HOMETEAMNS

Financial Report

FY24/25

Management Committee's Statement and Financial Statements for the Financial Year ended **31 March 2025**

HOMETEAMNS

MANAGEMENT COMMITTEE'S STATEMENT

Opinion of Management Committee

In the opinion of Management Committee,

(a) the accompanying statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in reserves, statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the financial position of HomeTeamNS (the "Association") as at 31 March 2025 and of the financial performance, changes in reserves and cash flows of the Association for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The Management Committee has approved and authorised these financial statements for issue.

On behalf of the Management Committee,

Mr K Puvenesveran
General Secretary

Mr Wang Heh
Treasurer

Singapore

20 August 2025

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of HomeTeamNS (the "Association"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in reserves and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying financial statements of the Association. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

As described in Note 2.1 to the financial statements, the Association suffered a ransomware attack during the financial year, which significantly disrupted its information systems. This resulted in the loss or inaccessibility of accounting records, audit logs, supporting documentation and detailed information relating to manual journal entries for the period from 1 April 2024 to 25 February 2025.

As a result of the incident, we were unable to obtain sufficient appropriate audit evidence in relation to the following financial statements line items for the affected period:

Statement of Profit or Loss and Other Comprehensive Income
- Operating revenue: Members' subscription, Clubhouse facilities, Chalet rental income, Clubhouse courses/activities;
- General overheads: Building and utilities, Administration and general operating expenditure

The Association was also unable to provide alternative evidence to support the completeness and accuracy of these balances and their related disclosures.

Due to the nature and extent of the matter described above, we were unable to determine whether any adjustments might have been necessary in respect of the financial position of the Association as at 31 March 2025, and its financial performance and cash flows for the year then ended.

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 Societies Act (the "Act") and Financial Reporting Standards in Singapore ("FRs"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Association's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Association 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 ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Societies Regulations enacted under the Act to be kept by the Association have been properly kept in accordance with those Regulations.

PKF-CAP LLP

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore
20 August 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Notes	2025 $	2024 $
Operating revenue			
Government grants	4	9,008,800	7,765,321
Members' subscription		8,585,593	5,438,413
Clubhouse facilities		9,364,523	8,398,791
Slot machine account net surplus	5	3,161,698	3,367,887
Chalet rental income		2,034,751	2,177,787
Rental income	28	6,610,474	6,499,334
Carpark collection		1,445,660	1,472,947
Clubhouse courses/activities		1,175,895	963,813
Interest income		885,718	961,819
Other income	6	214,571	94,182
Total gross operating revenue		42,487,683	37,140,294
Less: General overheads			
Depreciation of property, plant and equipment	13	7,782,805	7,528,955
Depreciation of right-of-use assets	14	9,019,186	7,315,611
Buildings and utilities	7	10,209,228	8,881,279
Administration and general operating expenditure	8	17,309,698	16,134,114
Loss allowances on trade receivable	18	1,618	-
Other expenses	9	342,581	193,846
Finance costs	11	718,210	874,670
Total general overheads		45,383,326	40,928,475
Operating loss for the financial year		(2,895,643)	(3,788,181)
Amortisation of building funds and government grants	24	6,102,337	5,551,862
Fair value gain/(loss) of financial assets at fair value through profit or loss ("FVTPL")	15	471,798	266,038
Share of loss of joint venture	16	(343,345)	(36,674)
Net profit for the financial year		3,335,147	1,993,045
Total comprehensive income for the year		3,335,147	1,993,045

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025

	Notes	2025 $	2024 $
ASSETS			
Non-current assets			
Property, plant and equipment	13	144,634,794	149,305,529
Right-of-use assets	14	34,913,010	22,513,464
Other financial assets	15	24,670,308	8,120,773
Investment in a joint venture	16	65,578	258,923
Total non-current assets		204,283,690	180,198,689
Current assets			
Trade and other receivables	18	6,059,621	11,235,262
Prepayments		575,407	846,470
Finance lease receivables	17	-	808,373
Cash and cash equivalents	19	16,891,083	26,492,778
Cash restricted in use	19	3,199,931	6,854,447
Total current assets		26,726,042	46,237,330
Total assets		231,009,732	226,436,019
RESERVES, FUNDS AND LIABILITIES			
Reserves			
Accumulated funds		24,839,720	23,172,147
Sinking funds		1,229,320	895,805
Operating reserves		4,917,281	3,583,222
Total reserves		30,986,321	27,651,174
Non-current liabilities			
Lease liabilities	22	23,106,304	10,690,199
Provision for reinstatement costs	23	2,579,659	2,456,187
Deferred capital grant	24	144,726,352	152,183,652
Total non-current liabilities		170,412,315	165,330,038
Current liabilities			
Trade and other payables	20	10,612,504	9,611,845
Other liabilities	21	13,643,850	19,003,908
Lease liabilities	22	5,354,742	4,839,054
Total current liabilities		29,611,096	33,454,807
Total liabilities		200,023,411	198,784,845
Total reserves, funds and liabilities		231,009,732	226,436,019

The accompanying notes form an integral part of these financial statements.

