	483,608	2,710,975
Accumulated depreciation			
At 1 April 2023	1,439,113	271,250	1,710,363
Depreciation (Note 21)	179,126	40,108	219,234
At 31 March 2024	1,618,239	311,358	1,929,597
Depreciation (Note 21)	185,616	38,558	224,174
At 31 March 2025	1,803,855	349,916	2,153,771
Carrying amount			
At 31 March 2025	423,512	133,692	557,204
At 31 March 2024	603,697	101,652	705,349
 <u>Intangible asset</u>			Computer software \$
Cost			
At 1 April 2023, 31 March 2024 and 31 March 2025			634,765
Accumulated depreciation			
At 1 April 2023			238,035
Amortisation charge for the year (Note 21)			105,793
At 31 March 2024			343,828
Amortisation charge for the year (Note 21)			105,793
At 31 March 2025			449,621
Carrying amount			
At 31 March 2025			185,144
At 31 March 2024			290,937

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

ANG MO KIO TOWN COUNCIL

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

8. Right-of-use assets

	<u>Office equipment</u> \$	<u>Office premises</u> \$	<u>Total</u> \$
Cost			
At 1 April 2023	18,545	1,473,792	1,492,337
Additions	-	304,893	304,893
At 31 March 2024	18,545	1,778,685	1,797,230
Derecognition	(18,545)	-	(18,545)
At 31 March 2025	-	1,778,685	1,778,685
Accumulated depreciation			
At 31 March 2023	14,968	620,974	635,942
Depreciation (Note 21)	2,802	479,519	482,321
At 31 March 2024	17,770	1,100,493	1,118,263
Depreciation (Note 21)	775	476,884	477,659
Derecognition	(18,545)	-	(18,545)
At 31 March 2025	-	1,577,377	1,577,377
Carrying amount			
At 31 March 2025	-	201,308	201,308
At 31 March 2024	775	678,192	678,967

9. Financial assets at amortised cost and financial assets at fair value through income and expenditure

Financial assets at amortised cost

	<u>2025</u> \$	<u>2024</u> \$
Amortised cost at beginning of year	-	-
Additions	9,826,750	-
Redemptions on maturity	(9,826,750)	-
	-	-

The bonds are fully redeemed during the financial year ended 31 March 2025.

Financial assets at fair value through income and expenditure

	<u>2025</u> \$	<u>2024</u> \$
Quoted bonds issued by a statutory board	32,136,480	1,981,200
Recorded in:	Note	
Sinking Funds	4 17,063,080	1,981,200
Lift Replacement Funds	5 15,073,400	-
	32,136,480	1,981,200

ANG MO KIO TOWN COUNCIL

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

9. Financial assets at amortised cost and financial assets at fair value through income and expenditure (Continued)

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

Quoted bonds issued by a statutory board bear weighted average fixed interest rates of range of 0.16% to 1.12% (2024: 2.6%) per annum with maturity date ending on 30 October 2028, 30 October 2029, 21 May 2031 and 26 November 2031 respectively.

10. Conservancy and service fees receivables

	<u>2025</u>	<u>2024</u>
	\$	\$
Conservancy and service fees receivables	2,701,795	2,625,713
Less: Loss allowance	<u>(876,382)</u>	<u>(802,640)</u>
	<u>1,825,413</u>	<u>1,823,073</u>
Recorded in:	Note	
Accumulated surplus	1,095,248	1,093,844
Sinking Funds	4 474,607	473,999
Lift Replacement Funds	5 255,558	<u>255,230</u>
	<u>1,825,413</u>	<u>1,823,073</u>

Conservancy and service fees receivables are denominated in Singapore dollars.

The Town Council generally extends 30 days (2024: 30 days) credit term to its conservancy and service fees customers.

The details of the loss allowance of conservancy and service fees receivables and credit exposures are disclosed in Note 31.

11. Receivables/(Advances received) for Lift Enhancement Programme

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance as at beginning of year	2,918,840	2,172,574
Advances for Lift Enhancement Programme	(2,612,461)	(299,699)
Deferred grant income*	(1,148,287)	-
Claims submitted/to be submitted Housing & Development Board	<u>5,162,377</u>	<u>1,045,965</u>
	<u>1,401,629</u>	<u>746,266</u>
Balance as at end of year	<u>4,320,469</u>	<u>2,918,840</u>

Lift Enhancement Programme ("LEP") was introduced in response to feedback received from residents after a spate of lift accidents. Due to technological advancements, existing lifts may not be equipped with modern features which enhance their safety, reliability and performance. Under the LEP, HDB will fund about 92.5% of Town Council's costs to install the recommended enhancement features.

