



AUTOMOBILE ASSOCIATION  
OF SINGAPORE



# Moving Forward & Emerging Stronger

ANNUAL REPORT | **2022**

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## VISION

To be the partner in motoring and to excel as the leader in quality vehicle recovery and motoring services in Singapore.



## MISSION

To represent our Members' interest and satisfy their needs for value and peace of mind. To be the voice of motorists and serve as a bridge between the motoring public and relevant agencies. To excel in our products, services and people.

## VALUE

We seek to provide value to our Members to achieve total customer satisfaction.

## LOYAL

We believe in building loyal and trusted relationships.

## ADVANCED

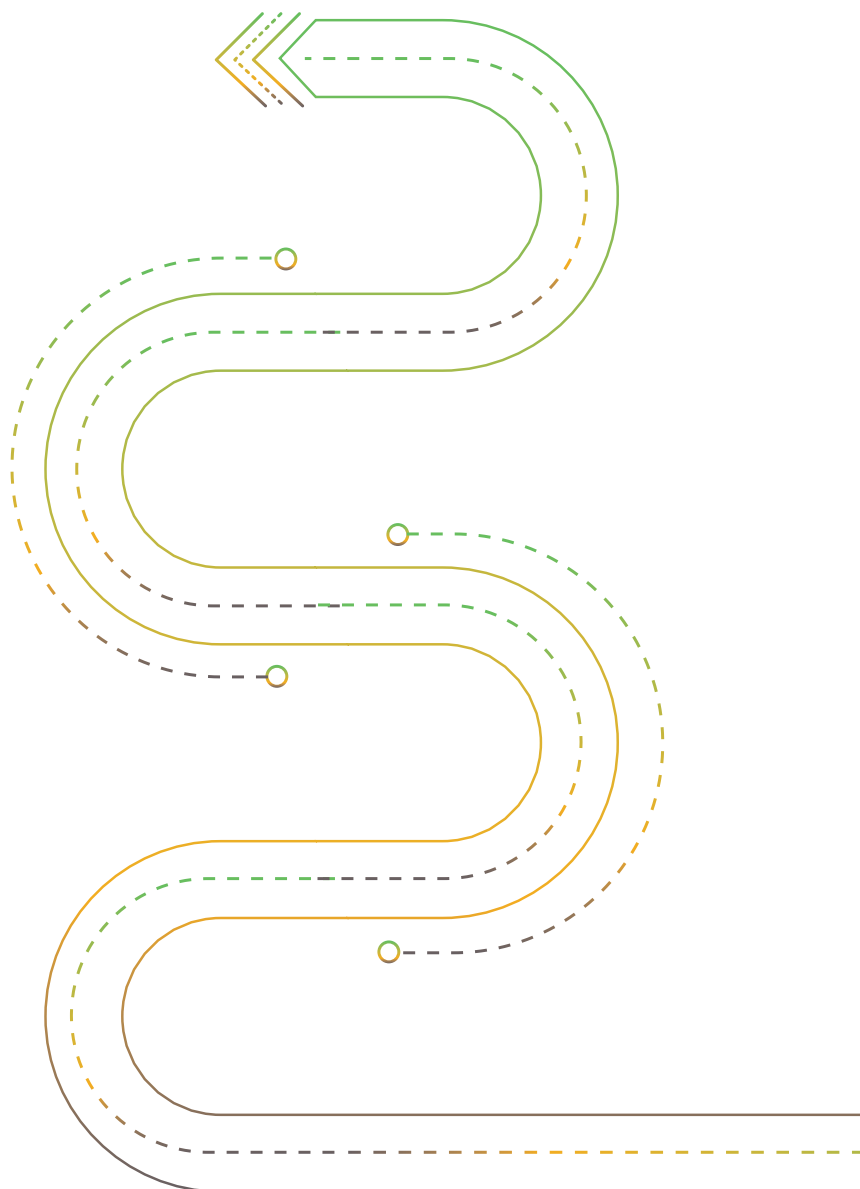
We seek to be advanced, advocating continuous improvement and innovation.

## UNITED

We foster a united workplace that encourages teamwork and dedication to advance our common business objectives.

## ETHICAL

We believe in acting with integrity by practising the highest ethical standards and honouring our commitments.



## PRESIDENT'S MESSAGE



WE ARE COMMITTED TO ENHANCING OUR CAPABILITIES ACROSS ALL AREAS OF OUR BUSINESS, WITH THE ULTIMATE GOAL OF DELIVERING GREATER VALUE TO OUR MEMBERS AND STAKEHOLDERS WHILE SECURING A SUSTAINABLE FUTURE FOR OUR COMPANY.

Dear AA Members,

### PUTTING MEMBERS AND OUR TEAM AT THE HEART OF OUR VISION

The year 2022 brought about a period of significant change, both in Singapore and worldwide.

Although the COVID-19 pandemic, which began in late 2019, continued to affect the world in 2022, significant progress was made in combating the virus. The widespread availability and successful roll-out of vaccines, instilled a sense of hope and marked the beginning of a new phase of post-pandemic recovery for Singapore and the world.

Over the past year, AA Singapore has remained dedicated to offering dependable, effective and safe services and activities to Members. Despite the challenges posed by COVID-19, we have worked tirelessly to adjust to the evolving circumstances and adapting to the challenges as they arose.

I am delighted to inform Members that with Singapore's successful vaccination programmes and gradual lifting of restrictions, the Association has since resumed services and activities that were previously halted due to the pandemic. While we are thrilled to be able to offer our complete range of services and activities to Members once again, we continue to prioritise the safety and well-being of our members, the motoring community at large and our employees.

## PRESIDENT'S MESSAGE

Throughout the past three years, we adhered to the government guidelines and recommendations to prevent the spread of COVID-19 by implementing necessary measures such as wearing of masks at our facilities, regular cleaning and sanitisation of our AA building and outlets where applicable. As part of our commitment to safety, we have also decided to maintain the discontinuation of the practice of allowing car owners to ride in the cabin of our recovery trucks and ferrying them to their destination while their vehicle is being towed.

Although we understand that some Members may have found this service convenient in the past, we seek Members' understanding and cooperation as our decision was made with everyone's safety in mind. We will continue to take every precaution necessary to help prevent the resurgence of Covid-19 and ensure that our services are always ready and available for Members.

### REDEFINING THE AA EXPERIENCE

2022 marked a significant turning point for Singapore, as we transitioned into a new phase of post pandemic recovery, where life has returned to a semblance of normalcy.

Despite the challenges posed by the Covid-19 pandemic, we are committed to enhancing our capabilities across our businesses, with the ultimate goal of delivering greater value to our Members and stakeholders while securing a sustainable future.

Over the last year, AA Singapore has been dedicated to enhancing our digital infrastructure, making it easier for Members to access AA Singapore via our online platforms.

To fortify the security of the AA Singapore App, we introduced a new login process and Members are required to create a new password when they login for the first time. A One-Time Password (OTP) has been implemented as an enhancement on the security feature to reduce the risk of an account being compromised.

As an additional measure, we have also introduced a biometric login feature that allows Members to easily access the AA Singapore App through the use of your facial recognition. By enabling the biometric login feature, Members can enjoy a secure and seamless experience when using our services.

Members who have encountered any difficulties with the AA website or AA Singapore app are encouraged to reach out to the Association. We welcome your feedback as it helps us improve our services and cater to Members' needs.

In consideration of the impact of Covid-19 on our Members and the motoring community, the Association continued to focus on providing added value to our Members through

Membership promotions, offering Members with more options at a better valued Membership rate.

To provide more value and benefits to our Members, the Association has been expanding our network of privilege partnerships beyond just motoring-related companies. Through our partnership network, it will allow us to work more closely with our privilege partners to support various initiatives, as well as offer an extensive range of options to our Members.

Besides corporate partners, we also partnered with Focus on the Family, and connecting with their followers on social media platforms. With this mutually beneficial partnership, this enables us to be able to reach out to a wider audience and actively engage with the community while offering our services.



### SUPPORTING THE JOURNEY OF MEMBERS

AAS Insurance Agency (AAS-IA) is committed to meeting the evolving insurance needs of our Members. We are delighted to introduce new online payment options for Motor Insurance renewal transactions with our insurance partners. By allowing Members to make direct payments in partnership with our insurance providers, this will not only enhance data security but also provide a more convenient and secure transaction experience.

Furthermore, we have partnered with Liberty Insurance Pte Ltd and Tokio Marine Insurance Singapore Ltd to incorporate Covid-19 coverage in our Tour Care Plus and TM Xplora Plus policies, respectively. These new enhancements were implemented in 2022 to offer our Members additional protection during the pandemic, which adds on to the previous enhancement made by AA Singapore to the Travel Guard by AIG in 2021.

## PRESIDENT'S MESSAGE

I am pleased to report a notable growth in the sales of our travel insurance products as commission revenue for travel insurance for 2022 have increased as compared to the previous fiscal year. As we move forward, AAS-IA remains dedicated to improving our product offerings to ensure that Members and customers receive the best possible insurance products and services.

In 2022, our subsidiary, Autoswift Recovery, took a significant step towards sustainability by incorporating electric vans into our operations. This move signifies our commitment to reducing our carbon footprint and contributing to a greener future. Notably, the larger carrying capacity of these electric vans has improved the efficiency of our operations, enabling us to transport a wider range of equipment and materials in a single trip, thereby enhancing our ability to respond to Members' requests for roadside assistance and mechanic services.

In January 2022, we forged a long-term strategic partnership with BCC Automotive Pte Ltd, a well-established local automobile repair chain store and the master franchisee of POINT S Singapore. This partnership has expanded a broader range of motoring-related services, providing members with access to more comprehensive or more complex repairs. This partnership reflects the Association's unwavering dedication to ensuring Members' satisfaction by providing specialised, high-quality services while promoting sustainability.

### AN ADVENTURE AWAITS

As border restrictions around the world gradually ease, we have observed a surge in international travel demand. To meet this growing demand, we have progressively resumed our Autoventure™ trips in 2022, offering our members a wider selection of travel destinations and more exciting options for their next Autoventure™. In April 2022, we organised our first trip to Scotland - 21D20N AA Fly Drive, which proved to be an unforgettable experience for all participants. Participants of the trip had the opportunity to immerse themselves in the country's rich culture and history while taking in the stunning views of the Scottish Highlands while cruising along the famous scenic North Coast 500 touring route.

Despite the unprecedented challenges and changes brought about by the pandemic in 2022, AA Singapore has demonstrated our unwavering dedication to providing our Members with exceptional travel experiences. We have taken a proactive approach to exploring new, safe, and interesting destinations, showcasing our dedication to meeting the diverse interests and needs of Members. By expanding our range of options, AA Singapore strive to offer Members more choices and create unforgettable adventures together.



### ENRICHED LEARNING FOR MEMBERS

AA Singapore is dedicated to promoting continuous learning and providing our members with diverse, interactive, and engaging activities. In 2022, the Association organised a total of 30 motoring and lifestyle workshops and courses. These courses included programmes from our training arm, AAS Academy, such as the Basic Car Maintenance Clinic, Car Appreciation Course, as well as a 1-Day Defensive Driving Course workshop conducted by the Singapore Safety Driving Centre. Our objective is to equip our members with valuable skills and knowledge in various areas, enabling them to make informed decisions and live fulfilling lives.

Members will be pleased to know that we have resumed hosting physical workshops at our AA Centre. AA Members can now look forward to participating in our range of informative and interactive workshops led by our experienced trainers.

## PRESIDENT'S MESSAGE

We recognise the importance of adapting to the changing needs and preferences of our members, and we are committed to providing them with innovative and convenient ways to enhance their knowledge and skills.

In 2022, AAS Academy took steps to provide flexible learning options for our members through technology. We conducted live training sessions on webinars and utilised the Learn@AAS, an online learning management system dedicated for AAS Academy. This platform enables Members to access training programs remotely and learn at their own pace and convenience.

In response to the growing need for safe driving practices, AAS Academy developed a new Safe Driving course in 2022. The Safe Driving course covers essential topics such as maintaining safe speeds, keeping a safe distance from other vehicles, and identifying and managing blind spots.

Last year, AAS Academy had the opportunity to deliver our new Safe Driving course to Borouge Pte Ltd during their Road Safety Month via a live webinar. The webinar session was tailored to promote safe driving practices among employees of Borouge Pte Ltd and raise awareness of the importance of road safety for all road users. Our expert trainer provided valuable insights and practical guidance, while facilitating personalised feedback and discussions with the employees during the training session. Through the provision of our training courses and sharing of our extensive expertise, AAS Academy strives to foster active engagement and collaboration with the motoring industry and community.

The AA Singapore collaborated with the Singapore Traffic Police, Singapore Civil Defence Force, and Singapore Road Safety Council to co-organise the AA Emergency Preparedness on the Road event. This initiative aimed to raise awareness among the local motoring community on the importance of regular vehicle maintenance to prevent vehicle fires, as well as the crucial role of giving way to emergency vehicles. Additionally, the event offered participants hands-on training on essential emergency procedures and life-saving skills through the Community Emergency Preparedness Programme (CEPP) by SCDF. We would like to express our gratitude to our Guest-of-Honour, Associate Professor Muhammad Faishal Ibrahim, for gracing the AA Emergency Preparedness on the Road event, and our partners for their valuable collaboration.

As the Association looks forward to continuing our efforts in promoting road safety for all, I hope that Members will continue to show their support for our future initiatives.



### STEERING TOWARDS SAFETY

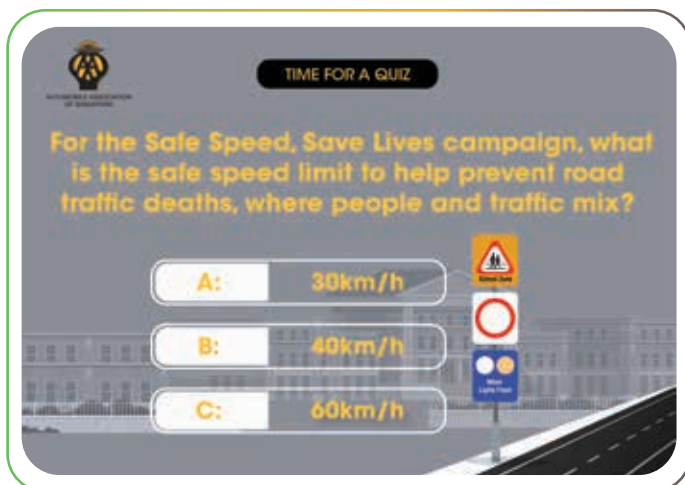
As a strong advocate of road safety, the Association remained consistent in our efforts to advocating for road safety through a range of impactful initiatives in 2022.