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

	Accumulated funds $	Sinking funds $	Operating reserves $	Total $
2025				
Balance as at 1 April 2024	23,172,147	895,805	3,583,222	27,651,174
Net profit for the financial year, representing total comprehensive income for the financial year	3,335,147	-	-	3,335,147
Others				
Transfer to sinking fund	(333,515)	333,515	-	-
Transfer to operating reserves	(1,334,059)	-	1,334,059	-
Balance as at 31 March 2025	24,839,720	1,229,320	4,917,281	30,986,321
2024				
Balance as at 1 April 2023 (Restated)	22,175,624	696,501	2,786,004	25,658,129
Net profit for the financial year, representing total comprehensive income for the financial year	1,993,045	-	-	1,993,045
Others				
Transfer to sinking fund	(199,304)	199,304	-	-
Transfer to operating reserves	(797,218)	-	797,218	-
Balance as at 31 March 2024	23,172,147	895,805	3,583,222	27,651,174

The accompanying notes form an integral part of these financial statements.

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

	2025 $	2024 $
Cash flows from operating activities		
Net Profit for the financial year	3,335,147	1,993,045
Adjustments for:		
Share of loss of joint venture	343,345	36,674
Reversal of loss allowance on trade receivables	-	(3,914)
Amortisation of building funds and government grants	(6,102,337)	(5,551,862)
Fair value gain of financial assets at FVTPL	(471,798)	(266,038)
Interest income	(885,718)	(961,819)
Finance costs	718,210	874,670
Property, plant and equipment written off	254,765	79,547
Depreciation of property, plant and equipment	8,461,932	8,251,148
Depreciation of right-of-use assets	9,019,186	7,315,611
Non-cash government grants	(9,404,155)	(7,085,141)
Reversal of excess grant amortisation	13,270	-
Disposal of MHA funded assets	(170,593)	-
Lease modifications	1,308,961	-
Operating cash flows before changes in working capital	6,420,215	4,681,921
Finance lease receivables	808,373	1,458,724
Trade and other receivables	5,175,641	(6,161,984)
Prepayments	271,063	(617,121)
Trade and other payables	1,000,659	(3,189,493)
Other liabilities	(5,360,058)	4,142,123
Cash generated from operations	8,315,893	314,170
Interest received	807,981	484,449
Net cash flows generated from operating activities	9,123,874	798,619
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,045,962)	(2,374,194)
Additional investment in joint venture	(150,000)	-
Purchase of financial assets, at FVTPL	(16,000,000)	(5,000,000)
Cash restricted in use	3,654,516	967,096
Return of unutilised grant to grantor	(1,197,640)	-
Net cash flows used in investing activities	(17,739,086)	(6,407,098)
Cash flows from financing activities		
Repayments of interest expense under leases (Note A)	(56,431)	(73,997)
Repayments of obligations under leases (Note A)	(930,052)	(661,177)
Net cash flows used in financing activities	(986,483)	(735,174)
Net decrease in cash and cash equivalents	(9,601,695)	(6,343,653)
Cash and cash equivalents at the beginning of the financial year	26,492,778	32,836,431
Cash and cash equivalents at the end of the financial year (Note 19)	16,891,083	26,492,778

The accompanying notes form an integral part of these financial statements.

Note A: Reconciliation of liabilities arising from financing activities

	1 April 2024	Cashflows	Non-cash changes: Lease Acquisitions	Non-cash changes: Lease Modifications	Non-cash changes: Accretion of interest	Non-cash changes: Government grant on rental of clubhouses	31 March 2025
	$	$	$	$	$	$	$
Lease liabilities	15,529,253	(986,483)	-	22,727,693	594,738	(9,404,155)	28,461,046

	1 April 2023	Cashflows	Non-cash changes: Lease Acquisitions	Non-cash changes: Lease Modifications	Non-cash changes: Accretion of interest	Non-cash changes: Government grant on rental of clubhouses	31 March 2024
	$	$	$	$	$	$	$
Lease liabilities	22,563,594	(735,174)	-	-	785,974	(7,085,141)	15,529,253

The accompanying notes form an integral part of these financial statements.

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

1. General

HomeTeamNS (the "Association") (Registration Number: S91SS0103D) is registered as a Society under the Societies Act 1966 and domiciled in the Republic of Singapore situated in Singapore with its registered office at 31 Ah Hood Road, Singapore 329979.

The principal activities of the Association are:

(a) to work with the Singapore Police Force and the Singapore Civil Defence Force ("the Forces") in building morale and motivation in Operationally Ready National Servicemen ("NSmen") through unit cohesion and esprit-de-corps;

(b) to work with the Forces in promoting a sense of national belonging and pride among Home Team NSmen;

(c) to assist the Ministry of Home Affairs as well as the Forces in explaining and disseminating new policies;

(d) to provide social and recreational activities for Home Team NSmen and their families;

(e) to organise sporting events, outdoor activities and tours for Home Team NSmen; and

(f) to secure benefits, entitlement and privileges for Home Team NSmen and their families.

The Management Committee has approved and authorised these financial statements for issue on the date of the Management Committee's statement.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Association have been drawn up in accordance with the provisions of the Societies Act 1966 and Financial Reporting Standards in Singapore ("FRSs") including related Interpretations of FRSs ("INT FRSs") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are measured and presented in Singapore dollar ("$") which is the currency of the primary economic environment in which the Association operates and the presentation currency for the financial statements.

The preparation of financial statements in compliance with FRSs requires management to make judgements, estimates and assumptions that affect the Association's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3 to the financial statements.

2. Material accounting policy information (Continued)

2.1 Basis of preparation (Continued)

<u>Ransomware attack</u>

On 25 February 2025, the Association discovered that access to some of its servers was affected by a ransomware attack. The attack resulted in the loss or inaccessibility of accounting records and supporting documentation.