* The grant is receivable upon the fulfilment of specified conditions. Grant income is recognised on a systematic basis over time, in line with the related expenditure incurred. Deferred grant income represents the initial 50% of grant claims receivable from the Housing & Development Board ("HDB"), net of the expenditure incurred as at the reporting date.

ANG MO KIO TOWN COUNCIL

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

12. Receivables/(Advances received) for Neighbourhood Renewal Programme

	<u>2025</u> \$	<u>2024</u> \$
Balance as at beginning of year	1,852,454	741,013
Amount received in advance from Housing & Development Board	(2,622,963)	(742,517)
Payment to contractors	1,729,903	1,853,958
	<u>(893,060)</u>	<u>1,111,441</u>
Receivables for Neighbourhood Renewal Programme	<u>959,394</u>	<u>1,852,454</u>

Neighbourhood Renewal Programme (“NRP”), fully funded by the government, was introduced in August 2007 in response to feedback received from residents during the Forum on HDB Heartware for more active consultation on the improvements to be provided in their precincts. Blocks built up to 1995 that have not undergone the Main Upgrading Programme (“MUP”), Interim Upgrading Programme (“IUP”) or IUP plus are eligible. In 2024, the NRP was extended to include flats built up to 1999.

13. Other receivables, deposits and prepayments

	<u>2025</u> \$	<u>2024</u> \$
Grant receivables		
- Citizens’ Consultative Committees	5,893,218	8,616,634
- GST Subvention	1,119,108	1,039,632
- Lift Replacement Funds Matching Grant	1,545,480	1,429,601
- Service and Conservancy Charges	47,355	145,545
	<u>8,605,161</u>	<u>11,231,412</u>
Other receivables		
- Interest on fixed deposits and government bonds	683,900	999,854
- Late payment penalty receivables (Note 31)	369,884	378,241
- Less: Loss allowance (Note 31)	(221,986)	(226,944)
	147,898	151,297
- Claimable GST (Note 25)	3,361,850	2,325,219
- Recoverable from Housing & Development Board	709,965	337,408
- Recoverable from National Environment Agency	76,840	88,166
- Recoverable from contractors	150,854	249,452
- Recoverable from Public Utilities Board	-	608,568
	<u>5,131,307</u>	<u>4,759,964</u>
Deposits	1,420,742	926,702
Others	69,163	42,485
Prepayments	1,214,111	1,195,590
	<u>16,440,484</u>	<u>18,156,153</u>
Recorded in:	Note	
Accumulated surplus	2,512,074	3,994,739
Sinking Funds	4 3,302,698	2,166,354
Lift Replacement Funds	5 4,405,894	3,332,281
Town Improvement and Project Funds	6 6,219,818	8,662,779
	<u>16,440,484</u>	<u>18,156,153</u>

ANG MO KIO TOWN COUNCIL

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

13. Other receivables, deposits and prepayments (Continued)

Other receivables, deposits and prepayments are denominated in Singapore dollars.

The details of the loss allowance of late payment penalty receivables and credit exposures are disclosed in Note 31.

14. Cash and bank balances

	<u>2025</u>	<u>2024</u>
	\$	\$
Cash on hand	15,500	15,500
Cash at bank	<u>62,821,523</u>	<u>107,104,847</u>
	62,837,023	107,120,347
Fixed deposits	<u>203,104,533</u>	<u>192,351,417</u>
	<u>265,941,556</u>	<u>299,471,764</u>
	<u>Note</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Recorded in:		
Accumulated surplus	38,060,118	39,609,062
Sinking Funds	4 117,577,479	141,466,923
Lift Replacement Funds	5 111,146,079	117,077,127
Town Improvement and Project Funds	6 (842,120)	1,318,652
	<u>265,941,556</u>	<u>299,471,764</u>

Cash and bank balances are denominated in Singapore dollars.

The interest rates for fixed deposits range from 1.5% - 2.65% (2024: 1.50% - 4.45%) per annum, receivable one year in arrears. The weighted average effective interest rates is 2.31% (2024: 3.44%) per annum.