In May 2022, the Association collaborated with a local school bus management company, Yeap Transport Pte Ltd, to launch the "Safe Speed Saves Lives" #Love30 road safety campaign at the United World College West (Dover campus) in support of the UN Global Road Safety Week. The campaign, which was officiated by AA Singapore President Mr Bernard Tay and Yeap Transport Pte Ltd CEO Mr Adrian Yeap, aimed to advocate for low-speed streets and encourage drivers to maintain a speed of 30km/h in areas where people and motorists frequently mix, such as residential, silver, and school zone. "Safe Speed, Save Lives" bus decals were displayed on Yeap Transport's fleet of over 400 school buses to raise awareness among school bus drivers, who often encounter vulnerable pedestrians such as children and the elderly.

## PRESIDENT'S MESSAGE



As part of the campaign, AA Singapore organised a road safety webinar for school bus drivers and operators. The webinar aimed to educate the drivers on the dangers of speeding and how adhering to a safe speed limit of 30km/h can potentially prevent fatal accidents and save lives. The Association launched the “Safe Speed, Save Lives” online campaign #Love30 on AA Singapore’s social media platforms, Facebook and Instagram, featuring a series of social media posts to reinforce the important road safety messages and online quizzes.



The launch of “Safe Speed, Save Lives” #Love30 campaign received wide media coverage and interviews from local media outlets to discuss the importance of maintaining low speeds in areas where people and motorists frequently mix to prevent fatal accidents.

## PRESIDENT'S MESSAGE



### EMPOWERING OUR COMMUNITY

At AA Singapore, we recognise the significance of contributing to society and making a positive impact on the people around us.

In line with our commitment to establish meaningful connections with the community, the Association have collaborated with ITE to establish the Automobile Association of Singapore Book Prizes Award in 2022. This program seeks to recognise and reward exceptional graduates from the Nitec in Automotive Technology course and foster excellence in the field.

Additionally, the Association also extends our support for the ITE College West Token scheme, which helps to provide meal tokens to students from underprivileged families, of which we hope that through our contribution efforts, this will better help and support the wider community and improve the lives of those in need.

Last December, the staff of AA Singapore took the initiative to organise a Christmas Charity Donation Exercise in order to give back to the community. Instead of exchanging Christmas gifts amongst themselves,



employees collectively contributed funds to donate to Touch Community Services, a local charity organisation that provides assistance and support to those in need. This act of kindness from the staff is a testament to their dedication to positively impacting on the lives of individuals and families in the community, who require assistance. We hope that our contribution, no matter how small, will make a meaningful difference in their lives.

## PRESIDENT'S MESSAGE



### INVESTING IN THE FUTURE WITH OUR TEAM

We recognise the increasing importance of cybersecurity in the digital age and the potential risks associated with it. To equip our staff with the necessary skills to identify and mitigate cyber risks, we conducted Cybersecurity Awareness Training sessions for our staff. These sessions were conducted by the National Crime Prevention Council and helped our staff to gain a better understanding of the importance of cybersecurity.

The Association signed a MOU with the Singapore Manual and Mercantile Workers' Union (SMMWU) in 2022, to develop upskilling and reskilling initiatives for our staff members. As part of this partnership, we will collaborate with SMMWU to assess the training needs of our staff and design customised training programs.

We will also leverage technology to provide online and digital learning opportunities for our staff, enabling them to acquire new skills and knowledge at their own pace and convenience. By doing so, we will ensure that our staff are equipped with the latest technological know-how to remain competitive in the digital age.

Overall, I am confident that these efforts will not only enable our staff to adapt to changing business and technological requirements, but also contribute to the long-term sustainability in the future.

### EQUIPPING OURSELVES WITH TOMORROW'S CHALLENGES

Despite the significant changes that the Association and Singapore experienced last year, the Association have maintained an unwavering dedication to providing quality services for Members.

On behalf of the General Committee and Management, I express my deep gratitude to our Members, strategic partners, and staff for their unwavering support and commitment to the Association, especially during the challenging year of 2022. It is your dedication that has been the driving force that kept the Association pushing forward. Without your invaluable support and collaboration, AA Singapore would not have achieved all that we did in 2022.

I am confident that together, we will overcome any obstacles that lie ahead and emerge from these challenges stronger than ever before.

We recognise that there are uncertainties that lie ahead of us, and we remain vigilant in our efforts to mitigate its impact. We continue to monitor the situation closely and adjust our strategies accordingly. Our focus remains on providing our members with the best possible experience while ensuring their health and safety. We are confident that with the unwavering support of our dedicated team, we will continue to thrive in the years to come.

Thank you.

**Bernard Tay**  
President

## GENERAL COMMITTEE

**LOW BENG TIN**  
Deputy President

**BERNARD TAY**  
President

**WONG SIEW HONG**  
Secretary

**ALVIN PHUA**  
Treasurer



## GENERAL COMMITTEE



**CHIA HO CHOON**  
Committee Member



**S CHANDRA MOHAN**  
Committee Member



**EDWIN TAN**  
Committee Member



**RANKIN B. YEO**  
Committee Member



**TAY BOON KENG**  
Committee Member



**DARRYL WEE**  
Committee Member



**DAVID WONG**  
Committee Member



**THOMAS YEOH**  
Committee Member

## RESOURCE PANEL



KOH ING CHIN



ONG CHEE BENG



TAN HUN TWANG



DAMIAN TAY



WOO YEW LOK

## YEAR IN REVIEW



### BACK TO A NEW NORMAL

Year 2022 saw Singapore move into a new phase of post-pandemic recovery, as businesses and the community adjusted to a “new normal”. With the roll-out of vaccinations and the progressive easing of Covid-19 restrictions, the Association has been able to resume services and activities in a calibrated manner, allowing our Members to enjoy our full range of services and events once again.

Throughout the past year, we adhered to the guidelines and recommendations of Multi-Ministry Task Force and taken necessary steps to prevent the resurgence of Covid-19, such as conducting regular cleaning and sanitisation, as well as maintain proper hygiene at our premises.

As we move forward, the Association will continue to prioritise the health and safety of our Members and the community, and adapt our measures where necessary to ensure a safe and comfortable environment in which Members can enjoy our services and activities at ease.

### ELEVATING MEMBERS' EXPERIENCE

In 2022, despite the numerous challenges and alterations caused by the Covid-19 situation in Singapore, AA Singapore continues to provide Members with a diverse range of valuable membership privileges and benefits.

Over the past year, the Association has remained steadfast towards strengthening our digital infrastructure, enabling AA Singapore to be easily accessible to Members through our online platforms and ensuring that the Association meet the evolving needs of Members.

During the year in review, we enhanced the AA Singapore app's security measures by introducing a new login process. Members are now required to create a new password upon their first login, where they will be prompted to enter their Membership number, the last four characters of their NRIC, and their email address. A One-Time Password (OTP) will be sent to the Member's mobile phone via SMS, and Members are required to enter the OTP into their app.



Members will then be prompted to create their own password to complete the login process.

We further enhanced the login experience with a biometric login feature where Members can easily access the AA Singapore App using facial recognition as part of the improvements to our digital infrastructure to ensure a seamless experience for our Members.

Recognising the impact of Covid-19 on our Members and the motoring community, the Association continued to focus on providing added value to our Members. The Association launched several Membership promotions in 2022, offering Members with more options at a better valued Membership rate.

Members will not only enjoy extra cost savings through these newly launched promotions, but also be encouraged to stay connected with the Association and optimise the benefits of AA Membership. The Association will continue to explore new and innovative ways to enhance the value of our Membership and to providing Members with uninterrupted service, even during challenging times.

The Association also focuses on growing an extensive privilege partnership network beyond motoring partners. We expanded partnerships with like-minded partners such as MayBank, Stanley Black+Decker, SGCarMart, DeLonghi, CarBuyer, Volkswagen and FJBenjamin, to provide additional value and benefits to Members. Through our partnership network, it will enable us to work closely together to support initiatives and offer a wider range of options to our Members. We established a strategic partnership with Focus on the Family to cross promote on their social media page to reach out to their community of 26,000 followers. With this win-win arrangements, we are able to offer our services to a wider audience and engage the community.

## YEAR IN REVIEW



### SUPPORTING MEMBERS WITH AA SUITE OF SERVICES

At AA Singapore, we are committed to enhance our offerings and ensure they remain valuable and useful to our members. We continuously evaluate and improve our services, with the aim of providing an all-encompassing suite of solutions that cater to the unique needs of our members.

In 2022, our insurance subsidiary, AAS Insurance Agency (AASIA) introduced and offer online payment options for Motor Insurance renewal transactions with our insurance partners. With this move, Members can make their online payment to the insurance partners directly and this will greatly enhance the data security of Members and provide Members with a more convenient and safer way to transact with AAS-IA.

In addition to the enhancement of the Travel Guard by AIG in 2021, AAS-IA took initiatives to partner with Liberty Insurance Pte Ltd on the Tour Care Plus policy and Tokio Marine Insurance Singapore Ltd on the TM Xplora Plus policy to include coverage for Covid-19.

The enhancements for Tour Care Plus and TM Xplora Plus have been implemented on 28 January 2022 and 2 August 2022 respectively.

The Association saw an increase in commission revenue for travel insurance as compared to FY2021. This is a testament to the AAS-IA's efforts to provide Members with comprehensive protection plans that will equip them with the confidence to navigate the uncertainties resulting from the ongoing pandemic and rapidly changing travel restrictions. Moving forward, AAS-IA will continue to remain focused on improving our product offerings to provide Members and customers with high-quality insurance products and services.

Our subsidiary, Autoswift Recovery, took a significant step towards a greener future by launching and incorporating electric vans into our operations, showcasing the Association's commitment to promote sustainability, and reducing our carbon footprint.

The larger carrying capacity of these electric vehicles has enabled our staff to transport a greater amount of equipment and materials in a single trip, resulting in improved efficiency and better fulfilment of Members' requests on roadside assistance and mechanic services.

In January 2022, the Association established a long-term strategic partnership with BCC Automotive Pte Ltd, a well-established local automobile repair chain store and the master franchisee of POINT S Singapore.

The partnership allows the Association to broaden our range of motoring-related services that is offered to Members. Regardless of routine maintenance or more complex repairs, Members can access to an additional service option, where they not only enjoy a more comprehensive and holistic experience but also benefit from the specialised automobile repair and servicing solutions and extensive expertise that BCC Automotive offers.

**TM Xplora Plus**  
**Travel Insurance Protection**  
for you and your loved ones



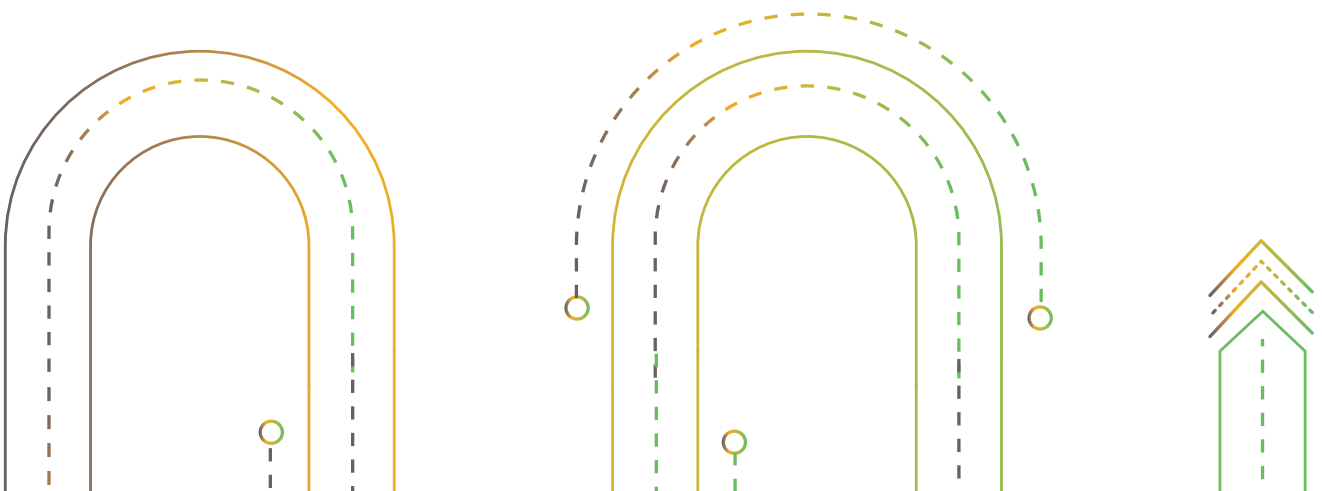
## YEAR IN REVIEW



### AN ADVENTURE BEYOND

There was a pent-up demand for international travel. As more border restrictions eased progressively around the world, our Autoventure™ trips resumed progressively in 2022 and expanded our offerings with new travel locations, providing Members with a wider range of exciting destinations. One such experience was the 21D20N AA Fly Drive Trip to Scotland, which took place in April 2022, covering the famous scenic North Coast 500 touring route. This marks our first trip to Scotland and participants get to take in breath-taking views of the Scottish Highlands while immersing themselves in the country's rich culture and history.

Amidst the unprecedented challenges and changes brought forth by the pandemic, AA Singapore is determined to provide distinctive and unforgettable travel experiences for our Members. The Association is actively exploring new destinations that are both unique and safe for our Members to travel to. By offering a wider range of destinations, we provide more options for our Members and create an exceptional travel experience that will better cater to the diverse travel interests and needs of our Members.



## YEAR IN REVIEW

### EMPOWERING MEMBERS' LEARNING

AA Singapore firmly believes in continual learning and provides Members with a diverse range of interactive and engaging activities. In 2022, the Association organised a total of 30 motoring and lifestyle workshops and courses. As Covid-19 and safety distancing measures gradually eased in Singapore, the Association have also progressively resumed organising physical workshops at our AA Centre. We offered courses through our training arm, AAS Academy, such as the Basic Car Maintenance Clinic and Car Appreciation Course, as well as a 1-Day Defensive Driving Course workshop conducted by the Singapore Safety Driving Centre.