The Association took immediate steps to contain the attack and engaged external cybersecurity and forensic experts to investigate the extent of the breach, restore systems, and strengthen its IT security infrastructure. Key operational systems have since been restored, and additional measures have been implemented to improve the Association's overall cyber resilience.

The incident did not result in any direct financial loss from ransom payments. However, it caused temporary operational disruptions and additional costs associated with system recovery and improvements.

<u>Changes in accounting policies</u>

New standards, amendments and interpretations effective from 1 April 2024

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Association has adopted all the new and revised FRSs that are relevant to its operations and are effective for the current financial year. The adoption of the new/revised FRSs did not have any material effect on the financial statements of the Association.

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations, which have been issued by the ASC that are effective in future accounting periods and the Association has not decided to early adopt. The Association expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

2.2 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration to which the Association expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. Most of the Association's revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

<u>Members' subscriptions</u>

Members' subscriptions allow members to enjoy facilities and services offered by the Association at a discounted price throughout the membership period. These fees are recognised over time based on the membership terms as the member simultaneously receives and consumes the benefits provided by the Association.

2. Material accounting policy information (Continued)

2.2 Revenue recognition (Continued)

Interest income

Interest income is recognised on a time-apportionment basis using the effective interest method.

Slot machine takings

Slot machine takings are recognised at point in time on a cash collection basis net of winnings paid and government taxes.

Revenue from facilities

Revenue from the usage of clubhouse facilities, chalet and carpark are recognised at point in time upon utilisation of the facilities.

Revenue from services

Revenue from the provision of clubhouse courses/activities is recognised over time when the services are provided.

2.3 Government grants

Government grants are recognised as a receivable at fair value when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income. Grants which are receivable in relation to expenses to be incurred in the subsequent financial period, are included as government grant receivables and deferred government grant income, classified as current assets and current liabilities respectively.

2.4 Retirement benefits

Contributions to defined contribution plans are charged as an expense in the period in which the related service is performed. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Association's obligations under the plans are equivalent to those arising in a defined contribution plan.

2.5 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated undiscounted liability for unutilised annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the financial year.

2. **Material accounting policy information** (Continued)

2.6 Taxes

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

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

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

2. Material accounting policy information (Continued)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure on an item of property, plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Association and the cost can be measured reliably. All other costs of repairs and maintenance are recognised in profit or loss when incurred.

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the property, plant and equipment over their estimated useful life as follows:

Freehold properties	50 years
Leasehold properties - clubhouses and office premises	30 years
Chalets	10-14 years
Plant and equipment	5 years
Renovations and improvements	3-10 years

No depreciation is charged on construction-in-progress as they are not yet ready for their intended use as at the end of the financial year.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss in the year the asset is derecognised.

Fully depreciated assets still in use are retained in the financial statements.

2.8 Building funds

These relate to monies received from corporations/sponsors for construction of bowling alley, rifle range, 3-storey extension and eight 2-storey chalets in Bukit Batok Clubhouse. The Association recognises such contributions over the remaining period of the respective bowling alley, rifle range, extension and chalets to match the related depreciation expenses.

The annual rates of depreciation are as follows:

Eight 2-storey chalets (Phase IV)	14 years

2. Material accounting policy information (Continued)

2.9 Joint arrangements

The Association is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Association and at least one other party. Joint control is assessed under the same principles as control over subsidiaries. The Association classifies its interests in joint arrangements as joint ventures, where the Association has rights to only the net assets of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Association considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

Joint ventures are initially recognised in the statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for a joint venture above the fair value of the Association's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in the joint venture.

Under the equity method, the Association's share of post-acquisition profits or losses and other comprehensive income is recognised in the statement of comprehensive income. Post-acquisition changes in the Association's share of net assets of joint ventures and distributions received are adjusted against the carrying amount of the investments.

Losses of a joint venture in excess of the Association's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Association's net investment) are not recognised, unless the Association has incurred legal or constructive obligations to make good those losses or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Where the Association transacts with a joint venture, unrealised profits are eliminated to the extent of the Association's interest in the joint venture. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

2.10 Impairment of non-financial assets

At the end of each financial year, the Association reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Association 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2. Material accounting policy information (Continued)

2.10 Impairment of non-financial assets (Continued)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Financial instruments

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

Financial assets

The Association classifies its financial assets into one of the categories below, depending on the Association's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Association shall reclassify its affected financial assets when and only when the Association changes its business model for managing these financial assets. The Association's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within FRS109 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

2. Material accounting policy information (Continued)

2.11 Financial instruments (Continued)

Financial assets (Continued)

Amortised cost (Continued)

The Association's financial assets measured at amortised cost comprise trade and other receivables (excluding goods and services tax receivables), finance lease receivables and cash and bank balances in the statement of financial position.

Financial assets at fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or financial assets as fair value through other comprehensive income ("FVOCI") are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Derecognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Financial liabilities

The Association classifies its financial liabilities as other financial liabilites.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Derecognition of financial liabilities

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.12 Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash on hand, demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents exclude cash subject to restriction.

2. Material accounting policy information (Continued)

2.13 Leases

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Association's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if they are dependent on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Association if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Association is contractually required to dismantle, remove or restore the leased asset.

The Association presents the right-of-use assets and lease liabilities separately from other assets and other liabilities in the statements of financial position.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the remaining lease term.