A fixed deposit of \$104,533 (2024: \$101,462) is pledged to a bank to secure a performance guarantee issued by the bank.

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

	<u>2025</u>	<u>2024</u>
	\$	\$
Cash and bank balances as above	265,941,556	299,471,764
Less:		
Fixed deposit pledged	<u>(104,533)</u>	<u>(101,462)</u>
Cash and bank balances per statement of cashflows	<u>265,837,023</u>	<u>299,370,302</u>

ANG MO KIO TOWN COUNCIL

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

15. Lease liabilities

Town Council leases office premises and office equipment for 3 to 5 years, with an option to renew the lease subject to certain conditions being met. Lease payments are made monthly and are at a fixed rate throughout the lease period.

Extension option

The leases contain extension periods, for which the related lease payments had not been included in lease liabilities as the Town Council is not reasonably certain to exercise the extension option. The Town Council negotiates extension options to maximise operational flexibility in terms of managing the assets used in the Town Council operations. The majority of the extension options are exercisable by the Town Council and not by the lessor.

	<u>2025</u> \$	<u>2024</u> \$
Maturity analysis		
- Year 1	142,800	513,225
- Year 2	73,500	142,800
- Year 3	-	73,500
	<u>216,300</u>	<u>729,525</u>
Less: undue interest cost	(7,136)	(28,853)
	<u>209,164</u>	<u>700,672</u>
Analysed as:		
- Current	136,821	491,508
- Non-current	72,343	209,164
	<u>209,164</u>	<u>700,672</u>

Interest expense on lease liabilities of \$21,717 (2024: \$34,975) is recognised in the statement of income and expenditure.

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

Total cash outflows for all leases during the year amount to \$491,508 (2024: \$480,395).

The lease liabilities are denominated in Singapore dollars.

16. Advances received for Electrical Load Upgrading Programme

	<u>2025</u> \$	<u>2024</u> \$
Balance as at beginning of year	1,095,661	1,146,665
Add/(Less):		
Funding from Housing & Development Board	348,214	895,164
Payment to contractors	(411,617)	(946,168)
	<u>(63,403)</u>	<u>(51,004)</u>
Balance as at end of year	<u>1,032,258</u>	<u>1,095,661</u>

ANG MO KIO TOWN COUNCIL

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

16. Advances received for Electrical Load Upgrading Programme (Continued)

The Electrical Load Upgrading (“ELU”) was introduced to upgrade the incoming electrical supply for HDB apartment blocks with a 40amps main switch instead of 30amps. The ELU works include supply and installation of new main switchboard including all accessories, connection, authority testing, commissioning and LEW licensing; replacement of all electrical sub-main risers including all tap-off boxes, accessories and connections; as well as replacement of all meter boards for residential units including authority testing and commissioning.

Blocks completed on or after 1 January 1994 and have undergone the Main Upgrading Programme (“MUP”) are not eligible for ELU as they are already provided with a higher electrical loading of 40 amps main switch.

This programme is fully funded by HDB and implemented by the Town Council.

17. Payables and accrued operating expenses

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
Accounts payable		10,349,912	17,834,909
Accrued operating expenses		4,986,417	6,379,284
Deposits received		679,931	528,817
Others		235,720	200,098
		<u>16,251,980</u>	<u>24,943,108</u>
Recorded in:			
Accumulated surplus		10,710,288	16,317,377
Sinking Funds	4	2,373,804	5,028,799
Lift Replacement Funds	5	2,471,848	3,225,373
Town Improvement and Project Funds	6	696,040	371,559
		<u>16,251,980</u>	<u>24,943,108</u>

Included in accounts payable is amount owing to the managing agent of \$170,196 (2024: \$58,150).

Payables and accrued operating expenses are non-interest bearing, repayable on demand and are to be settled in cash.

Payables and accrued operating expenses are denominated in Singapore dollars.