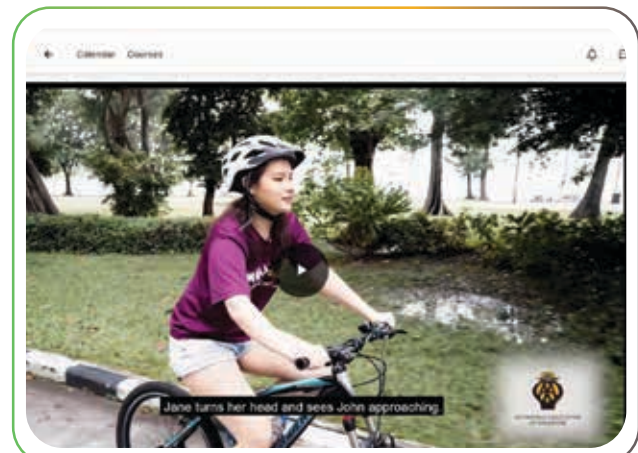
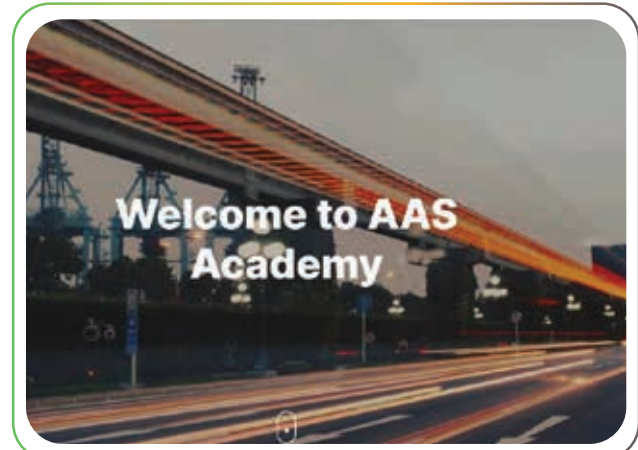
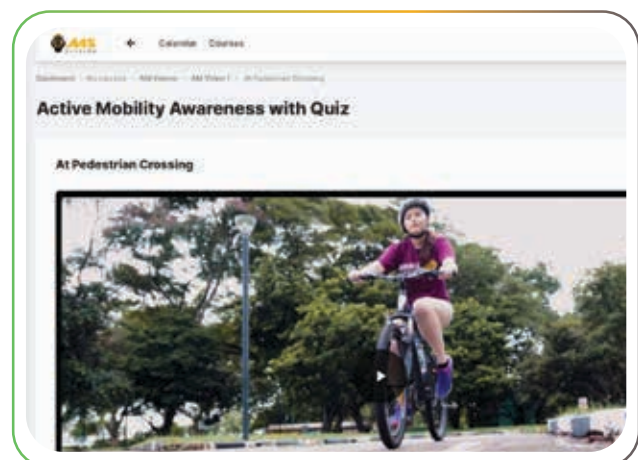
In addition, AAS Academy demonstrated its ability to adapt to the Covid-19 pandemic by providing flexible learning options for Members through technology. Over the past year, AAS Academy conducted live training sessions on webinars and Learn@AAS, an online learning management system dedicated to AAS Academy. This platform allows Members to access training programs remotely and provide them with the flexibility to learn at their own pace and convenience.

In 2022, AAS Academy recognised the increasing need for safe driving practices and proactively responded by developing a new Safe Driving course. The AAS Academy's Safe Driving course was designed to provide drivers with a comprehensive understanding of safe driving practices and was developed with the latest practices and industry standards in mind. The Safe Driving course covered essential topics such as maintaining safe speeds, keeping a safe distance from other vehicles, and identifying and managing blind spots.

AAS Academy delivered the new Safe Driving course via a live webinar to Borouge Pte Ltd during their Road Safety Month last year. The webinar was conducted with the aim of promoting safe driving practices among employees of Borouge Pte Ltd and raise awareness on the importance of road safety for all road users. During the training session, our experienced trainer provided employees with practical insights and guidance on maintaining safe speeds, keep a safe space from other vehicles as well as how to identify and manage blind spots, while facilitating personalised feedback and facilitating discussions. By sharing our expertise, we hope to engage the motoring industry and motoring community.

In addition, the Association co-organised the AA Emergency Preparedness on the Road event alongside the Traffic Police, Singapore Civil Defence Force and Singapore Road Safety Council. The aim was to educate our members and the motoring community about the significance of vehicle maintenance and to impart life skills to the participants to reduce the risks of vehicle fires and understand the importance of giving way to emergency vehicles.

Participants at the seminar also received practical hands-on training on core lifesaving skills and essential emergency procedures through the Community Emergency Preparedness Programme (CEPP) by SCDF, of which participants can apply these skills in the event of a vehicle fire or other emergencies that they may encounter daily. We were honoured to be able to have Associate Professor Muhammad Faishal Ibrahim as our Guest-of-Honour for the AA Emergency Preparedness on the Road event.



## YEAR IN REVIEW

### ON THE ROAD TO SAFETY

In 2022, the Association has continued to prioritise the promotion of road safety through various impactful initiatives.

In support of the UN Global Road Safety Week, the Association partnered the local school bus management company, Yeap Transport Pte Ltd, to launch the "Safe Speed Saves Lives" #Love30 road safety campaign at the United World College West (Dover campus) in May 2022. The campaign was officiated by the President of AA Singapore, Mr Bernard Tay and CEO of Yeap Transport Pte Ltd, Mr Adrian Yeap. The objective of the campaign was to promote the concept of low-speed streets and encourage drivers to maintain their speed at 30km/h in areas where people and motorists frequently mix, such as residential, silver, and school zones, to prevent fatal accidents. By displaying "Safe Speed, Save Lives" bus decals on Yeap Transport's fleet of more than 400 school buses, the Association aims to raise awareness among school bus drivers, who often encounter vulnerable pedestrians such as children and the elderly.



As part of the campaign, a road safety webinar was organised by AA Singapore, for the school bus drivers and operators, to educate them on the consequences of speeding and how maintaining a safe speed limit of 30km/h can prevent fatal accidents from happening and potentially save lives. To further promote the "Safe Speed, Save Lives" campaign and engage with the public, the Association conducted a Safe Speed, Save Lives #Love30 online campaign through our social media platforms, Facebook and Instagram. The campaign which featured a series of social media posts containing crucial road safety messages, were shared on AA Singapore's social media platforms from May to June 2022.

In addition, to encourage audience engagement with the 'Safe Speed, Save Lives' campaign, an interactive Quiz Giveaway was also organised, where participants had a chance to win exciting prizes when they take part in the Quiz.

The launch of "Safe Speed, Save Lives" #Love30 campaign received extensive media coverage from local media outlets. Further promoting the campaign's message, radio station 938 Live conducted an interview with AA Singapore to discuss the importance of keeping speeds low in areas where people and motorists frequently mix to prevent fatal accidents.



## YEAR IN REVIEW

### BUILDING A BETTER COMMUNITY

AA Singapore believes in the importance of giving back to society and making a positive impact on the lives of those around us.

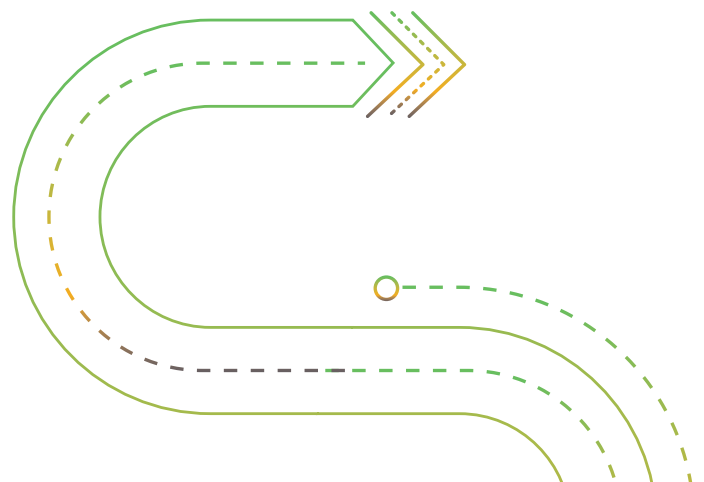
To further our belief in fostering meaningful connections with the wider community, AA Singapore supported the establishment of the Automobile Association of Singapore Book Prizes Award in partnership with ITE in 2022. This initiative aims to benefit outstanding graduates from the Nitec in Automotive Technology course and encourage excellence in the field.

The Association further extends our support to the ITE College West Token scheme, which provides meal tokens to students from underprivileged families. as we continue in our efforts to supporting the wider community and building a better future together.

### REVVING UP FOR THE FUTURE

2022 was a year of change for both the Association and the wider society in Singapore. Despite the numerous challenges we faced, our unwavering commitment to Members never faltered.

Moving forward, the Association will prioritise adapting to the evolving times, innovating new services for Members, improving our current offerings, and fostering positive relationships with the wider community and relevant groups. Together, we will overcome obstacles and seize opportunities that lie ahead, while emerging from the challenges stronger than ever before.



# MINUTES OF THE ANNUAL GENERAL MEETING

MINUTES OF THE ANNUAL GENERAL MEETING (AGM) OF MEMBERS OF THE AUTOMOBILE ASSOCIATION OF SINGAPORE HELD BY WAY OF ELECTRONIC MEANS ON WEDNESDAY, 18 MAY 2022 AT 6:30 PM.

## Present:

Bernard Tay, Chairman and President  
Low Beng Tin  
Alvin Phua  
Rankin B. Yeo  
Wong Siew Hong

## Via live webcast:

S Chandra Mohan  
Chia Ho Choon  
Edwin Tan  
Tay Boon Keng  
Darryl Wee  
David Wong  
Thomas Yeoh Eng Leong  
Koh Ing Chin  
Ong Chee Beng  
Tan Hun Twang  
Damian Tay  
Woo Yew Lok

## Scrutineer (in person)

Mr Joel Ng, Drew & Napier

## Polling Agent (attended via live webcast)

Ms Christine Choo, Agile8 Solutions Pte Ltd

In accordance with Clause 14c of the Constitution, the quorum for an AGM should be 35.

Mr Joel Ng, the representative from the Scrutineer, Drew & Napier confirmed that at the close of 6.30pm, the total number of members present was 46. As there was a quorum, President called the Meeting to order.

## 1. PRESIDENTS' ADDRESS

The President highlighted the following points:

It is my pleasure to welcome you to our AA Annual General Meeting 2022 this evening, which once again, we are holding it as an online meeting. We took this decision of holding the AGM as an online meeting this year as there was still considerable uncertainty around COVID-19 and potential restrictions at the time we were planning for the AGM. Nevertheless, we hope to be able to see in person soon in our upcoming activities.

This evening, we are presenting to you live from AA Centre at 2 Kung Chong Road and I am glad that you can join us at the live streaming of the AGM this evening.

Please be reminded that the AGM proceedings are private. Hence, please do not make any recording of today's proceedings. The Association will be recording this evening's proceedings on audio and video for the record.

I would like to introduce to you, our fellow Members of the General Committee, and other persons, all of whom are in attendance in person or by electronic means.

We have with us in person, Mr Low Beng Tin, Mr Alvin Phua and Mr Rankin Yeo.

The other GC Members, who are in attendance, include: Mr Chia Ho Choon, Dr Chandra Mohan, Dr Edwin Tan, Professor Tay Boon Keng, Mr Darryl Wee, Mr Thomas Yeoh, Mr David Wong and Mr Wong Siew Hong as well as our Members of the Resource Panel, Mr Koh Ing Chin, Mr Ong Chee Beng, Mr Tan Hun Twang, Mr Damian Tay and Mr Woo Yew Lock.

We also have in attendance our polling agent representatives from Agile 8 Solutions Pte Ltd; and in person, our independent Scrutineer from Drew & Napier, represented by Mr Joel Ng.

Without a doubt, 2021 had been a disruptive year and this has generated a challenging environment for companies and the society. AA Singapore has adapted to the constraints imposed by the pandemic. Wherever possible, we facilitated our employees to work from home and continued with our practice over the last 2 years. We are glad that our AA premises remained open during this period and continued to provide our Members with assistance and services. We took every effort to ensure our business-critical activities remained operational. We continued to adapt and improve our portfolio of products and services. I am also pleased to share that all AA employees are fully vaccinated, and we will continue to remain vigilant in keeping COVID at bay.

The pandemic has caused massive economic disruptions and challenges to our operations and business over the past 2 years. Although the Singapore Government had provided several financial schemes and grants to help businesses navigate through these challenging times and minimise the financial impact on companies, these financial assistance schemes and grants were reduced in 2021.

# MINUTES OF THE ANNUAL GENERAL MEETING

To ensure financial sustainability, the Association has embarked on new initiatives to strengthen revenue capabilities and achieve a more competitive edge, which focuses on driving innovation to deliver cost efficiencies without compromising members' experience. Some examples include accelerating digital investments to optimise business processes, working with strategic partners to drive greater efficiency, and increasing organisational agility to boost productivity.

In order to better understand our Members' perspectives, the Association had conducted Membership surveys over the past year and gained valuable insights and feedback from Members on the areas for improvement on our services, products and offerings.

As part of our active efforts, I would like to take this opportunity to announce that in January this year, the Association have entered a long-term strategic partnership with BCC Automotive Pte Ltd, a well-established local automobile repair chain in Singapore. With this partnership, Members now can gain access to the full suite of services and expertise provided by BCC and look forward to exclusive AA Membership deals and promotions.

With the opening of Vaccinated Travel Lanes in 2021, the Association is pleased to announce that we have progressively resumed our AUTOVENTURE trips. Starting in December 2021, the Association collaborated with Jeju Tourism Organisation to organise our very first 8 Days 7 Nights AUTOVENTURE Eco Drive trip to Jeju Island with a convoy of 19 members since the pandemic. To better serve the needs of our travellers, AAS Insurance Agency and AIG offered an enhanced Travel Guard plan, to provide Members with travel coverage for COVID-19 situations such as medical and evacuation costs, trip cancellation and trip postponement. The enhanced travel plan is a popular plan among Members and the travel insurance policies have increased 400% since the launch of the enhanced coverage.