2. **Material accounting policy information** (Continued)

2.13 **Leases** (Continued)

As lessee (Continued)

Subsequent measurement (Continued)

The estimated useful life of right-of-use assets are as follows:

Clubhouses and office premises	-	3 to 6 years
Copier machines	-	5 years

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.10 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities and variable lease payments not included in the measurement of lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Association revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

When the Association renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;

- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

2. Material accounting policy information (Continued)

2.13 Leases (Continued)

As lessor

Sub-lease arrangement

In classifying a sublease, the Association as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Association derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease as “Finance lease receivables”. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statements of financial position, which represents the lease payments owed to the head lessor.

Operating lease

The Association recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as rental income in the statement of profit or loss. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

2.14 Reserves

Accumulated funds represent the accumulated surpluses from the revenue generating activities of the Association of which, on the annual basis, the Association transfers 10% and 40% of the net surplus for the financial year to the sinking funds and operating reserves respectively.

2.15 Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

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. The increase in the provision due to the passage of time is recognised as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

3. Significant accounting judgments and estimates

In the application of the Association's accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements made in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Association's accounting policies and which have a significant effect on the amounts recognised in the financial statements.

<u>Determining the lease term</u>

The Association leases clubhouses, office premises and copier machines from external parties. Included in the lease arrangements, there are extension and termination options held and exercisable only by the Association. In determining the lease term, management considers the likelihood of either to exercise the extension option, or not to exercise the termination option. Management considers all facts and circumstances that create an economic incentive to extend and economic penalty or costs relating to the termination of lease.

Management has included potential cash outflows of $12,775,000 (2023: $12,775,000) in the measurement of lease liability for clubhouses and office premises, as it is reasonably certain that the extension option will be exercised. The assessment on lease terms is reviewed at the end of each financial year if there is significant change in the Association's intentions, business plan and other circumstances unforeseen since it was first estimated.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, 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.

<u>Loss allowance for impairment of trade and other receivables</u>

Trade receivables

Management determines the expected loss arising from default for trade receivables, by categorising them based on its historical loss pattern, historical payment profile, as well as credit risk profile of the customers. The carrying amount of trade receivables and loss allowance on trade receivable – third parties are disclosed in Note 18 to the financial statements.

Other receivables

Management determines whether there is significant increase in credit risk of these balances since initial recognition. Management has taken into account information that is available about other receivables' past, current and expected operating performance and cash flow position. Other receivables are subject to immaterial credit losses.

3. Significant accounting judgements and estimates (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Association estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and make certain entity-specific estimates (such as own credit rating, lease term, security as well as lease value) in order to reflect what the Association would have to pay.

The weighted average incremental borrowing rate applied to lease liabilities as at 31 March 2025 was 3.10% (2024: 3.66%) per annum. The carrying amount of lease liabilities as at 31 March 2025 was $28,461,046 (2024: $15,529,253). If the incremental borrowing rate had been 0.5% higher or lower than management's estimates, the Association's lease liabilities would have been lower or higher by approximately $168,819 (2024: $108,000).

Provision for reinstatement costs

The agreement with Ministry of Home Affairs (MHA) indicates that if MHA requires the Association to restore the premises to its original condition, the Association is obligated to do so.

As of 31 March 2025, the Association has recognised provisions for dismantlement, removal, or restoration costs related to the Adventure Centre, which is expected to close in December 2026, and the Bukit Batok main clubhouse, which is expected to close in March 2030. The carrying amount of provision for reinstatement costs are disclosed in Note 23 to the financial statements.

For the Balestier Clubhouse, reinstatement is near completion by July 2025 pending acceptance by SLA. The cost of reinstatement will be borne by joint venture HomeTeamNS-JOM in financial year 2026. As the reinstatement cost is not significant, no provision is made as of 31 March 2025.

The Association has also assessed that it is not probable that MHA will impose reinstatement requirements for other properties. Therefore, no provisions for dismantlement, removal, or restoration costs have been recognised for these other properties.

4. Government grants

	2025	2024
	$	$
Lease of clubhouses and office premises	8,577,931	7,143,264
Job Growth Incentive Scheme	-	1,165
Employment Credit Schemes	430,869	620,892
	9,008,800	7,765,321

4. Government grants (Continued)

Employment Credit Schemes

Employment Credit Schemes consist of the Senior Employment Credit and Progressive Wage Credit Scheme.

(a) The Senior Employment Credit are cash grants introduced in order to encourage employers to attract and retain older low-wage Singaporeans. The amount an employer can receive depends on the fulfillment of certain conditions under the scheme.

(b) The Progressive Wage Credit Scheme (PWCS) was introduced in Budget 2022 to provide transitional wage support for employers to:
- Adjust to upcoming mandatory wage increases for lower-wage workers covered by the Progressive Wage and Local Qualifying Salary requirements; and
- Voluntarily raise wages of lower-wage workers.

The Government will co-fund wage increases of eligible resident employees from 2022 to 2026.