18. Agency fees

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

ANG MO KIO TOWN COUNCIL

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

19. Other income

	<u>2025</u>	<u>2024</u>
	\$	\$
Community hall rental	49,430	47,210
Late payment penalty	296,846	292,018
Liquidated damages	779,182	679,307
Sale of tender documents	24,900	21,258
Sundry fines	71,763	40,175
Sundry income	69,663	103,117
Temporary Occupation Licence charges	2,268,719	2,272,673
Use of common property	22,335	16,295
Use of void decks	28,450	31,480
Use of water and electricity	550,699	565,377
Use of roof top access	101,295	168,060
Others	12,255	12,428
	<u>4,275,537</u>	<u>4,249,398</u>

20. Managing agent's fees

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

21. General and administrative expenditure

	<u>Note</u>	<u>2025</u>	<u>2024</u>
		\$	\$
Advertising, publicity and public relations		837,354	311,517
Amortisation of intangible asset	7	105,793	105,793
Computer services		865,726	717,456
Depreciation of plant and equipment	7	224,174	219,234
Depreciation of right-of-use assets	8	477,659	482,321
Loss allowance on conservancy and service fees receivables	31	119,189	52,508
Loss allowance on late payment penalty	31	1,382	11,719
Office rental and upkeep expenditure		91,543	81,658
Office supplies and stationery		98,721	85,584
Professional fees		195,246	187,406
Property tax		227,754	233,353
Key management personnel compensation			
- Town Councillors' allowances	28	304,636	302,400
- Town Councillors' expenses	28	-	1,236
Repairs and maintenance		27,676	22,373
Staff salary and related costs		1,222,149	647,977
Telephone, postage and courier expenditure		234,268	207,647
Unclaimable GST	25	1,351,419	1,250,827
Others		443,535	369,876
		<u>6,828,224</u>	<u>5,290,885</u>

ANG MO KIO TOWN COUNCIL

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

22. Sinking Funds income and expenditure

(i) Income

	<u>2025</u>	<u>2024</u>
	\$	\$
Interest income from bank accounts and fixed deposits	2,593,254	5,664,499
Interest income from bonds	398,893	51,759
Fair value gain on financial assets at fair value through income and expenditure	331,880	90,140
Other income	204	203
	<u>3,324,231</u>	<u>5,806,601</u>

(ii) Expenditure

	<u>Note</u>	<u>2025</u>	<u>2024</u>
		\$	\$
General and administrative charges		44,300	655
Other majors repair works		1,225,264	-
Project management fees		1,178,439	1,753,284
Re-decoration and repairing		27,756,620	46,191,910
Replacement of water pipes		55,130	36,925
Re-roofing works		2,020,270	3,274,320
Rejuvenation works at Ang Mo Kio Centre		175,646	320,666
Replacement of booster/water pumps/lamp post		3,556,781	1,264,456
Unclaimable GST	25	585,615	542,025
		<u>36,598,065</u>	<u>53,384,241</u>

23. Lift Replacement Funds income and expenditure

(i) Income

	<u>2025</u>	<u>2024</u>
	\$	\$
Interest income from bank accounts and fixed deposits	2,186,757	3,742,831
Interest income from bonds	341,933	-
Fair value gain on financial assets at fair value through income and expenditure	323,400	-
Income recognised from Lift Enhancement Programme	4,635,665	746,268
	<u>7,487,755</u>	<u>4,489,099</u>

ANG MO KIO TOWN COUNCIL

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

23. Lift Replacement Funds income and expenditure (Continued)

(ii) Expenditure

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
Lift Enhancement Programme's contractor claims		4,767,640	630,380
Lift position display panels		166,117	973,126
Lift inverter units		337,627	1,360,541
Project management fees		512,258	379,856
Replacement of hoisting ropes		1,194,602	1,484,638
Replacement of ARD batteries		120,442	592,394
Replacement of EBOP batteries		135,598	625,860
Replacement of encoders		37,183	3,287
Overhaul, upgrading and lift modernisation		7,917,509	5,680,488
Unclaimable GST	25	315,331	291,860
General and administrative expenses		30,662	464
		<u>15,534,969</u>	<u>12,022,894</u>

24. Town Improvement and Project Funds expenditure

	<u>2025</u> \$	<u>2024</u> \$
Consultancy fees and architectural fees	554,385	451,333
Town improvement works	<u>6,275,225</u>	<u>3,140,398</u>
	<u>6,829,610</u>	<u>3,591,731</u>

25. Goods and Services Tax ("GST")

Government grants received by the Town Council are considered non-taxable supplies. Therefore, input tax claimable is based on a formula determined by the Inland Revenue Authority of Singapore. The unclaimable portion is charged to the statement of income and expenditure and other comprehensive income during the year.