In 2021, the Association organised a total of 54 motoring and lifestyle workshops for Members. Various talks and courses were regularly organised to engage our Members such as Overseas Driving Tips, Lasting Power of Attorney and Yoga.

In line with the Enterprise Singapore to innovate and transform, as well as the push for electric vehicles usage in Singapore, the Association launched the EV charging services at our AA Centre in 2021. Members can now enjoy competitive rates, together with complimentary parking at the EV parking lot when charging your vehicle at our AA Centre carpark.

In a move towards a greener environment and to reduce our carbon dioxide emissions, our subsidiary, Autoswift Recovery will be introducing 2 new EV vans into our fleet of service vehicles to better improve our efficiency in our service to our Members.

Advocating road safety remains a key focus area for AA Singapore and the Association have been constantly rolling out various road safety events to educate Members and the public on the importance of road safety for both motorists as well as pedestrians. The Association organised the FIA #3500LIVES – Share the Road event and we were honoured to have Mr Baey Yam Keng, Senior Parliamentary Secretary for the Ministry of Transport and Deputy Chairman of the Active Mobility Advisory Panel as our Guest-of-Honour. In November 2021, the Association launched the FIA-AA Busby Road Safety App, that intelligently monitors the users' outdoor activities and raises alert if the user is unresponsive and requires immediate assistance. To find out more about our road safety events, you may visit our AA website at [aas.com.sg](http://aas.com.sg) for more information.

In 2021, we sought Members' approval for the review of our AA Constitution and to introduce a new set of Bye-Laws. We are pleased to inform you these have since been approved by the Registry of Societies.

With the view of the rising digital trend, the Association has been consolidating and streamlining our processes to create a seamless experience for our Members as we continue to embark our journey on digital transformation to improve on our operational efficiencies and Members' experience.

Singapore is still facing the effects of the global pandemic, which simultaneously paralysed the world's economies, and this will take us time to recover. With Singapore taking a measured approach to ease the COVID-19 safety measures and reopening borders to all fully vaccinated travellers on Apr 1, the Association will continue to take a progressive approach to resuming and bringing back physical events, courses, activities, and Autoventures.

Lastly, on behalf of the Association, I would like to thank my fellow General Committee Members, Resource Panel Members, AA Management and staff, and our valued AA Members, for your unwavering support and contributions during these challenging times. AA will continue to safeguard the interest of our Members and I look forward to building on our successful history with you as we anticipate the future needs of road users and be ready to adapt to changes.

Thank you.

# MINUTES OF THE ANNUAL GENERAL MEETING

## 2. TO CONFIRM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 19 MAY 2021

As there were no comments received as at 5pm on 10 May 2022, the President handed over to the Scrutineer to announce the results. Based on the proxy forms received at 5pm on 13 May 2022 on Agenda item 1, the result of the vote was as follows:

Votes For: 100%  
Votes Against: 0%

On behalf of the Chairman, the Scrutineer declared that the Minutes of the Annual General Meeting held on 19 May 2021 had been approved by the Meeting.

## 3. TO RECEIVE AND, IF APPROVED, ADOPT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The annual report and audited financial statements were put before the meeting for discussion.

As there were no comments received as at 5pm on 10 May 2021, the President handed over to the Scrutineer to announce the results. Based on the proxy forms received at 5pm 13 May 2022 on Agenda item 2, the result of the vote was as follows:

Votes For: 100%  
Votes Against: 0%

On behalf of the Chairman, the Scrutineer declared that the Annual Report and Audited Financial Statements for the year ended 31 December 2021 had been received, approved and adopted by the Meeting.

## 4. TO ELECT SIX MEMBERS TO THE COMMITTEE FOR THE ENSUING TERM

President informed that he was an interested party since he was also standing for election to the General Committee ("GC").

For good corporate governance, President handed over the post of Chairman of the Meeting to the Deputy President, Mr Low Beng Tin, who chaired the Meeting from this point onwards.

Mr Low Beng Tin informed that under the Association's Constitution, the term of office of 6 committee members had expired and the need to elect 6 members to the GC. Mr Low also informed that the Scrutineer had duly verified and confirmed the nominations received.

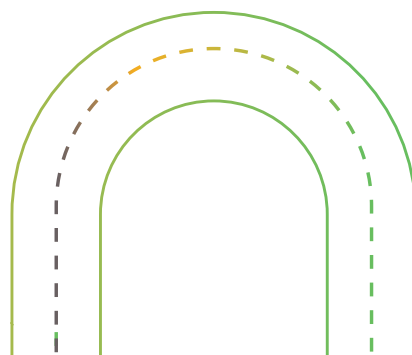
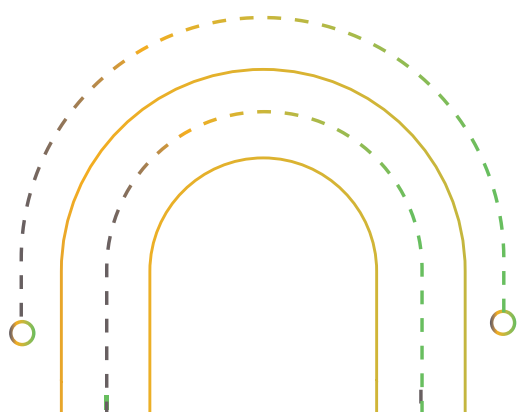
The Scrutineer reported that 6 nominations were received as at 5pm on 4 May 2022, being the time and date set for nominations to be closed.

The 6 nominees were:

Mr Bernard Tay  
Mr Alvin Phua  
Prof Tay Boon Keng  
Mr Thomas Yeoh Eng Leong  
Mr Darryl Wee  
Mr Wong Siew Hong

There were 6 candidates for the 6 vacancies. All the 6 candidates are deemed elected.

The President welcomed the newly elected members to the General Committee.



# MINUTES OF THE ANNUAL GENERAL MEETING

## 5. TO APPOINT AUDITORS FOR THE ENSUING YEAR

The President informed that the present auditors, Messrs Lo Hock Ling & Co. had indicated their willingness to be re-appointed for the ensuing year.

The President handed over to the Scrutineer to announce the results.

Based on the proxy forms received as at 5pm on 13 May 2022 on Agenda item 4, the result of the vote was:

Votes For: 100%

Votes Against: 0%

On behalf of the Chairman, the Scrutineer declared that the Messrs Lo Hock Ling & Co. was re-appointed auditors for the ensuing year.

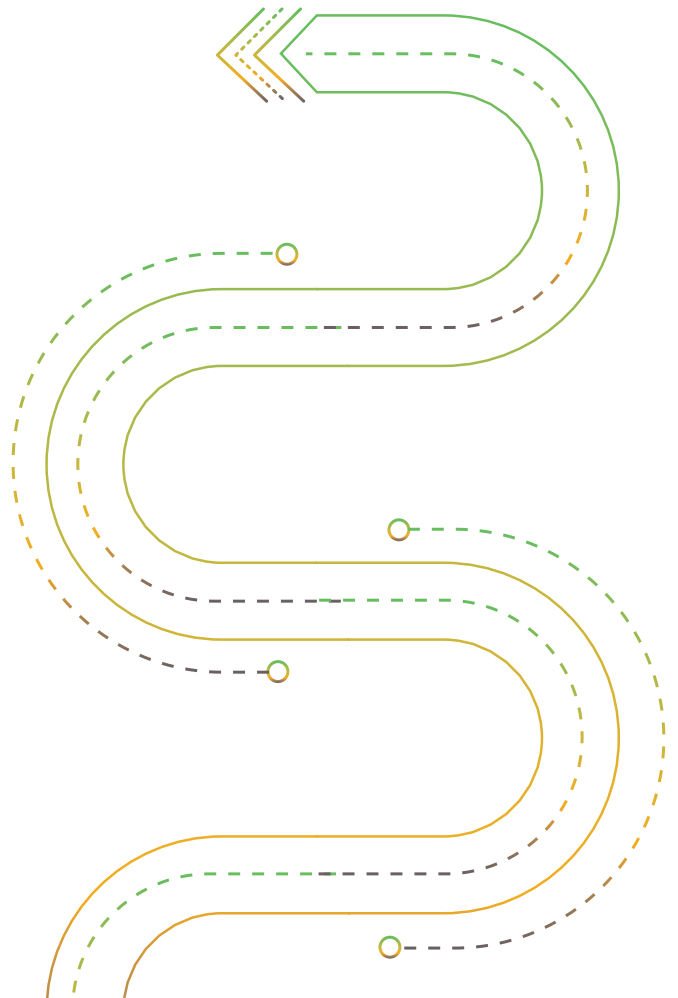
## 6. TO TRANSACT ANY OTHER BUSINESS OF WHICH NOTICE IN WRITING HAS BEEN RECEIVED BY THE CHIEF EXECUTIVE OFFICER BY 5PM ON 10 MAY 2022

The President informed the Meeting that as at 5pm on 10 May 2022, there were no emails nor letters received from members.

The President thanked all members for their support and attending the AGM.

As there was no other business to be discussed, the President formally declared the Meeting closed at 6.47 pm.

The President thanked Members for taking their understanding and support through these hard times, and look forward to their continued support in the years ahead.





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# CORPORATE INFORMATION 2022

**1. INSTRUMENT OF SETTING UP THE ASSOCIATION**  
Constitution of Automobile Association of Singapore

**2. UNIQUE ENTITY NUMBER OF THE ASSOCIATION**  
S61SS0040C

**3. REGISTERED ADDRESS**  
2 Kung Chong Road, #06-01 AA Centre, Singapore 159140

**4. GENERAL COMMITTEE**

<u>Name</u>	<u>Designation</u>
Mr. Bernard Tay	President
Mr. Low Beng Tin	Deputy President
Mr. Wong Siew Hong	Secretary
Mr. Alvin Phua	Treasurer
Dr. S Chandra Mohan	Committee Member
Mr. Chia Ho Choon	Committee Member
Dr. Edwin Tan	Committee Member
Prof. Tay Boon Keng	Committee Member
Mr. Darryl Wee	Committee Member
Mr. David Wong	Committee Member
Mr. Thomas Yeoh	Committee Member
Mr. Rankin B. Yeo	Committee Member

**5. MEMBERSHIP SUB-COMMITTEE**

Mr. Alvin Phua  
Dr. Edwin Tan  
Mr. Tan Hun Twang  
Dr. S Chandra Mohan  
Mr. Bernard Tay (Ex-Officio)

**6. AUDIT SUB-COMMITTEE**

Mr. David Wong  
Mr. Rankin B. Yeo  
Mr. Koh Ing Chin  
Mr. Bernard Tay (Ex-Officio)

**7. FINANCE AND INVESTMENT SUB-COMMITTEE**

Mr. Alvin Phua  
Mr. Thomas Yeoh  
Mr. Koh Ing Chin  
Mr. Bernard Tay (Ex-Officio)

**8. HUMAN RESOURCE AND REMUNERATION SUB-COMMITTEE**

Mr. Low Beng Tin  
Mr. Rankin B. Yeo  
Dr. Woo Yew Lock  
Mr. Bernard Tay (Ex-Officio)

**9. KUNG CHONG REDEVELOPMENT SUB-COMMITTEE**

Mr. David Wong  
Mr. Chia Ho Choon  
Mr. Bernard Tay (Ex-Officio)

**10. JACKPOT SUB-COMMITTEE**

Dr. S Chandra Mohan  
Mr. Rankin B. Yeo  
Mr. Darryl Wee  
Mr. Bernard Tay (Ex-Officio)

**11. DIGITAL REVIEW COMMITTEE**

Mr. Darryl Wee  
Mr. Wong Siew Hong  
Mr. Damian Tay  
Mr. Ong Chee Beng  
Mr. Bernard Tay (Ex-Officio)

**12. FOUNDATION STEERING COMMITTEE**

Mr. Low Beng Tin  
Mr. Wong Siew Hong  
Mr. David Wong  
Mr. Alvin Phua  
Mr. Bernard Tay (Ex-Officio)

**13. PRINCIPAL BANKERS**

DBS Bank Ltd  
Standard Chartered Bank (Singapore) Limited  
Bank of Singapore Limited

**14. AUDITORS**

Lo Hock Ling & Co.  
Chartered Accountants Singapore

# STATEMENT BY THE GENERAL COMMITTEE

In our opinion, the accompanying financial statements of Automobile Association of Singapore (the "Association") and its subsidiary companies (collectively the "Group") set out on pages 28 to 78 are drawn up so as to give a true and fair view of the financial position of the Group and the Association as at 31 December 2022 and the financial performance and changes in funds of the Group and the Association and cash flows of the Group for the financial year covered by the financial statements.

The General Committee has, on the date of this statement, authorised these financial statements for issue.

On behalf of the General Committee

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Bernard Tay Ah Kong  
President

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Alvin Phua  
Treasurer

Singapore, 4 April 2023

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUTOMOBILE ASSOCIATION OF SINGAPORE

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Automobile Association of Singapore (the "Association") and its subsidiary companies (collectively the "Group") set out on pages 28 to 78, which comprise the statements of financial position (balance sheets) of the Group and of the Association as at 31 December 2022, the statements of comprehensive income and statements of changes in funds of the Group and of the Association, and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds of the Association are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Association as at 31 December 2022 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group, and of the financial performance and changes in funds of the Association for the year ended on that date.

### Basis for Opinion

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

### Other Information

Management is responsible for the other information. The other information comprises the information included in Corporate Information, the Statement by the General Committee and other sections of the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUTOMOBILE ASSOCIATION OF SINGAPORE

## **Responsibilities of Management and General Committee 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 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The General Committee's responsibilities include overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUTOMOBILE ASSOCIATION OF SINGAPORE

## Auditor's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the General Committee 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

In our opinion, the accounting and other records required by the regulations enacted under the Act and the provisions of the Singapore Companies Act 1967 to be kept by the Association and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept.

During the course of our audit, nothing came to our notice that caused us to believe that, in all material respects,

- (i) any profits from the private lotteries were accrued to any individuals; or
- (ii) any commission either in money or money's-worth, including by way of free tickets or chances, was paid in respect of the sales of tickets or chances.