5. Slot machine gross gaming revenue

	2025 $	2024 $
Fruit machine operations		
Collections from fruit machine	25,049,398	25,207,667
Winnings paid	(13,766,960)	(13,758,988)
Government taxes incurred	(6,930,092)	(6,827,056)
Gross gaming revenue	4,352,346	4,621,623
Direct expenses to support fruit machine operations		
Audit expenses	39,230	38,100
Depreciation of plant and equipment (Note 13)	679,127	722,193
Other fruit machine related miscellaneous expenses (i.e. Maintenance expenses, Food and beverage expenses, etc)	472,291	493,443
Total direct expenses	1,190,648	1,253,736
Net surplus before salaries and related expenses	3,161,698	3,367,887
Salaries and related expenses (Note 10)	(582,482)	(614,654)
Net surplus after salaries and related expenses	2,579,216	2,753,233

6. Other income

	2025	2024
	$	$
Reversal of loss allowance on trade receivables	-	3,914
Others	-	90,268
Reversal of provision for compensation for damages	214,571	-
	214,571	94,182

7. Buildings and utilities

	2025	2024
	$	$
Short-term leases expenses	146,042	146,132
Repair and maintenance	7,745,942	6,543,870
Utilities	2,317,244	2,191,277
	10,209,228	8,881,279

8. Administration and general operating expenditure

	2025	2024
	$	$
Employee benefits expenses (Note 10)	12,423,689	11,056,373
Publicity expenses	984,703	527,558
Membership expenses	506,741	612,679
Cohesion program expenses	575,694	883,226
Pre-operating expenses	-	2,800
Expendable sundry assets	131,260	139,957
Subsidies for activities	1,550,223	1,342,020
Professional and legal fees	297,920	517,615
Cost of services and non-cohesion program expenses	307,712	357,144
Insurance expenses	191,968	220,603
Others	339,788	474,139
	17,309,698	16,134,114

9. Other expenses

	2025	2024
	$	$
Non-claimable input GST	254,419	193,846
Reinstatement expenses	75,201	-
Others	12,961	-
	342,581	193,846

10. Employee benefits expenses

	2025	2024
	$	$
Salaries and bonuses	10,451,065	9,407,947
Contribution to defined contribution plan	1,593,732	1,407,335
Other benefits	378,892	241,091
	12,423,689	11,056,373

Employee benefits expenses of $582,482 (2024: $614,654) relating to fruit machines (Note 5) are included.

11. Finance costs

	2025	2024
	$	$
Interest expense on lease liabilities (Note 22)	594,738	785,974
Interest expense on provision for reinstatement costs (Note 23)	123,472	88,696
	718,210	874,670

12. Income tax`

The Association is exempted from tax under First Schedule of the Singapore Income Tax Act 1947.

13. Property, plant and equipment

	Freehold properties $ (Note i)	Leasehold properties - clubhouses and office premises $	Chalets $	Plant and equipment $	Renovations and improvements $	Construction-in-progress $	Total $
Cost							
Balance as at 31 March 2023	235,022	154,573,980	3,322,877	15,924,772	25,286,795	1,250,286	200,593,732
Transfers	-	73,296	-	632,482	-	(705,778)	-
Additions	-	1,268,115	-	415,333	412,280	337,699	2,433,427
Written off	-	(106,347)	-	(605,269)	-	-	(711,616)
Balance as at 31 March 2024	235,022	155,809,044	3,322,877	16,367,318	25,699,075	882,207	202,315,543
Transfers	-	-	-	710,777	-	(710,777)	-
Additions	-	1,999,216	-	1,016,920	192,962	836,864	4,045,962
Written off	-	(194,990)	-	(1,789,158)	(3,914,948)	-	(5,899,096)
Balance as at 31 March 2025	235,022	157,613,270	3,322,877	16,305,857	21,977,089	1,008,294	200,462,409
Accumulated depreciation							
Balance as at 31 March 20223	235,019	8,676,485	3,132,823	10,816,351	22,471,024	-	45,331,702
Depreciation for the financial year	-	5,164,359	46,944	1,843,654	1,196,191	-	8,251,148
Written off	-	-	-	(572,836)	-	-	(572,836)
Balance as at 31 March 2024	235,019	13,840,844	3,179,767	12,087,169	23,667,215	-	53,010,014
Depreciation for the financial year	-	5,410,704	46,944	2,206,239	798,045	-	8,461,932
Written off	-	(31,957)	-	(1,738,240)	(3,874,134)	-	(5,644,331)
Balance as at 31 March 2025	235,019	19,219,591	3,226,711	12,555,168	20,591,126	-	55,827,615
Carrying value							
Balance as at 31 March 2024	3	141,968,200	143,110	4,280,149	2,031,860	882,207	149,305,529
Balance as at 31 March 2025	3	138,393,679	96,166	3,750,689	1,385,963	1,008,294	144,634,794

13. Property, plant and equipment (Continued)

i. Freehold properties are held in trust by two individuals, who previously held position in the Ministry of Home Affairs.

ii. Allocation of the depreciation expenses:

	2025 $	2024 $
Fruit machines (Note 5)	679,127	722,193
Other property, plant and equipment	7,782,805	7,528,955
	8,461,932	8,251,148

14. Right-of-use assets

	Clubhouses and office premises $	Copier Machines $	Total $
At 1 April 2023	27,425,993	35,591	27,461,584
Additions	2,367,491	-	2,367,491
Depreciation charge	(7,304,028)	(11,583)	(7,315,611)
At 31 March 2024	22,489,456	24,008	22,513,464
Additions	21,418,732	-	21,418,732
Depreciation charge	(9,009,312)	(9,874)	(9,019,186)
At 31 March 2025	34,898,876	14,134	34,913,010

15. Other financial assets

15.1 Financial assets at FVTPL

	2025 $	2024 $
Funds with fund manager		
Balance as at the beginning of the financial year	8,120,773	2,845,408
Interest income recognised during the financial year	77,737	9,327
Additions during the financial year	16,000,000	5,000,000
Fair value changes recognised in profit or loss	471,798	266,038
Balance as at the end of the financial year	24,670,308	8,120,773

15. Other financial assets (Continued)

15.1 Financial assets at FVTPL (Continued)

(a) The above includes re-investments made by fund managers.