26. Income tax

	<u>2025</u> \$	<u>2024</u> \$
Current tax expense	1,236,027	2,034,022
Overprovision of tax in previous financial year	<u>(326)</u>	<u>(5,427)</u>
	<u>1,235,701</u>	<u>2,028,595</u>
Recorded in:	<u>Note</u>	
Accumulated surplus	3	385,009
Sinking Funds	4	479,351
Lift Replacement Funds	5	371,341
		<u>1,235,701</u>
		<u>2,028,595</u>

ANG MO KIO TOWN COUNCIL

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

26. Income tax (Continued)

The tax expense on income differs from the amount determined by applying the Singapore standard rate of income tax due to the following:

	<u>2025</u>	<u>2024</u>
	\$	\$
Interest income	5,843,704	10,646,021
Government grants and other income	34,820,832	31,040,684
Allowable expenses	<u>(336,497)</u>	<u>(320,764)</u>
	<u>40,328,039</u>	<u>41,365,941</u>
Tax calculated at a tax rate of 17% (2024: 17%)	6,855,767	7,032,210
Overprovision of tax in previous financial year	(326)	(5,427)
Tax exempt income	(17,425)	(17,425)
Tax remission of government grants under section 92(2) of Singapore Income Tax Act 1947	(5,574,360)	(4,977,140)
Tax effect of certain income taxed at concessionary tax rate	<u>(27,955)</u>	<u>(3,623)</u>
	<u>1,235,701</u>	<u>2,028,595</u>

The Town Council enjoys a concessionary tax rate of 10% for the income earned on investments in bonds.

Movements in income tax payable are as follows:

	<u>Note</u>	<u>2025</u>	<u>2024</u>
		\$	\$
Balance as at 1 April		3,084,372	1,527,925
Current financial year's income tax expense		1,236,027	2,034,022
Over provision of tax in previous financial year		(326)	(5,427)
Payments during the year		<u>(1,050,350)</u>	<u>(472,148)</u>
Balance as at 31 March		<u>3,269,723</u>	<u>3,084,372</u>
Recorded in:			
Accumulated surplus		817,984	775,620
Sinking Funds	4	1,444,792	1,424,986
Lift Replacement Funds	5	<u>1,006,947</u>	<u>883,766</u>
Balance as at 31 March		<u>3,269,723</u>	<u>3,084,372</u>

ANG MO KIO TOWN COUNCIL

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

27. Government grants

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

Note	Service and conservancy charge operating grant		GST subvention grant		Special Funding Support grant		Payment from citizens' consultative committee		Lift maintenance grant		Lift replacement funds matching grant		Total		
	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$	
Government grants - Received / receivable during the year	3	13,549,841	13,204,664	4,405,228	3,617,133	3,852,110	3,947,142	2,059,290	2,290,056	1,390,200	1,366,800	7,612,003	6,692,725	32,868,672	31,118,518
Less:															
Transfer to Sinking Funds	3, 4	(3,522,959)	(3,433,213)	(1,145,360)	(940,456)	(1,001,558)	(1,026,256)	-	-	(361,452)	(355,368)	-	-	(6,031,329)	(5,755,293)
Transfer to Lift Replacement Funds	3, 5	(1,896,979)	(1,848,652)	(616,737)	(506,400)	(539,300)	(552,602)	-	-	(194,628)	(191,352)	(7,612,003)	(6,692,725)	(10,859,647)	(9,791,731)
Transfer to Town Improvement and Project Funds	3, 6	-	-	-	-	-	-	(2,059,290)	(2,290,056)	-	-	-	-	(2,059,290)	(2,290,056)
		8,129,903	7,922,799	2,643,131	2,170,277	2,311,252	2,368,284	-	-	834,120	820,080	-	-	13,918,406	13,281,438

ANG MO KIO TOWN COUNCIL

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

27. Government grants (Continued)

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

	<u>2025</u> \$	<u>2024</u> \$
Total grants received/receivable at 1 April	530,487,029	499,368,511
Grants received/receivable during the year	<u>32,868,672</u>	<u>31,118,518</u>
Total grants received/receivable at 31 March	<u>563,355,701</u>	<u>530,487,029</u>

28. Key management remuneration

	<u>2025</u> \$	<u>2024</u> \$
Town Councillors' allowances (Note 21)	304,636	302,400
Town Councillors' expenses (Note 21)	<u>-</u>	<u>1,236</u>
	<u>304,636</u>	<u>303,636</u>

29. Significant related party transactions

Related party relates to the managing agent, CPG Facilities Management Pte Ltd, who manages the operations of the Town Council.