Singapore, 4 April 2023

LO HOCK LING & CO.  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS SINGAPORE

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Group		Association	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>INCOME</b>					
Membership subscriptions and entrance fees		2,243,401	2,477,298	2,240,601	2,472,905
Vehicle recovery and towing services		919,656	939,485	20,939	19,227
Fruit machine net takings	3	1,298,147	1,092,910	1,298,147	1,092,910
Income from other services	4	3,076,327	1,260,278	2,602,060	776,681
Interest income	5	668,263	546,396	992,762	792,936
Lease income (net)	6	1,443,868	1,456,399	–	–
Income from workshop services and related sale of goods	7	2,948,937	–	–	–
Reversal of impairment losses on					
– investment properties	14	3,568,280	–	–	–
– investments in subsidiary companies	18	–	–	1,750,000	–
Other income	8	563,488	466,110	1,347,607	1,022,699
<b>Total income</b>		<b>16,730,367</b>	<b>8,238,876</b>	<b>10,252,116</b>	<b>6,177,358</b>
<b>LESS EXPENDITURE</b>					
Direct costs for workshop income and related sale of goods		1,398,195	–	–	–
Depreciation expense	9	2,631,921	2,458,148	639,357	626,421
Amortisation of intangible assets	15	48,024	58,766	25,248	45,110
Employee benefits expense	10	6,084,396	4,847,198	2,949,414	2,566,625
Membership promotion, publicity and meetings		509,690	372,914	509,691	373,423
Finance costs	28	56,927	73,292	33,268	73,292
Other expenses	11	4,023,109	3,335,416	4,609,132	4,249,914
<b>Total expenditure</b>		<b>14,752,262</b>	<b>11,145,734</b>	<b>8,766,110</b>	<b>7,934,785</b>
<b>Surplus/(deficit) before tax</b>		<b>1,978,105</b>	<b>(2,906,858)</b>	<b>1,486,006</b>	<b>(1,757,427)</b>
Income tax expense	12	(141,019)	(143,676)	(144,000)	(106,828)
<b>Surplus/(deficit) for the year</b>		<b>1,837,086</b>	<b>(3,050,534)</b>	<b>1,342,006</b>	<b>(1,864,255)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that may be reclassified subsequently to profit or loss:					
Net fair value losses reclassified to profit or loss upon disposal of bonds	23	39,500	67,625	39,500	88,895
Fair value (losses)/gains on financial assets at FVOCI, recognised in other comprehensive income	23	(1,216,312)	(321,663)	(1,216,312)	(321,663)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(1,176,812)</b>	<b>(254,038)</b>	<b>(1,176,812)</b>	<b>(232,768)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>660,274</b>	<b>(3,304,572)</b>	<b>165,194</b>	<b>(2,097,023)</b>

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

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

Notes	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
<u>Surplus/(deficit) attributable to:</u>				
– Members of the Association	<b>1,869,829</b>	(3,050,534)	<b>1,342,006</b>	(1,864,255)
– Non-controlling interests	<b>(32,743)</b>	–	–	–
	<b>1,837,086</b>	(3,050,534)	<b>1,342,006</b>	(1,864,255)
<u>Total comprehensive income/(loss)</u>				
<u>attributable to:</u>				
– Members of the Association	<b>693,017</b>	(3,304,572)	<b>165,194</b>	(2,097,023)
– Non-controlling interests	<b>(32,743)</b>	–	–	–
	<b>660,274</b>	(3,304,572)	<b>165,194</b>	(2,097,023)

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	Group		Association	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	13	29,546,411	30,687,877	849,045	1,217,949
Investment properties	14	42,841,300	38,758,531	-	-
Intangible assets	15	270,179	51,748	142,308	29,506
Right-of-use assets	16	3,041,005	2,447,622	2,718,025	2,447,622
Financial assets, at FVOCI	17	16,176,750	15,575,062	16,176,750	15,575,062
Investments in subsidiary companies	18	-	-	6,000,002	4,386,502
Amount due from subsidiary companies	19	-	-	58,658,450	62,400,000
		<b>91,875,645</b>	<b>87,520,840</b>	<b>84,544,580</b>	<b>86,056,641</b>
<b>Current Assets</b>					
Financial assets, at FVOCI	17	-	1,004,000	-	1,004,000
Inventories	20	288,307	66,488	44,088	59,900
Trade and other receivables	21	2,257,990	2,113,845	1,054,892	849,471
Amount due from subsidiary companies	19	-	-	2,589,099	2,212,345
Cash and cash equivalents	22	20,822,611	23,290,235	8,787,677	7,255,559
		<b>23,368,908</b>	<b>26,474,568</b>	<b>12,475,756</b>	<b>11,381,275</b>
Total Assets		<b>115,244,553</b>	<b>113,995,408</b>	<b>97,020,336</b>	<b>97,437,916</b>
<b>TOTAL FUNDS, RESERVES AND LIABILITIES</b>					
<b>FUNDS AND RESERVES</b>					
Accumulated funds		104,572,737	102,832,931	79,945,733	78,733,750
Fair value reserve	23	(1,352,875)	(176,063)	(1,352,875)	(176,063)
Fruit machine replacement reserve	24	700,386	570,363	700,386	570,363
Total funds and reserves attributable to members of the Association		<b>103,920,248</b>	<b>103,227,231</b>	<b>79,293,244</b>	<b>79,128,050</b>
Non-controlling interests		<b>103,320</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Funds and Reserves		<b>104,023,568</b>	<b>103,227,231</b>	<b>79,293,244</b>	<b>79,128,050</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Subscriptions received in advance	25	983,525	1,368,886	983,525	1,368,886
Deferred tax liabilities	26	3,000	3,000	-	-
Trade and other payables	27	276,419	276,419	276,419	276,419
Lease liabilities	28	2,177,483	1,840,555	2,001,531	1,840,555
Amount due to subsidiary companies	19	-	-	9,901,264	9,843,238
		<b>3,440,427</b>	<b>3,488,860</b>	<b>13,162,739</b>	<b>13,329,098</b>
<b>Current Liabilities</b>					
Subscriptions received in advance	25	1,295,166	1,579,459	1,263,422	1,538,807
Trade and other payables	27	5,293,485	4,910,305	1,793,497	1,721,143
Lease liabilities	28	976,863	642,268	759,034	642,268
Amount due to subsidiary companies	19	-	-	601,592	971,285
Amount due to bank – secured	30	42,237	-	-	-
Current tax liabilities		172,807	147,285	146,808	107,265
		<b>7,780,558</b>	<b>7,279,317</b>	<b>4,564,353</b>	<b>4,980,768</b>
Total Liabilities		<b>11,220,985</b>	<b>10,768,177</b>	<b>17,727,092</b>	<b>18,309,866</b>
Total Funds, Reserves and Liabilities		<b>115,244,553</b>	<b>113,995,408</b>	<b>97,020,336</b>	<b>97,437,916</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Accumulated funds \$	Fair value reserve \$	Fruit machine replacement reserve \$	Total funds attributable to members of the Association \$	Non-controlling interests \$	Total funds and reserves \$
<b>Group</b>							
Balance as at 1 January 2021		105,970,529	77,975	483,299	106,531,803	-	106,531,803
Deficit for the year		(3,050,534)	-	-	(3,050,534)	-	(3,050,534)
Other comprehensive loss for the year	23	-	(254,038)	-	(254,038)	-	(254,038)
Total comprehensive loss for the year		(3,050,534)	(254,038)	-	(3,304,572)	-	(3,304,572)
Transactions with owners, recognised directly in total funds and reserves							
Transfer to fruit machine replacement reserve, net of reserve utilised	24	(87,064)	-	87,064	-	-	-
		(87,064)	-	87,064	-	-	-
Balance as at 31 December 2021		102,832,931	(176,063)	570,363	103,227,231	-	103,227,231
Non-controlling interests arising from acquisition of subsidiary companies		-	-	-	-	136,063	136,063
Surplus/(deficit) for the year		1,869,829	-	-	1,869,829	(32,743)	1,837,086
Other comprehensive loss for the year	23	-	(1,176,812)	-	(1,176,812)	-	(1,176,812)
Total comprehensive income/(loss) for the year		1,869,829	(1,176,812)	-	693,017	(32,743)	660,274
Transactions with owners, recognised directly in total funds and reserves							
Transfer to fruit machine replacement reserve, net of reserve utilised	24	(130,023)	-	130,023	-	-	-
		(130,023)	-	130,023	-	-	-
Balance as at 31 December 2022		<b>104,572,737</b>	<b>(1,352,875)</b>	<b>700,386</b>	<b>103,920,248</b>	<b>103,320</b>	<b>104,023,568</b>

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

# STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Accumulated funds \$	Fair value reserve \$	Fruit machine replacement reserve \$	Total funds and reserves \$
<b>Association</b>					
Balance as at 1 January 2021		80,685,069	56,705	483,299	81,225,073
Deficit for the year		(1,864,255)	-	-	(1,864,255)
Other comprehensive loss for the year	23	-	(232,768)	-	(232,768)
Total comprehensive loss for the year		(1,864,255)	(232,768)	-	(2,097,023)
Transactions with owners, recognised directly in total funds and reserves					
Transfer to fruit machine replacement reserve, net of reserve utilised	24	(87,064)	-	87,064	-
		(87,064)	-	87,064	-
Balance as at 31 December 2021		78,733,750	(176,063)	570,363	79,128,050
Surplus for the year		1,342,006	-	-	1,342,006
Other comprehensive loss for the year	23	-	(1,176,812)	-	(1,176,812)
Total comprehensive income/(loss) for the year		1,342,006	(1,176,812)	-	165,194
Transactions with owners, recognised directly in total funds and reserves					
Transfer to fruit machine replacement reserve, net of reserve utilised	24	(130,023)	-	130,023	-
		(130,023)	-	130,023	-
Balance as at 31 December 2022		<b>79,945,733</b>	<b>(1,352,875)</b>	<b>700,386</b>	<b>79,293,244</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Group 2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Surplus/(deficit) before tax		1,978,105	(2,906,858)
Adjustments for:			
Depreciation expense		3,267,348	3,060,555
Amortisation of intangible assets	15	48,024	58,766
Property, plant and equipment written off		-	7,736
Other payables written back		(112,228)	-
Provisions written back	29	-	(3,493)
Interest income	5	(668,263)	(546,396)
Interest expenses	28	110,847	138,150
Loss on disposal of bonds		39,500	75,816
Loss on disposal of property, plant and equipment		1,714	-
Loss on liquidation of subsidiary		21,860	-
Intangible asset written off		-	54,213
Reversal of impairment losses on investment properties	14	(3,568,280)	-
Gain on disposal of right-of-use assets		(10,192)	-
Operating surplus/(deficit) before working capital changes		1,108,435	(61,511)
Increase in inventories		(6,863)	(1,438)
Decrease/(increase) in receivables		93,174	(132,768)
(Decrease)/increase in payables		288,233	(752,166)
Decrease in subscriptions received in advance		(669,654)	(576,033)
Cash generated from/(used in) operations		813,325	(1,523,916)
Interest received		3,815	1,296
Income tax paid		(138,112)	(157,472)
Net cash generated from/(used in) operating activities		679,028	(1,680,092)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
(Increase)/decrease in fixed deposits pledged with banks and/or with maturities over 3 months		(1,152,979)	1,881,487
Interest received		664,448	546,888
Advances paid for acquiring additional investments		-	(561,400)
Additions to intangible assets	15	(142,692)	-
Additions to property, plant and equipment	13	(627,972)	(460,965)
Acquisition of subsidiary companies, net cash outflow	39	(288,780)	-
Proceeds from disposal of bond		1,000,000	6,583,184
Proceeds from disposal of property, plant and equipment		-	3,482
Proceeds from liquidation of subsidiary		51,776	-
Purchase of bonds	17	(1,814,000)	(8,278,625)
Purchase of investment property	14	(858,910)	-
Net cash used in investing activities		(3,169,109)	(285,949)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of principal portion of lease liabilities	28	(940,034)	(651,639)
Payment of interest on lease liabilities	28	(102,845)	(138,150)
Repayment of bank loan		(80,177)	-
Payment of interest on amount due to bank	28	(7,466)	-
Net cash used in financing activities		(1,130,522)	(789,789)
Net decrease in cash and cash equivalents		(3,620,603)	(2,755,830)
Cash and cash equivalents at beginning of the year		13,274,020	16,029,850
Cash and cash equivalents at end of the year	22	9,653,417	13,274,020

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

## 1. GENERAL INFORMATION

Automobile Association of Singapore (the "Association") is registered in the Republic of Singapore under the Societies Act 1966. Its registered office is located at 2 Kung Chong Road, #06-01 AA Centre, Singapore 159140.

The principal activities of the Association are to provide members with information, assistance, recreation and other facilities and advice on matters pertaining to motoring.

The principal activities of the subsidiary companies are detailed in note 18 to the financial statements.

During the financial year, the Association did not conduct any fund-raising appeal as defined in the Societies Regulations issued under the Societies Act.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The financial statements are presented in Singapore dollars ("S\$"), which is also the functional currency of the Association.

These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Financial Reporting Standards in Singapore ("FRSs"), including related Interpretations promulgated by the Accounting Standards Council, as required by the Companies Act 1967.

During the financial year, the Group has adopted all the new and amended FRSs which are relevant to the Group and are effective for the current financial year. The adoption of these standards did not have material effect on the financial performance or position of the Group.

### 2.2 Significant Accounting Estimates and Judgments

Estimates and assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Significant Accounting Estimates and Judgments (Continued)

#### (A) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date 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:

#### (i) Depreciation of Property, Plant and Equipment, Investment Property, and Right-of-Use Assets/Amortisation of Intangible Assets

The costs of property, plant and equipment, investment property, intangible assets and right-of-use assets are depreciated/amortised on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment, investment property, intangible assets and right-of-use assets are disclosed in notes 2.9, 2.10, 2.11 and 2.18 respectively. Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation/amortisation charges could be revised. The carrying amounts of property, plant and equipment, investment property, intangible assets and right-of-use assets and their respective depreciation/amortisation charge for the year are disclosed in notes 13, 14, 15 and 16 to the financial statements.