The information gives a summary of the significant sector concentrations within the investment portfolio including securities valued at level 1 of the fair value hierarchy:

	Level	2025	2024	2025	2024
		%	%	$	$
Balance as at the end of the financial year is made up of:					
Managed by investment bank:					
Bank balances		26.14	1.04	6,448,675	84,073
Fixed income - Unit trusts/ exchange traded index: Singapore	1	73.86	98.96	18,221,633	8,036,700
		100.00	100.00	24,670,308	8,120,773

16. Investment in a joint venture

Movements in carrying value:

	2025	2024
	$	$
Balance as at the beginning of the financial year	258,923	295,597
Share of loss for the financial year	(343,345)	(36,674)
Additional funds contributed	150,000	-
Balance as at the end of the financial year	65,578	258,923

The details of the joint venture are as follows:

Name of joint venture (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held by the Association 2025	2024
		%	%
HomeTeamNS-JOM Clubhouse (Singapore)	Provide social and recreational activities for members of the Association and JOM Clubhouse for Police Officer	50	50

The carrying value of investment in joint venture relates to the share of accumulated surplus or deficit of HomeTeamNS-JOM Clubhouse ("HJC"). HJC is jointly controlled by the Association and JOM Clubhouse for Police Officers ("JOM").

HJC is located at 31 Ah Hood Road, Singapore 329979.

16. Investment in a joint venture (Continued)

Summarised financial information in relation to the joint venture is presented below:

	2025	2024
	$	$
Non-current assets		
Property, plant and equipment	116,582	188,686
Current assets		
Trade and other receivables	449,916	485,367
Cash and cash equivalents	391,972	608,532
	841,888	1,093,899
Total assets	958,470	1,282,585
Current liabilities		
Trade and other payables	779,666	597,424
Deposits received	47,648	167,315
Total liabilities	827,314	764,739
Net assets	131,156	517,846

	2025	2024
	$	$
Revenue	1,656,720	2,021,940
Less:		
Building and utilities	1,030,402	862,803
Administrative expenses	1,240,905	1,135,620
Depreciation expenses	72,103	96,865
	2,343,410	2,095,288
Net deficit for the financial year	(686,690)	(73,348)

The information above reflects the amounts presented in the financial statements of the joint venture and not the Association's share of those amounts.

16. Investment in a joint venture (Continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Association's interest in joint venture, is as follows:

	2025 $	2024 $
HomeTeamNS - JOM Clubhouse		
Net assets		
Balance as at the beginning of the financial year	517,846	591,194
Additional funds contribution	300,000	-
Deficit for the financial year	(686,690)	(73,348)
Balance as at the end of the financial year	131,156	517,846
Investment in joint venture (50%)	65,578	258,923
Movements in carrying value:		
Balance as at the beginning of the financial year	258,923	295,597
Share of loss for the financial year	(343,345)	(36,674)
Additional funds contributed	150,000	
Balance as at the end of the financial year	65,578	258,923

17. Finance lease receivables

	2025 $	2024 $
Finance lease receivables		
- Non-current	-	-
- Current	-	808,373
	-	808,373

Some of the Association's subleases of its right-of-use assets of clubhouses and office premises are classified as finance leases as the subleases are for the majority remaining lease term of the head leases. Right-of-use assets relating to the head leases with subleases classified as finance lease are recognised.

Finance income on the net investment in subleases during the financial year is NIL (2024: $51,425).

The maturity analysis of finance lease receivables of the Association at the end of the financial year is as follows:

	2025 $	2024 $
Contractual undiscounted cash flows		
- Not later than a year	-	826,340
- Two to five years	-	-
Total undiscounted lease payments	-	826,340
Less: Future interest income	-	(17,967)
Net investment in finance lease	-	808,373

18. Trade and other receivables

	2025 $	2024 $
Trade receivables		
- Third parties	789,368	646,668
- Related parties	2,181,278	6,877,946
Less: Loss allowance on trade receivables	-	-
	2,970,646	7,524,614
Other receivables		
- Third parties	188,125	407,813
- Unbilled other receivables - related parties	104,094	116,960
- Related parties	2,424,516	2,265,719
- Deposits to secure services	346,128	333,058
- Grant receivable	26,112	587,098
Total trade and other receivables	6,059,621	11,235,262
Add:		
- Finance lease receivables (Note 17)	-	808,373
- Cash and bank balances (Note 19)	20,091,014	33,347,225
Total financial assets at amortised cost	26,150,635	45,390,860

Trade receivables have normal credit terms of 30 days (2024: 30 days).

The age analysis of trade receivables past due but not impaired is as follows:

	2025 $	2024 $
Past due for 1 to 30 days	283,997	542,780
Past due for 31 to 60 days	77,431	204,216
Past due for more than 60 days	363,812	77,418
	725,240	824,414

Movements in lifetime expected credit loss for trade receivables - third parties were as follows:

	Credit impaired	
	2025 $	2024 $
Balance as at the beginning of the financial year	-	21,626
Loss allowance during the financial year	1,618	-
Reversal of loss allowance during the financial year	-	(3,914)
Loss allowance written off	(1,618)	(17,712)
Balance as at the end of the financial year	-	-

18. Trade and other receivables (Continued)

The Association's related parties include the joint venture and those of government, government agencies and similar bodies.