Apart from the disclosures made elsewhere in these financial statements, the following transactions took place between the Town Council and its related party on terms agreed between the parties during the financial year:

	<u>2025</u> \$	<u>2024</u> \$
Expenditure paid to Managing Agent in relation to:		
- Managing Agent Fees (Note 20)	10,741,420	8,538,304
- Project Management Fees	1,973,888	2,324,785
- Essential Maintenance Service Unit Fees	<u>1,172,775</u>	<u>-</u>
	<u>13,888,083</u>	<u>10,863,089</u>

30. Capital commitments

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

	<u>2025</u> \$	<u>2024</u> \$
Amount approved and contracted for	33,729,663	45,949,335
Amount approved but not contracted for	<u>133,334,101</u>	<u>131,950,419</u>
	<u>167,063,764</u>	<u>177,899,754</u>

31. Financial instruments and financial risks

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

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

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

Credit risk

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

Town Council's major classes of financial assets are bank deposits, conservancy and service fees receivables, receivables for Lift Enhancement Programme, receivables for Neighbourhood Renewal Programme, other receivables and investments in bonds.

Bank deposits are placed with Singapore-regulated financial institutions.

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

Receivables for Lift Enhancement Programme, receivables for Neighbourhood Renewal Programme and grant receivables from statutory boards and the government are considered to have a low credit risk. At the reporting date, no loss allowance for these receivables was required.

The other receivables comprise mainly of grant receivables from Citizen's Consultative Committee, lift replacement funds matching grant, other deposits and GST Subvention receivables that are not past due or impaired as at 31 March 2025. For late payment penalty receivables, an ongoing credit evaluation is performed on the financial conditions of the receivables and losses on impairment are recognised in the statement of income and expenditure and other comprehensive income. The loss allowance of late payment penalty receivables totalling \$221,986 (2024: \$226,944) is determined at the reporting date (Note 13).

Investment in bond comprising bond issued by a statutory board with a good credit standing.

For conservancy and service fees receivables, an ongoing credit evaluation is performed on the financial conditions of the receivables and losses on impairment are recognised in the statement of income and expenditure and other comprehensive income. The loss allowance of conservancy and service fees receivables totalling \$876,382 (2024: \$802,640) is determined at the reporting date (Note 10).

The Town Council's conservancy and service fees receivables comprise mainly from S&CC collections. The credit risk for S&CC receivable arise mainly from residents who are facing significant financial hardships and have difficulties paying their S&CC fees despite letter of demand sent. Procedures are in place for collecting the outstanding S&CC including prosecution orders.

31. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Loss allowance is made in respect of overdue S&CC receivable from residents where the amount is still outstanding after all collection procedures are adhered to. The allowance represents the aggregate amount by which management considers it necessary to write down its loans receivable in order to state it in the balance sheet at its estimated recoverable value.

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 financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per FRS 109's presumption.

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	Low credit risks ^{Note 1}	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition ^{Note 2} or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4}	Written off

Note 1. Low credit risk

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

31. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Town Council compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Town Council considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Town Council's future outlook of the industry in which the debtor operates based on independently obtained information 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.

Note 3. Credit impaired

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

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or another financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

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

During the financial year ended 31 March 2025, the Town Council wrote off \$45,447 (2024: \$23,867) of conservancy and service fees receivables and \$6,340 (2024: \$3,755) of other receivables, of which \$Nil (2024: \$Nil) was recognised in income and expenditure during the year. The amounts were conservancy and service fees receivables and late payment penalty receivables from debtors which have been long outstanding and are not secured. In consideration of the aforementioned factors and the financial ability of the debtors, the Town Council assessed there is no reasonable expectation of recovery.

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

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

31. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Conservancy and service fees receivables (Note 10)

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

The ECL for conservancy and service fees receivables are estimated using an allowance matrix with fixed provision rates depending on the number of months that conservancy and service fees is past due by reference to the recommended guidelines by MND that are assessed by property type and household profile.