#### (ii) Leases

##### Incremental Borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Determining the IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as prevailing prime lending rates) when available and is required to make certain entity-specific estimates.

##### Estimation of Lease Term

When determining the lease term of a lease contract, management considers all relevant factors that create an economic incentive for the Group to exercise an extension option, including any expected changes in circumstances since the commencement date that is within its control and affects its ability to exercise or not to exercise an option to extend. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Significant Accounting Estimates and Judgments (Continued)

#### *(B) Critical Judgments Made in Applying Accounting Policies*

In the process of applying the Group's accounting policies, the management has made certain judgments, apart from those involving estimations, which have significant effects on the amounts recognised in the financial statements.

#### *(i) Impairment of Investment Property*

The Group carries its investment properties at cost less accumulated depreciation and impairment loss. The Group engaged real estate valuation experts to assess the fair values as at 31 December 2022. The fair values of investment properties are determined by a firm of independent professional valuers using the key assumptions as disclosed in note 14(a) to the financial statements.

In determining the fair values of the investment properties based on the income method and cross-checked by direct comparisons with transactions of comparable properties within the vicinity and elsewhere requires significant judgment, the Group evaluates, among other factors, whether the recoverable amounts of the investment properties are less than the carrying amounts, and the near-term outlook for the real estate market, which have direct impact on the input into the valuation approach. The Group has recognised a reversal of impairment loss on investment in investment properties of \$3,568,280 in 2022, as disclosed in note 14 to the financial statements.

#### *(ii) Impairment of Investments in Subsidiary Companies*

The Association follows the guidance of FRS 36 "Impairment of Assets" in determining whether its long-term investments in subsidiary companies have been impaired. This determination requires significant judgment. The Association evaluates, among other factors, whether the recoverable amount of the investment is less than its carrying amount, the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financial cash flow. The Association has recognised a reversal of impairment loss on investments in subsidiary companies of \$1,750,000 in 2022, as disclosed in note 18 to the financial statements.

### 2.3 FRSs issued but not yet effective

The Group has not applied any new FRS that has been issued but is not yet effective. The General Committee ("GC") plans to adopt these FRSs in the first financial year commencing on or after their respective effective dates.

The GC does not expect the adoption of the new FRSs that have been issued but are not yet effective to have material impact on the financial statements in the period of initial application.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

#### (i) Subscriptions and Fees Income

Membership subscriptions received are recognised as revenue when they fall due over the period covered by the subscriptions.

Subscriptions received in advance

- Life membership subscriptions received in advance are recognised as income on a straight line basis over a period of 30 years.
- Ordinary, Family and Corporate membership subscriptions received in advance are recognised as income in the year in which the subscriptions fall due.

Entrance fees received are recognised as revenue at the point when applicants are admitted as members of the Association.

#### (ii) Fruit Machine Takings

Fruit machine takings are recognised as revenue upon receipt.

#### (iii) Service Income

Revenue from rendering of motoring-related and membership services is recognised when services have been performed and performance obligations have been fulfilled.

#### (iv) Interest Income

Interest on fixed deposits and bonds are recognised in profit or loss on a time proportion basis, using the effective interest method.

#### (v) Lease Income

Lease income from operating lease is recognised on a straight line basis over the lease period.

#### (vi) Sale of Goods

Revenue from sale of goods is recognised at a point in time upon delivery of the goods and acceptance by the customer and the Group's performance obligations have been fulfilled.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and the conditions attached to the grant will be complied with. Grants related to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

### 2.6 Employee Benefits

#### (i) Defined Contribution Plans

The Group makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

#### (ii) Short Term Compensated Absences

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.

### 2.7 Income Taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised outside profit or loss (either in other comprehensive income or directly to accumulated fund), in which case, it is recognised in other comprehensive income or directly to accumulated funds accordingly.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on all taxable temporary differences arising on investments in subsidiary companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is charged or credited to other comprehensive income or directly in accumulated funds if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income or directly to accumulated funds.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Financial Assets

#### A. Classification

Financial assets are classified into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVPL”).

The basis of classification depends on the Group’s business model and the contractual cash flow characteristics of the financial assets.

#### B. At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

#### C. At subsequent measurement

There are three prescribed subsequent measurement categories – at amortised cost, FVOCI and FVPL, depending on the Group’s business model for managing the financial assets and the cash flow characteristics of the assets.

The Group’s financial assets are categorised as follows:

##### (i) *Financial assets, at amortised cost*

These comprise trade and other receivables, amounts owing by subsidiary companies and cash and cash equivalents, measured at amortised cost subsequent to initial recognition, as these represent contractual cash flows which are solely payments of principal and interest. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Financial Assets (Continued)

#### C. At subsequent measurement (Continued)

##### (iii) Financial assets, at FVOCI

These comprise quoted commercial bonds held to collect contractual cash flows (that are solely payments of principal and interest) and for sale. Movements in fair values of investments classified as FVOCI are presented as "fair value gains and losses" in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

#### D. Impairment of financial assets

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost, and recognises a loss allowance accordingly.

At each reporting date, the debt instruments are assessed to determine whether there is significant increase in credit risk on the debt instruments since initial recognition. If there is a significant increase in credit risk since initial recognition, lifetime expected credit losses will be calculated and recognised in the loss allowance. If credit risk on the debt instrument has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. Adjustments to the loss allowance are recognised in profit or loss as an impairment gain or loss.

For trade receivables, the Group applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### 2.9 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 Property, Plant and Equipment (Continued)

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The estimated useful lives are as follows:

Motor vehicles and equipment	5 – 10 years
Tow trucks	10 years
Furniture, fittings, plant and equipment and office equipment	5 years
Fruit machines	4 years
Renovations	3 – 10 years

Leasehold property is depreciated on the straight-line basis over the remaining lease period which expires in 2054. Leasehold property under construction is not depreciated as the asset is not available for use.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

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

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 from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and shall be included in profit or loss when the item is derecognised.

### 2.10 Investment Property

Investment property, which is held on a long-term basis for investment potential and lease income, is stated at cost less accumulated depreciation and impairment loss, recognised in accordance with note 2.17 to the financial statements.

Freehold land is not depreciated. The costs of the buildings are depreciated on the straight-line basis so as to write off the cost of the asset over the estimated useful lives as follows:

Freehold property	25 years
Leasehold property	remaining useful life of 46 years

The residual value and useful life of investment property are reviewed and adjusted as appropriate, at each balance sheet date.

The costs of major renovations and improvements are capitalised as additions and the carrying amount of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvements are charged to profit or loss when incurred.

Upon the disposal of the investment property, the difference between the estimated net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Intangible Assets

Intangible assets are measured initially at cost. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite useful lives are amortised over their estimated useful lives when the assets are available for use. In addition, they are subject to annual impairment testing. Intangible assets are written off when, in the opinion of the management, no further future economic benefits are expected to arise.

Costs relating to computer software and mobile application acquired, which are not an integral part of the related hardware, are capitalised and amortised on a straight-line basis over their estimated useful lives. The estimated useful lives are as follows:

Computer software	5 years
Mobile application	5 years

### 2.12 Investments in Subsidiary Companies

#### (i) Subsidiary and Basis of Consolidation

Investments in subsidiary companies are held on a long-term basis and stated in the Association's balance sheet at cost less impairment loss, if any.

Subsidiaries are investees over which the Group has control. The Group controls an investee when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and continue to be consolidated until the date that such control ceases.

The consolidated financial statements comprise the financial statements of the Association and its subsidiary companies made up to the balance sheet date. The financial statements of the subsidiary companies are prepared for the same reporting date as the Association. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests are that part of the net results of operations and net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the Association. They are shown separately in the consolidated statement of comprehensive income, statement of changes in funds and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Investments in Subsidiary Companies (Continued)

#### (ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

Any excess of the Group's interests in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in profit or loss on the date of acquisition.

#### (iii) Disposals

When a change in the Group's ownership interests in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, including any goodwill, are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

#### (iv) Transactions with Non-Controlling Interests

Changes in the Association's ownership interests in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with fund owners of the Association. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiary. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within total funds attributable to members of the Association.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.13 Inventories

Inventories, consisting of car products and accessories, travel adaptors and travel bags, are stated at the lower of cost and net realisable value after adequate allowance has been made for deteriorated, damaged, obsolete or slow-moving inventories. Cost is determined on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.14 Trade and Other Receivables

Trade and other receivables that do not have a significant financing component are measured at their transaction price at initial recognition, and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses, as explained in note 2.8 (D).

### 2.15 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits which are subject to insignificant risks of changes in value. For the purpose of the statement of cash flows, fixed deposits pledged with banks and/or deposits with maturities more than 3 months are excluded from cash and cash equivalents.

### 2.16 Financial Liabilities

Financial liabilities include trade and other payables, payables to related parties and lease liabilities. Financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities at fair value through profit or loss, including derivatives, which are measured at fair value. Financial liabilities with a short duration are not discounted.

A financial liability is derecognised when the contractual obligation is discharged or cancelled or expires. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.17 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposal and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss (except for impairment loss on goodwill) is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

### 2.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### (a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

#### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in note 2.17.

The Group's right-of-use assets are presented in note 16.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Leases (Continued)

#### (a) As lessee (Continued)

##### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced to reflect lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented in note 28.

##### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### (b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease income arising from operating leases on the Group's investment property is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income. Contingent rents are recognised as revenue in the period in which they are earned.

### 2.19 Provisions

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.20 Financial Guarantee Contracts

Financial guarantee contracts are financial instruments issued by a financial institution on behalf of the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

### 2.21 Related Parties

A related party is defined as follows:

- (A) A person or a close member of that person's family is related to the Association if that person:
  - (i) Has control or joint control over the Association;
  - (ii) Has significant influence over the Association; or
  - (iii) Is a member of the key management personnel of the Association.
- (B) An entity is related to the Association if any of the following conditions applies:
  - (i) The entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association. If the Association is itself such a plan, the sponsoring employers are also related to the Association.
  - (vi) The entity is controlled or jointly controlled by a person identified in (A).
  - (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Association.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 3. FRUIT MACHINE NET TAKINGS

	Group and Association	
	2022	2021
	\$	\$
<u>Income</u>		
Fruit machine gross collections and related income	16,079,750	16,286,842
Lease income	29,800	28,800
	16,109,550	16,315,642
<u>Less: Expenditure</u>		
Depreciation of property, plant and equipment [note 13(c)]	310,809	282,936
Depreciation of right-of-use assets [note 16]	324,618	319,471
Fruit machine operating expenses	14,122,056	14,555,467
Interest on lease liabilities [note 28]	53,920	64,858
	14,811,403	15,222,732
	1,298,147	1,092,910

## 4. INCOME FROM OTHER SERVICES

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Insurance commission	438,612	431,994	–	–
Consignment sales commission	323,486	333,325	323,486	333,325
Service income from training	3,780	4,000	–	–
International driving permit fees	1,859,963	308,606	1,859,963	308,606
International driving permit postage fee	39,167	9,186	39,167	9,186
Event income	235,963	32,986	235,963	32,986
Income from sales of accessories	31,299	4,741	31,299	4,741
Agency fees	846	1,378	846	1,378
Sales of system codes and licence fees	2,740	780	–	–
Vehicle evaluation fees	18,960	18,255	18,960	18,255
Scrap cars handling fee	18,692	20,187	18,692	20,187
Miscellaneous income	102,819	94,840	73,684	48,017
	3,076,327	1,260,278	2,602,060	776,681

## 5. INTEREST INCOME

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Interest income from:				
– bank accounts	3,815	1,296	3,281	1,296
– fixed deposits	114,647	96,236	35,205	25,466
– bonds	549,801	448,864	339,550	142,174
– loans to subsidiary companies	–	–	614,726	624,000
	668,263	546,396	992,762	792,936

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 6. LEASE INCOME

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Gross lease income from				
– investment property	1,251,336	1,123,771	–	–
– leasehold properties	451,771	568,171	–	–
	1,703,107	1,691,942	–	–
Less: Property related expenses				
– investment property	(253,681)	(235,543)	–	–
– leasehold properties	(5,558)	–	–	–
	(259,239)	(235,543)	–	–
	1,443,868	1,456,399	–	–

## 7. INCOME FROM WORKSHOP SERVICES AND RELATED SALE OF GOODS

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Transfer of goods – at point in time				
Sale of goods	2,087,653	–	–	–
Transfer of services – over time				
Services income	861,284	–	–	–
	2,948,937	–	–	–

## 8. OTHER INCOME

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Administrative and service income	30,700	31,200	1,207,822	873,672
Compensation received from insurance company	95,364	53,314	–	–
Gain on disposal of right-of-use assets	10,192	–	–	–
Other payables written back	112,228	–	57,478	–
Government grants				
– Jobs Support Scheme (a)	–	200,629	–	113,678
– Rent concessions	–	3,200	–	–
– Other grants	126,191	72,116	82,307	35,349
Sundry income	188,813	105,651	–	–
	563,488	466,110	1,347,607	1,022,699

- (a) The Jobs Support Scheme (“JSS”) grant was a wage co-funding grant given by the Singapore Government to help employers retain local employees during the period of economic uncertainty caused by the Covid-19 pandemic.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 9. DEPRECIATION EXPENSE

	Group		Association	
	2022 \$	2021 \$	2022 \$	2021 \$
Depreciation of				
– Property, plant and equipment [note 13(c)]	<b>1,698,465</b>	1,737,167	<b>236,132</b>	232,484
– Investment properties (note 14)	<b>344,421</b>	327,044	–	–
– Right-of-use assets (note 16)	<b>589,035</b>	393,937	<b>403,225</b>	393,937
	<b>2,631,921</b>	2,458,148	<b>639,357</b>	626,421

## 10. EMPLOYEE BENEFITS EXPENSE

	Group		Association	
	2022 \$	2021 \$	2022 \$	2021 \$
Salaries and other related costs	<b>5,451,355</b>	4,343,891	<b>2,649,076</b>	2,302,434
Employer's contributions to Central Provident Fund	<b>577,982</b>	470,909	<b>281,892</b>	249,286
Other benefits	<b>55,059</b>	32,398	<b>18,446</b>	14,905
	<b>6,084,396</b>	4,847,198	<b>2,949,414</b>	2,566,625