The non-credit impaired trade receivables are subject to immaterial credit losses as at 31 March 2025 and 2024.

Trade receivables are written off when there is no reasonable expectation of recovery. As at 31 March 2025, trade receivables of $1,618 (2024: $17,712) were written off during the year.

Trade and other receivables due from related parties are considered to be a low credit risk and subject to immaterial credit loss. Credit risk for these assets has not increased significantly since their initial recognition.

19. Cash and bank balances

	2025 $	2024 $
Cash balances	1,444,850	1,577,171
Bank balances	9,646,164	11,752,914
Short-term deposits	9,000,000	20,017,140
Total cash and bank balances	20,091,014	33,347,225

Cash and bank balances comprise cash held by the Association and bank deposits. The carrying amounts of these assets approximate their fair values.

Short-term deposits bear interest at an average effective interest rate ranged between 2.00% and 3.60% (2024: 3.25% and 4.10%) per annum and will mature in May 2025 and November 2025 (2024: May 2024, August 2024, November 2024 and February 2025).

	2025 $	2024 $
Cash and bank balances at the end of the financial year	20,091,014	33,347,225
Less: Cash restricted in use (Note a)	(3,199,931)	(6,854,447)
Cash and cash equivalents	16,891,083	26,492,778

Note (a)
This relates to grants from the Ministry of Home Affairs which is restricted for use on the development of new clubhouses and infrastructural makeover to existing clubhouses.

20. Trade and other payables

	2025	2024
	$	$
Trade payables		
- Third parties	3,605,756	3,337,407
- Related party	181,710	403,109
- Slot machine tax payable	644,924	663,361
	4,432,390	4,403,877
Deposits received	1,675,901	1,697,260
Goods and Service Tax Payable	469,308	977,331
Accruals	4,034,905	2,533,377
Total trade and other payables	10,612,504	9,611,845
Less: Goods and Service Tax Payable	(469,308)	(977,331)
Less: Slot Machine Tax Payable	(644,924)	(663,361)
Add: Lease liabilities (Note 22)	28,461,046	15,529,253
Other financial liabilities at amortised cost	37,959,318	23,500,406

The average credit term for third parties trade payables ranges from 30 to 60 days (2024: 30 to 60 days). No interest is charged on the trade payables.

The Association's related party include the joint venture and those of government, government agencies and similar bodies.

Deposits received mainly relate to security deposits refundable to the Association's tenants of its clubhouses at the end of the lease term.

21. Other liabilities

	2025	2024
	$	$
Membership subscription received in advance	6,471,003	11,327,104
Deferred income for booking of facilities	1,532,472	1,695,314
Deferred government grant for rental	5,640,375	5,981,490
	13,643,850	19,003,908

22. Lease liabilities

	Clubhouses and office premises $	Copier machines $	Total $
At 1 April 2023	22,527,273	36,321	22,563,594
Additions	-	-	-
Interest expense (Note 11)	784,980	994	785,974
Lease payments			
- Principal portion	(7,022,819)	(11,522)	(7,034,341)
- Interest portion	(784,980)	(994)	(785,974)
At 31 March 2024	15,504,454	24,799	15,529,253
Additions	-	-	-
Interest expense (Note 11)	594,108	630	594,738
Lease modification	22,727,693	-	22,727,693
Lease payments			
- Principal portion	(9,785,860)	(10,040)	(9,795,900)
- Interest portion	(594,108)	(630)	(594,738)
At 31 March 2025	28,446,287	14,759	28,461,046

The maturity analysis of lease liabilities of the Association as at year end are as follows:

	2025 $	2024 $
Contractual undiscounted cash flows		
- Not later than a year	6,234,960	5,418,470
- Two to five years	24,919,740	11,257,440
Less: Future interest expense	(2,693,654)	(1,146,657)
Present value of lease liabilities	28,461,046	15,529,253
Presented in statement of financial position		
- Non-current	23,106,304	10,690,199
- Current	5,354,742	4,839,054
	28,461,046	15,529,253

As at 31 March 2025, the average incremental borrowing rate applied in the lease were 3.10% (2024: 3.66%).

Lease liabilities are denominated in Singapore dollars.

23. Provision for reinstatement costs

The provision for reinstatement costs are the estimated costs of dismantlement, removal or restoration of plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of right-of-use assets.

	2025 $	2024 $
Balance as at the beginning of the financial year	2,456,187	-
Additions during the financial year	-	2,367,491
Interest expense	123,472	88,696
Balance as at the end of the financial year	2,579,659	2,456,187

24. Deferred capital grant

	2025 $	2024 $
Movements in deferred government grant for clubhouse development/redevelopment:		
Balance as at the beginning of the financial year	152,183,652	157,735,514
Additions during the financial year	-	-
Reversal of excess grant amortisation	13,270	-
Return of unutilised grant to grantor	(1,197,640)	-
Amortisation for the financial year	(6,102,337)	(5,551,862)
Disposal of MHA Funded Assets	(170,593)	-
Balance as at the end of the financial year	144,726,352	152,183,652

25. Financial instruments and financial risks

The Association's activities expose it to credit risks, liquidity risks and market risks (including foreign currency risks and market price risks). The Association's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Association's financial performance.

The Management Committee is responsible for setting the objectives and underlying principles of financial risk management for the Association. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Management Committee.

There have been no changes to the Association's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis as indicated below.