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

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

	<u>Current</u>	<u>Past due more than 1 to 90 days</u>	<u>Past due more than 91 to 180 days</u>	<u>Past due more than 181 to 360 days</u>	<u>Past due more than 360 days</u>	<u>Ex arrear</u>	<u>Total</u>
31 March 2025							
Expected credit loss rates	1.5%	3.9%	5.0%	22.6%	88.4%	95.9%	
Conservancy and service fees receivables (gross)	778,046	382,311	339,172	353,658	806,281	42,327	2,701,795
Loss allowance	11,806	14,880	16,871	79,774	712,441	40,610	876,382
31 March 2024							
Expected credit loss rates	0.1%	1.1%	1.2%	22%	86.3%	93.2%	
Conservancy and service fees receivables (gross)	739,949	376,965	339,448	339,370	801,550	28,431	2,625,713
Loss allowance	897	4,333	3,980	74,802	692,135	26,493	802,640

Other receivables (Note 13)

As of 31 March 2025, the Town Council recorded other receivables excluding prepayments and GST receivables of \$11,864,523 (2024: \$14,635,344).

The Town Council assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Town Council measured the impairment loss allowance using 12-month ECL and determined that loss allowance for other receivables is \$221,986 (2024: \$226,944).

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

31. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Town Council's exposure to credit risk in respect of the conservancy and service fees receivables and late payment penalty receivables are as follows:

<u>Internal credit risk grading</u>	<u>Conservancy and service fees receivables</u>			<u>Late payment penalty receivables</u>		
	<u>Note (i)</u> \$	<u>Category 5</u> \$	<u>Total</u> \$	<u>Note (i)</u> \$	<u>Category 5</u> \$	<u>Total</u> \$
<u>Loss allowance</u>						
Balance at 1 April 2023	773,999	-	773,999	218,980	-	218,980
Allowance made	52,508	-	52,508	11,719	-	11,719
Reclassification between categories	(23,867)	23,867	-	(3,755)	3,755	-
Written off	-	(23,867)	(23,867)	-	(3,755)	(3,755)
Balance at 31 March 2024	802,640	-	802,640	226,944	-	226,944
Allowance made	119,189	-	119,189	1,382	-	1,382
Reclassification between categories	(45,447)	45,447	-	(6,340)	6,340	-
Written off	-	(45,447)	(45,447)	-	(6,340)	(6,340)
Balance at 31 March 2025	<u>876,382</u>	-	<u>876,382</u>	<u>221,986</u>	-	<u>221,986</u>
<u>Gross carrying amount</u>						
At 31 March 2024	<u>2,625,713</u>	-	<u>2,625,713</u>	<u>378,241</u>	-	<u>378,241</u>
At 31 March 2025	<u>2,701,795</u>	-	<u>2,701,795</u>	<u>369,884</u>	-	<u>369,884</u>
<u>Net carrying amount</u>						
At 31 March 2024	<u>1,823,073</u>	-	<u>1,823,073</u>	<u>151,297</u>	-	<u>151,297</u>
At 31 March 2025	<u>1,825,413</u>	-	<u>1,825,413</u>	<u>147,898</u>	-	<u>147,898</u>

Note (i): For conservancy and service fees receivables and late payment penalty receivables, the Town Council uses the practical expedient under FRS 109 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Town Council's exposure to interest rate risk relates primarily to interest-earning fixed deposits with financial institutions and investments in bonds.

The Town Council's surplus funds are placed with reputable financial institutions or invested in bonds. The exposure to interest rate risk is minimal since the deposits are with fixed rate of interest throughout the term.