## 11. OTHER EXPENSES

	Group		Association	
	2022 \$	2021 \$	2022 \$	2021 \$
Audit fees	<b>85,900</b>	69,100	<b>35,000</b>	35,000
Allowance for expected credit losses – trade	<b>19,844</b>	–	–	–
Donations and sponsorships	<b>15,750</b>	19,750	<b>15,750</b>	19,750
Highway magazine	<b>292,124</b>	304,603	<b>292,124</b>	304,603
Intangible asset written off	–	54,213	–	–
Property, plant and equipment written off	–	7,736	–	–
Maintenance of property, plant and equipment	<b>775,735</b>	672,136	<b>372,251</b>	261,537
Lease expenses on short term lease	–	–	<b>1,384,162</b>	1,384,162
Other administrative and operating expenses	<b>2,541,697</b>	1,884,052	<b>1,013,157</b>	776,696
Loss on disposal of bonds	<b>39,500</b>	75,816	<b>39,500</b>	30,816
Loss on disposal of property, plant and equipment	<b>1,714</b>	–	<b>1,714</b>	–
Loss on liquidation of subsidiary	<b>21,860</b>	–	<b>84,724</b>	–
Towing and vehicle recovery expenses	<b>228,985</b>	248,010	<b>1,370,750</b>	1,437,350
	<b>4,023,109</b>	3,335,416	<b>4,609,132</b>	4,249,914

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 12. INCOME TAX EXPENSE

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Provision for current taxation	170,249	146,849	146,372	106,828
Reversal of deferred tax liabilities	(23,427)	–	–	–
Over-provision of taxation in prior year	(5,803)	(3,173)	(2,372)	–
	141,019	143,676	144,000	106,828
Reconciliation of income tax expense:				
Surplus/(deficit) before tax	1,978,105	(2,906,858)	1,486,006	(1,757,427)
Tax at statutory rate of 17%	336,278	(494,166)	252,621	(298,763)
Tax effects of:				
Non-taxable income	(2,222,442)	(1,042,861)	(1,575,178)	(1,026,748)
Non-deductible expenses	2,081,018	1,757,034	1,493,048	1,456,458
Statutory stepped income exemption	(38,259)	(35,883)	(17,425)	(17,425)
Income tax at concessionary rate	(4,900)	(5,029)	–	–
Corporate tax rebate	(6,694)	(11,575)	(6,694)	(6,694)
Deferred tax assets not recognised	168,315	35,425	–	–
Utilisation of deferred tax assets previously not recognised	(169,565)	(26,187)	–	–
Tax incentive	–	(13,667)	–	–
Over-provision of taxation in prior year	(5,803)	(3,173)	(2,372)	–
Others	3,071	(16,242)	–	–
	141,019	143,676	144,000	106,828

As at the balance sheet date, the Group has unutilised tax losses amounting to approximately \$2,547,000 (2021: \$2,859,000) available for set-off against future taxable income, subject to compliance with the Income Tax Act and the approval of the Comptroller of Income Tax.

Deferred tax assets amounting to approximately \$433,000 (2021: \$486,000) arising from the above tax losses are not recognised in the accounts due to the uncertainty of future taxable profits being available against which the tax benefits can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold property \$	Motor vehicles and equipment \$	Tow trucks \$	Furniture, fittings, plant and equipment and office equipment \$	Fruit machines \$	Renovations \$	Total \$
<b>(a) Group Cost</b>							
At 1 January 2021	26,914,430	618,113	3,498,154	2,235,831	1,778,674	5,753,889	40,799,091
Additions	23,812	-	170,920	60,297	152,936	53,000	460,965
Disposals/written off	-	-	(264,560)	(7,710)	(94,300)	(216,760)	(583,330)
At 31 December 2021 and 1 January 2022	<b>*26,938,242</b>	<b>618,113</b>	<b>3,404,514</b>	<b>2,288,418</b>	<b>1,837,310</b>	<b>5,590,129</b>	<b>40,676,726</b>
Acquisition of subsidiary companies	-	215,175	-	30,341	-	10,534	256,050
Additions	44,865	95,280	244,469	120,882	122,476	-	627,972
Disposals/written off	-	-	-	(20,165)	(129,150)	-	(149,315)
Reclassification	-	-	-	(14,500)	-	-	(14,500)
At 31 December 2022	<b>26,983,107</b>	<b>928,568</b>	<b>3,648,983</b>	<b>2,404,976</b>	<b>1,830,636</b>	<b>5,600,663</b>	<b>41,396,933</b>
<b>Accumulated depreciation</b>							
At 1 January 2021	1,027,239	456,125	2,183,382	1,504,625	1,467,188	1,902,299	8,540,858
Charge for the year	769,013	23,840	275,773	250,659	135,627	565,191	2,020,103
Disposals/written off	-	-	(254,786)	(6,266)	(94,300)	(216,760)	(572,112)
At 31 December 2021 and 1 January 2022	<b>1,796,252</b>	<b>479,965</b>	<b>2,204,369</b>	<b>1,749,018</b>	<b>1,508,515</b>	<b>2,250,730</b>	<b>9,988,849</b>
Charge for the year	<b>1,101,032</b>	<b>85,719</b>	<b>146,022</b>	<b>259,328</b>	<b>167,074</b>	<b>250,099</b>	<b>2,009,274</b>
Disposals/written off	-	-	-	(18,451)	(129,150)	-	(147,601)
At 31 December 2022	<b>2,897,284</b>	<b>565,684</b>	<b>2,350,391</b>	<b>1,989,895</b>	<b>1,546,439</b>	<b>2,500,829</b>	<b>11,850,522</b>
<b>Carrying amount</b>							
At 31 December 2022	<b>24,085,823</b>	<b>362,884</b>	<b>1,298,592</b>	<b>415,081</b>	<b>284,197</b>	<b>3,099,834</b>	<b>29,546,411</b>
At 31 December 2021	25,141,990	138,148	1,200,145	539,400	328,795	3,339,399	30,687,877

\* Included in the cost of leasehold property is an amount of \$1,118,755 (2021: \$1,451,081) which represents unbilled redevelopment costs of the leasehold property which the Group has withheld payment to the main contractor since 2019, as explained in note 27(a).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles and equipment \$	Furniture, fittings and office equipment \$	Fruit machines \$	Renovations \$	Total \$
<b>(b) Association</b>					
<u>Cost</u>					
At 1 January 2021	361,424	1,343,572	1,778,674	2,461,335	5,945,005
Additions	–	44,789	152,936	–	197,725
Disposals/written off	–	(1,200)	(94,300)	(216,760)	(312,260)
At 31 December 2021 and 1 January 2022	<b>361,424</b>	<b>1,387,161</b>	<b>1,837,310</b>	<b>2,244,575</b>	<b>5,830,470</b>
Additions	–	57,275	122,476	–	179,751
Disposals/written off	–	(20,165)	(129,150)	–	(149,315)
At 31 December 2022	<b>361,424</b>	<b>1,424,271</b>	<b>1,830,636</b>	<b>2,244,575</b>	<b>5,860,906</b>
<u>Accumulated depreciation</u>					
At 1 January 2021	201,746	937,720	1,467,188	1,802,707	4,409,361
Charge for the year	23,840	125,274	135,627	230,679	515,420
Disposals/written off	–	(1,200)	(94,300)	(216,760)	(312,260)
At 31 December 2021 and 1 January 2022	<b>225,586</b>	<b>1,061,794</b>	<b>1,508,515</b>	<b>1,816,626</b>	<b>4,612,521</b>
Charge for the year	23,841	118,473	167,074	237,553	546,941
Disposals/written off	–	(18,451)	(129,150)	–	(147,601)
At 31 December 2022	<b>249,427</b>	<b>1,161,816</b>	<b>1,546,439</b>	<b>2,054,179</b>	<b>5,011,861</b>
<u>Carrying amount</u>					
At 31 December 2022	<b>111,997</b>	<b>262,455</b>	<b>284,197</b>	<b>190,396</b>	<b>849,045</b>
At 31 December 2021	135,838	325,367	328,795	427,949	1,217,949

- (c) Depreciation of property, plant and equipment of the Group and the Association are charged to statements of comprehensive income and presented as follows:

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Fruit machine net takings –				
Expenditure (note 3)	310,809	282,936	310,809	282,936
Depreciation expense (note 9)	1,698,465	1,737,167	236,132	232,484
	<b>2,009,274</b>	<b>2,020,103</b>	<b>546,941</b>	<b>515,420</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 14. INVESTMENT PROPERTIES

	Leasehold properties \$	Freehold property \$	Renovations \$	Total \$
<u>Group</u>				
<u>Cost</u>				
At 1 January 2021, 31 December 2021 and 1 January 2022	–	44,409,280	312,498	44,721,778
Additional	858,910	–	–	858,910
At 31 December 2022	858,910	44,409,280	312,498	45,580,688
<u>Accumulated depreciation and impairment loss</u>				
At 1 January 2021	–	5,592,453	43,750	5,636,203
Charge for the year (note 9)	–	295,794	31,250	327,044
At 31 December 2021 and 1 January 2022	–	5,888,247	75,000	5,963,247
Reversal of impairment loss	–	(3,568,280)	–	(3,568,280)
Charge for the year (note 9)	17,378	295,793	31,250	344,421
At 31 December 2022	17,378	2,615,760	106,250	2,739,388
<u>Carrying amount</u>				
At 31 December 2022	841,532	41,793,520	206,248	42,841,300
At 31 December 2021	–	38,521,033	237,498	38,758,531

- (a) The fair values of the above investment properties of the Group as at 31 December 2022 are approximately \$44.4 million (2021: \$43 million). These are determined based on formal valuation performed on 31 December 2022 by an independent appraiser, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (2021: Colliers International Consultancy & Valuation (Singapore) Pte Ltd) who holds a recognised and relevant professional qualification. The valuation for both 2022 and 2021 were based on the income approach and cross-checked by direct comparisons with transactions of comparable properties within the vicinity and elsewhere.
- (b) The investment properties are leased to lessees under non-cancellable operating leases.
- (c) Direct operating expenses arising from income generating investment properties amounted to \$248,917 (2021: \$225,728).

Direct operating expenses arising from non-income generating investment properties amounted to \$10,322 (2021: \$9,813).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 15. INTANGIBLE ASSETS

	Computer software \$	Mobile application \$	Goodwill \$	Total \$
(a) <u>Group</u>				
<u>Cost</u>				
At 1 January 2021	1,064,151	65,056	–	1,129,207
Written off	–	(65,056)	–	(65,056)
At 31 December 2021 and 1 January 2022	1,064,151	–	–	1,064,151
Acquisition of subsidiary companies	17,452	–	91,811	109,263
Additions	138,050	4,642	–	142,692
Reclassification	14,500	–	–	14,500
At 31 December 2022	<b>1,234,153</b>	<b>4,642</b>	<b>91,811</b>	<b>1,330,606</b>
<u>Accumulated amortisation and impairment loss</u>				
At 1 January 2021	961,227	3,253	–	964,480
Amortisation for the year	51,176	7,590	–	58,766
Written off	–	(10,843)	–	(10,843)
At 31 December 2021 and 1 January 2022	1,012,403	–	–	1,012,403
Amortisation for the year	46,524	1,500	–	48,024
At 31 December 2022	<b>1,058,927</b>	<b>1,500</b>	<b>–</b>	<b>1,060,427</b>
<u>Carrying amount</u>				
At 31 December 2022	<b>175,226</b>	<b>3,142</b>	<b>91,811</b>	<b>270,179</b>
At 31 December 2021	51,748	–	–	51,748
(b) <u>Association</u>				
<u>Cost</u>				
At 1 January 2021, 31 December 2021 and 1 January 2022	1,033,821	–	–	1,033,821
Additions	138,050	–	–	138,050
At 31 December 2022	<b>1,171,871</b>	<b>–</b>	<b>–</b>	<b>1,171,871</b>
<u>Accumulated amortisation</u>				
At 1 January 2021	959,205	–	–	959,205
Amortisation for the year	45,110	–	–	45,110
At 31 December 2021 and 1 January 2022	1,004,315	–	–	1,004,315
Amortisation for the year	25,248	–	–	25,248
At 31 December 2022	<b>1,029,563</b>	<b>–</b>	<b>–</b>	<b>1,029,563</b>
<u>Carrying amount</u>				
At 31 December 2022	<b>142,308</b>	<b>–</b>	<b>–</b>	<b>142,308</b>
At 31 December 2021	29,506	–	–	29,506

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 16. RIGHT-OF-USE ASSETS

	Properties \$	Equipment \$	Total \$
<b>(a) Group</b>			
<b>Cost</b>			
At 1 January 2021	5,501,708	29,107	5,530,815
Additions	–	8,514	8,514
Disposal	(1,201,296)	(11,015)	(1,212,311)
At 31 December 2021 and 1 January 2022	<b>4,300,412</b>	<b>26,606</b>	<b>4,327,018</b>
Acquisition of subsidiary companies	235,313	–	235,313
Additions	1,354,589	16,495	1,371,084
Disposal/written off	(528,469)	(18,092)	(546,561)
At 31 December 2022	<b>5,361,845</b>	<b>25,009</b>	<b>5,386,854</b>
<b>Accumulated depreciation</b>			
At 1 January 2021	2,355,590	22,709	2,378,299
Charge for the year	708,429	4,979	713,408
Disposal	(1,201,296)	(11,015)	(1,212,311)
At 31 December 2021 and 1 January 2022	1,862,723	16,673	1,879,396
Charge for the year	908,438	5,215	913,653
Disposal/written off	(429,108)	(18,092)	(447,200)
At 31 December 2022	<b>2,342,053</b>	<b>3,796</b>	<b>2,345,849</b>
<b>Carrying amount</b>			
At 31 December 2022	<b>3,019,792</b>	<b>21,213</b>	<b>3,041,005</b>
At 31 December 2021	2,437,689	9,933	2,447,622

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 16. RIGHT-OF-USE ASSETS (CONTINUED)

	Properties \$	Equipment \$	Total \$
(b) <u>Association</u>			
<u>Cost</u>			
At 1 January 2021	5,501,708	29,107	5,530,815
Additions	–	8,514	8,514
Disposal	(1,201,296)	(11,015)	(1,212,311)
At 31 December 2021 and 1 January 2022	<b>4,300,412</b>	<b>26,606</b>	<b>4,327,018</b>
Additions	<b>981,751</b>	<b>16,495</b>	<b>998,246</b>
Disposal	–	(18,092)	(18,092)
At 31 December 2022	<b>5,282,163</b>	<b>25,009</b>	<b>5,307,172</b>
<u>Accumulated depreciation</u>			
At 1 January 2021	2,355,590	22,709	2,378,299
Charge for the year	708,429	4,979	713,408
Disposal	(1,201,296)	(11,015)	(1,212,311)
At 31 December 2021 and 1 January 2022	1,862,723	16,673	1,879,396
Charge for the year	722,628	5,215	727,843
Disposal	–	(18,092)	(18,092)
At 31 December 2022	<b>2,585,351</b>	<b>3,796</b>	<b>2,589,147</b>
<u>Carrying amount</u>			
At 31 December 2022	<b>2,696,812</b>	<b>21,213</b>	<b>2,718,025</b>
At 31 December 2021	2,437,689	9,933	2,447,622

- (c) The Group and the Association lease properties and equipment over lease periods ranging from 3 to 6 years (2021: 1 to 6 years), with option for extension. Lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes.