25. Financial instruments and financial risks (Continued)

25.1 Credit risks

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Association.

Management monitors the credit ratings of counterparties regularly. The cash and cash equivalents are held with bank and financial institution counterparties, which rated at A, based on Standard and Poor's Rating. Impairment of cash and bank balances has been measured based on 12-month expected credit loss model. At the reporting date, the Association did not expect any credit losses from non-performance by the counterparties.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Association. The average credit period generally granted to trade receivable customers is about 30 days (2024: 30 days).

For trade and other receivable due from related parties (Note 18), the management has taken into account information that it has available internally about these related parties' past, current and expected operating performance and cash flow position. Management monitors and assess at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective related parties, by considering their performance ratio and any default in external debts. The risk of default is considered to be minimal as these related parties have sufficient liquid assets and cash to repay their debts. Therefore, amount due from related parties are subject to immaterial credit loss.

As at the end of the financial year, approximately 67% (2024: 51%) of the Association's trade receivables, excluding unbilled receivables, were due from 7 (2024: 17) customers.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in Note 18 to the financial statements.

25.2 Liquidity risks

Liquidity risk refers to the risk in which the Association encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

Analysis of financial instruments by remaining contractual maturities

The following table details the Association's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Association is expected to pay. The table includes both expected interest and principal cash flows.

2025	Within one financial year $	Later than one financial year but within five financial years $	Total $
Financial liabilities			
Trade and other payables (excluding goods and service tax payable, slot machine tax payable and provision for unutilised leave)	9,498,272	-	9,498,272
Lease liabilities	6,234,960	24,919,740	31,154,700
	15,733,232	24,919,740	40,652,972

25.2 Liquidity risks (Continued)

2024	Within one financial year $	Later than one financial year but within five financial years $	Total $
<u>Financial liabilities</u>			
Trade and other payables (excluding goods and service tax payable, slot machine tax payable and provision for unutilised leave)	7,536,106	-	7,536,106
Lease liabilities	5,418,470	11,257,440	16,675,910
	12,954,576	11,257,440	24,212,016

25.3 Market risks

<u>Foreign currency risks</u>

The Association is not exposed to significant foreign currency risk as majority of its transactions are denominated in Singapore dollar, which is its functional currency.

<u>Market price risks</u>

The Association's investments in other financial assets are susceptible to market price risks arising from uncertainties about future values of the instruments.

These are investments in open-ended unit trust or similar instruments. As at the end of the financial year, all open-ended unit trust were managed by fund manager (see Note 15). As a result, such investments are exposed to changes in fair value risk. The fair values of those assets as at the end of the financial year are disclosed in Note 15.

Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to market price risks at the end of the financial year.

The sensitivity analysis assumes an instantaneous 10% (2024: 10%) change in the market price from the end of the reporting period, with all variables held constant, the effects on the profit or loss would have been decreased/increased by $1,560,539 (2024: $812,077).

26 Fair values of financial assets and financial liabilities

The fair value measurement of the Association's financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Management considers that the carrying amounts of current financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair values due to their relative short term maturity.

The fair value of the financial assets at FVTPL are determined through market values provided by fund managers. These financial instruments have been classified as Level 1 in the current and previous financial years.

There were no transfers between levels of the fair value hierarchy and no changes in the valuation techniques of the various classes of financial instruments during the current financial year.

27 Capital commitments

As at the end of the financial year, commitments in respect of capital expenditure, excluding those relating to the joint venture (Note 16), are as follows:

	2025 $	2024 $
Capital expenditure contracted but not provided for - Commitments for the acquisition of property, plant and equipment	3,037,870	6,693,548

28 Operating lease commitments

<u>As lessors</u>

	2025 $	2024 $
Minimum lease received under operating leases recognised as income during the financial year	6,610,474	6,499,334

At the end of the financial year, the Association had contracted with tenants for the following future minimum rentals receivable under non-cancellable operating leases:

28. Operating lease commitments (Continued)

	2025	2024
	$	$
Not later than one year	7,307,214	6,805,833
Later than one year and not later than five years	16,436,817	7,380,486
	23,744,031	14,186,319

The Association has entered into commercial property leases on its clubhouses. These non-cancellable leases have remaining lease terms of between 1 and 5 years (2024: between 1 and 3 years).

29. Management of Association's funds

The Association's objectives when managing the funds are:

(a) To safeguard the Association's ability to continue as a going concern;

(b) To support the Association's stability and growth; and

(c) To provide funds for the purpose of strengthening the Association's risk management capability.

The capital structure of the Association consists of accumulated funds, sinking funds and operating reserves.

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

There were no changes in the Association's approach to capital management during the current financial year.

The Association is not subject to externally imposed capital requirements.

30. Significant related party transactions

HomeTeamNS applies the exemption in paragraph 25 of FRS 24 and is not required to disclose information about the transactions and outstanding balances, including commitments, with government related entities that has control or joint control of, or significant influence over HomeTeamNS.

During the financial year ended 31 March 2025, HomeTeamNS had paid rental to Ministry of Home Affairs (MHA), received membership income and funding in respect of rental grants from MHA.

30. Significant related party transactions (Continued)

Key management personnel remuneration

Key management personnel of the Associations comprise the management committee and other key management personnel. The detail of their remunerations are as follows:

	2025	2024
	$	$
Salaries and bonuses	1,018,292	897,505
Employer's contribution to defined contribution plan	81,560	64,732
	1,099,852	962,237