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

31. Financial instruments and financial risks (Continued)

Liquidity risk

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

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

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

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

	<u>Total</u> \$	<u>Less than 1 year</u> \$	<u>Between 2 and 5 years</u> \$
As at 31 March 2025			
Financial assets at fair value through income and expenditure	32,136,480	32,136,480	-
Conservancy and service fees receivables	1,825,413	1,825,413	-
Receivables for Lift Enhancement Programme	8,081,217	8,081,217	-
Receivables for Neighbourhood Renewal Programme	959,394	959,394	-
Other receivables and deposits (excluding prepayments & GST)	11,864,523	11,864,523	-
Cash and bank balances	<u>265,941,556</u>	<u>265,941,556</u>	-
Lease liabilities	216,300	142,800	73,500
Advances received for Lift Enhancement Programme	2,612,461	2,612,461	-
Advances received for Electrical Load Upgrading Programme	1,032,258	1,032,258	-
Payables and accrued operating expenses	<u>16,251,980</u>	<u>16,251,980</u>	-
	<u>Total</u> \$	<u>Less than 1 year</u> \$	<u>Between 2 and 5 years</u> \$
As at 31 March 2024			
Financial assets at fair value through income and expenditure	2,000,000	2,000,000	-
Conservancy and service fees receivables	1,823,073	1,823,073	-
Receivables for Lift Enhancement Programme	3,218,539	3,218,539	-
Receivables for Neighbourhood Renewal Programme	1,852,454	1,852,454	-
Other receivables and deposits (excluding prepayments & GST)	14,635,344	14,635,344	-
Cash and bank balances	<u>299,471,764</u>	<u>299,471,764</u>	-
Lease liabilities	700,672	491,508	209,164
Advances received for Lift Enhancement Programme	299,699	299,699	-
Advances received for Electrical Load Upgrading Programme	1,095,661	1,095,661	-
Payables and accrued operating expenses	<u>24,943,108</u>	<u>24,943,108</u>	-

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

31. Financial instruments and financial risks (Continued)

Financial instruments by category

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

	<u>2025</u> \$	<u>2024</u> \$
<i>Investments in bonds, represent financial assets measured at fair value through income and expenditure</i>	<u>32,136,480</u>	<u>1,981,200</u>
<i>Loans and receivables, represent financial assets measured at amortised cost</i>		
Conservancy and service fees receivables	1,825,413	1,823,073
Receivables for Lift Enhancement Programme	8,081,217	3,218,539
Receivable for Neighbourhood Renewal Programme	959,394	1,852,454
Other receivables and deposits (excluding prepayments & GST)	11,864,523	14,635,344
Cash and bank balances	<u>265,941,556</u>	<u>299,471,764</u>
	<u>288,672,103</u>	<u>321,001,174</u>
<i>Financial liabilities at amortised cost</i>		
Lease liabilities	209,164	700,672
Advances received for Lift Enhancement Programme	2,612,461	299,699
Advances received for Electrical Load Upgrading Programme	1,032,258	1,095,661
Payables and accrued operating expenses	<u>16,251,980</u>	<u>24,943,108</u>
	<u>20,105,863</u>	<u>27,039,140</u>

32. Funds management

The Town Council's objectives when managing funds are:

- (a) to safeguard the Town Council's ability to continue as going concern;
- (b) to provide resources to sustain future development; and
- (c) to provide funds for the purpose of strengthening the Town Council's risk management capability.

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

There were no changes in the Town Council's approach to funds management during the year. The Town Council is not subject to externally imposed capital requirements. At the end of the reporting period, the Town Council's total funds amounted to \$299,490,525 (2024: \$295,887,999).

33. Fair value of financial assets and liabilities

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

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

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

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

The financial assets at fair value through income and expenditure in Note 9 are categorised as Level 1.

34. Events subsequent to the reporting date

In accordance with the Act, the MND issued the Town Councils (Declaration) Order 2025 (“Order”) on 30 May 2025. The Act limits a Town Council to cover a maximum of three constituencies. Therefore, the Town Council reconstitutes to cover Yio Chu Kang SMC and Kebun Baru SMC and Ang Mo Kio GRC, while a new Town Council, Jalan Kayu Town Council (“JKTC”) is established to serve residents in Jalan Kayu SMC.

Under the Order, the Town Council hand over the properties to JKTC on 1 August 2025 based on actual EDUs related to JKTC. Funds transfer to support the operations of JKTC will also be apportion based on EDU basis.

After the general election, the Town Council needs to set aside 80% of the accumulated surplus to transfer to the Sinking Fund (65%) and the Lift Replacement Fund (35%). The funds set aside for the transfer of surpluses is \$13,181,021.

With the above changes, the remaining EDUs from the existing Jalan Kayu and Fernvale merge and form new divisions namely Seletar - Serangoon and Buangkok - Fernvale South.

The Town Council continues to manage the Yio Chu Kang SMC, Kebun Baru SMC and Ang Mo Kio GRC, comprising the divisions of Ang Mo Kio - Hougang, Buangkok - Fernvale South, Cheng San, Seletar - Serangoon and Teck Ghee.