Depreciation of right-of-use assets is charged to statements of comprehensive income and presented as follows:

	Group		Association	
	2022 \$	2021 \$	2022 \$	2021 \$
Fruit machine net takings –				
Expenditure (note 3)	<b>324,618</b>	319,471	<b>324,618</b>	319,471
Depreciation expense (note 9)	<b>589,035</b>	393,937	<b>403,225</b>	393,937
	<b>913,653</b>	713,408	<b>727,843</b>	713,408

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 17. FINANCIAL ASSETS, AT FVOCI

	Group		Association	
	2022 \$	2021 \$	2022 \$	2021 \$
Balance at the beginning of the year	16,579,062	15,213,475	16,579,062	12,147,205
Additions	1,814,000	8,278,625	1,814,000	8,278,625
Redemption of bonds upon maturity	(1,000,000)	(3,066,270)	(1,000,000)	–
Disposal	–	(3,525,105)	–	(3,525,105)
Fair value (losses)/gains recognised in other comprehensive income (note 23)	(1,216,312)	(321,663)	(1,216,312)	(321,663)
Balance at the end of year	16,176,750	16,579,062	16,176,750	16,579,062
Presented as:				
– Current Assets	–	1,004,000	–	1,004,000
– Non-current Assets	16,176,750	15,575,062	16,176,750	15,575,062
	16,176,750	16,579,062	16,176,750	16,579,062

The above investments, consisting of fixed income debt instruments with interest yield ranging from 2.80% to 4.35% (2021: 2.80% to 4.15%) per annum, are measured at fair values based on quoted market prices as at the balance sheet date. Their maturities are as follows:

	Group		Association	
	2022 \$	2021 \$	2022 \$	2021 \$
– Redeemable in 2022	–	1,004,000	–	1,004,000
* – Redeemable in 2024	2,901,000	3,063,000	2,901,000	3,063,000
– Redeemable in 2025	1,933,000	2,048,000	1,933,000	2,048,000
– Redeemable in 2026	5,510,125	5,269,500	5,510,125	5,269,500
– Redeemable in 2027	2,385,250	1,581,000	2,385,250	1,581,000
* – Redeemable in 2028	1,246,875	1,283,125	1,246,875	1,283,125
* – Redeemable in 2029	2,200,500	2,330,437	2,200,500	2,330,437
	16,176,750	16,579,062	16,176,750	16,579,062

\* These bonds, with an aggregate carrying amount of \$6,348,750 (2021: \$6,676,562) maturing between July 2024 and February 2029, yield interest at 2.80% to 3.80% (2021: 2.80% to 3.80%) per annum. These investments are acquired by the Association on behalf of certain subsidiary companies, and the interest arising from these bonds are due and payable to the relevant subsidiary companies [note 19(c)].

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 18. INVESTMENTS IN SUBSIDIARY COMPANIES

		Association	
		2022	2021
		\$	\$
(a)	<u>Unquoted shares, at cost</u>		
	Balance at beginning of the year	6,450,002	6,450,002
	Liquidation of subsidiary	(450,000)	-
	Balance at end of the year	6,000,002	6,450,002
	<u>Less: Impairment losses</u>		
	Balance at beginning of the year	(2,063,500)	(2,063,500)
	Liquidation of subsidiary	313,500	-
	Reversal of impairment loss	1,750,000	-
	Balance at end of the year	-	(2,063,500)
		<u>6,000,002</u>	<u>4,386,502</u>

(b) The subsidiary companies of the Association are as follows:

Name of subsidiary companies	Principal activities	Country of incorporation/ Principal place of business	Percentage of ownership interests		Cost of investments	
			2022	2021	2022	2021
			%	%	\$	\$
AAS @ 2KC Pte. Ltd.	Provision of vehicle recovery and towing services	Singapore	100	100	4,500,000	4,500,000
AAS Insurance Agency Pte. Ltd.	General insurance agents	Singapore	100	100	500,000	500,000
AAS Investment Holdings Pte. Ltd.	Investment holding	Singapore	100	100	1,000,000	1,000,000
A.A. Travel & Tours Pte. Ltd.(i)	Dormant	Singapore	-	100	-	450,000
AAS @ 217 East Coast Road Pte. Ltd.	Investment in properties	Singapore	100	100	2	2
					<u>6,000,002</u>	<u>6,450,002</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 18. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

(b) The subsidiary companies of the Association are as follows: (Continued)

Name of subsidiary companies	Principal activities	Country of incorporation/ Principal place of business	Percentage of ownership interests	
			2022	2021
			%	%
Held by AAS Investment Holdings Pte. Ltd. ("AASIH")				
AAS Academy Pte. Ltd.	Provision of professional and vocational training for drivers	Singapore	100	100
Autoswift Recovery Pte. Ltd. (ii)	Provision of vehicle recovery and towing services	Singapore	100	100
AAS @ Midview Pte. Ltd. (iii)	Holding of investments to derive investment income	Singapore	100	100
BCC Automotive Pte. Ltd. (iv)	Workshop services for repair and maintenance for motor vehicles	Singapore	75	–
Four Wheels Auto Pte. Ltd.(v)	Renting and leasing of private cars and commercial cars without operator	Singapore	75	–

The financial statements of all the subsidiary companies of the Association were audited by Lo Hock Ling & Co.

- (i) During the financial year, A.A. Travel & Tours Pte. Ltd. has been struck off. Upon the completion of striking off on 7 September 2022, the Association recognised net loss on disposal of this subsidiary of \$84,724.
- (ii) On 8 September 2021, AAS Investment Holdings Pte. Ltd. acquired 100% equity interest in Autoswift Recovery Pte. Ltd. from its fellow subsidiary, AAS @ 2KC Pte. Ltd. for a consideration of \$2.
- (iii) On 27 September 2021, AAS Investment Holdings Pte. Ltd. acquired 2 subscriber's shares, representing 100% equity interest, in the newly incorporated subsidiary, AAS @ Midview Pte. Ltd.
- (iv) On 3 January 2022, AAS Investment Holdings Pte. Ltd. acquired 75,000 shares, representing 75% equity interest, in BCC Automotive Pte. Ltd. from a third party for a consideration of \$360,000.
- (v) On 3 January 2022, AAS Investment Holdings Pte. Ltd. acquired 45,000 shares, representing 75% equity interest, in Four Wheels Auto Pte. Ltd. from a third party for a consideration of \$140,000.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 18. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

- (c) Subsidiary with significant non-controlling interests ("NCIs")

For the year ended 31 December 2022, summarised financial information in respect of the Group's newly acquired subsidiary that has significant NCIs is set out below. The summarised financial information below represents amounts before intra-group eliminations.

	BCC Automotive Pte. Ltd. 2022 \$
<b>Summarised statement of comprehensive income</b>	
Revenue	2,945,480
Loss for the year	(139,245)
Total comprehensive loss for the year	(139,245)
Attributable to NCIs:	
Loss for the year	(34,811)
Total comprehensive loss for the year	(34,811)
<b>Summarised statement of financial position</b>	
Non-current assets	407,512
Current assets	703,230
Non-current liabilities	(141,559)
Current liabilities	(914,687)
Net assets	54,496
Net assets attributable to NCIs	13,624
<b>Other summarised information</b>	
Net cash inflow/(outflow) from:	
– operating activities	301,180
– investing activities	463,346
– financing activities	(793,338)
Net decrease in cash and cash equivalents	(28,812)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 19. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

	Association	
	2022	2021
	\$	\$
<u>Due from subsidiary companies</u>		
After 12 months – non-trade (a)	58,658,450	62,400,000
Within 12 months		
– trade	119,952	13,285
– non-trade (b)	2,469,147	2,199,060
	2,589,099	2,212,345
	61,247,549	64,612,345
<u>Due to subsidiary companies</u>		
After 12 months – non-trade (c)	(9,901,264)	(9,843,238)
Within 12 months		
– trade	(541,678)	(922,952)
– non-trade (d)	(59,914)	(48,333)
	(601,592)	(971,285)
	(10,502,856)	(10,814,523)

(a) Non-trade receivables due from subsidiary companies – Non-current

These comprise unsecured loans to subsidiary companies amounting to \$58,658,450 (2021: \$62,400,000) which bear interest at 1.00% (2021: 1.00%) per annum.

These loans are not expected to be called up for repayment within the short term.

(b) Non-trade receivables (net) due from subsidiary companies – Current

Included in these net current receivables are designated funds amounting to \$2,027,684 (2021: \$2,018,600) which a subsidiary company has placed in fixed deposits on behalf of the Association as at the balance sheet date.

These designated fixed deposits, with maturities within 12 months, yield interest at 2.75% (2021: 0.45%) per annum which are due and payable to the Association upon maturity.

(c) Non-trade payables due to subsidiary companies – Non-current

Included in these non-current payables are designated funds which certain subsidiary companies have placed with the Association for the purpose of investing in commercial bonds on the formers' behalf.

These investments, maturing between July 2024 and February 2029, yield interest at 2.80% to 3.80% (2021: 2.80% to 3.80%) per annum which are due and payable to the subsidiary companies upon maturity (note 17).

(d) Non-trade payables due to subsidiary companies – Current

These current non-trade payables due to subsidiary companies are unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 20. INVENTORIES

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Inventories carried at cost	<b>288,307</b>	66,488	<b>44,088</b>	59,900

Inventories consist of car products and accessories, other service products and accessories, travel adaptors and travel bags.

## 21. TRADE AND OTHER RECEIVABLES

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade receivables (a)	<b>596,150</b>	196,253	<b>127,138</b>	7,411
Less: Allowance for expected credit losses				
Balance at beginning of the year	-	-	-	-
Allowance made during the year	<b>(19,844)</b>	-	-	-
Balance at end of the year	<b>(19,844)</b>	-	-	-
	<b>576,306</b>	196,253	<b>127,138</b>	7,411
Accrued receivables	<b>75,240</b>	61,481	<b>6,683</b>	15,098
	<b>651,546</b>	257,734	<b>133,821</b>	22,509
Non-trade receivables (c)	<b>174,134</b>	218,170	<b>52,918</b>	74,529
Deposits	<b>428,688</b>	286,677	<b>250,685</b>	224,878
Down payment for acquisition of investment property	-	61,400	-	-
Interest receivable	<b>252,300</b>	203,698	<b>176,425</b>	170,028
Prepayments	<b>479,403</b>	814,247	<b>441,043</b>	357,527
Recoverable costs (b)	<b>271,919</b>	271,919	-	-
	<b>1,606,444</b>	1,856,111	<b>921,071</b>	826,962
Total trade and other receivables	<b>2,257,990</b>	2,113,845	<b>1,054,892</b>	849,471

- (a) Trade receivables are unsecured, non-interest bearing and are generally on 30 days' (2021: 30 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The allowance for expected credit losses ("ECLs") of trade receivables are computed based on lifetime ECLs.

Impairment losses on financial assets recognised in profit or loss during the year are as follows:

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Allowance made	<b>19,844</b>	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 21. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (b) Recoverable costs amounting to \$271,919 (2021: \$271,919) represent related costs that the Group paid for the redevelopment of its leasehold property, as explained in note 27(a) to the financial statements.
- (c) Non-trade receivables are unsecured, interest-free and repayable on demand.

## 22. CASH AND CASH EQUIVALENTS

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Fixed deposits	11,219,194	13,751,717	1,301,504	926,403
Cash and bank balances	9,603,417	9,538,518	7,486,173	6,329,156
Cash and cash equivalents (Statements of Financial Position)	20,822,611	23,290,235	8,787,677	7,255,559
Less:				
Fixed deposits with maturities over 3 months				
– Deposits pledged with banks*	(251,504)	(251,504)	(251,504)	(251,504)
– Unpledged deposits	(10,917,690)	(9,764,711)	(1,000,000)	(624,899)
	(11,169,194)	(10,016,215)	(1,251,504)	(876,403)
Cash and cash equivalents (Statement of Cash Flows)	9,653,417	13,274,020	7,536,173	6,379,156
Fixed deposits with maturities				
– not more than 3 months	50,000	3,735,502	50,000	50,000
– between 3 and 12 months	11,169,194	10,016,215	1,251,504	876,403
	11,219,194	13,751,717	1,301,504	926,403

The fixed deposits of the Group and the Association bear interest at rates ranging from 0.10% to 2.25% (2021: 0.10% to 0.60%) per annum.

- \* These fixed deposits are pledged with certain banks to secure performance bonds issued in favour of Land Transport Authority in respect of certain service contracts undertaken by the Association and/or its wholly-owned subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 23. FAIR VALUE RESERVE

	Group		Association	
	2022 \$	2021 \$	2022 \$	2021 \$
Balance at beginning of the year	(176,063)	77,975	(176,063)	56,705
Net fair value losses reclassified to profit or loss upon disposal of bonds	39,500	67,625	39,500	88,895
Fair value (losses)/gains on financial assets at FVOCI, recognised in other comprehensive income (note 17)	(1,216,312)	(321,663)	(1,216,312)	(321,663)
	(1,176,812)	(254,038)	(1,176,812)	(232,768)
Balance at end of the year	(1,352,875)	(176,063)	(1,352,875)	(176,063)

## 24. FRUIT MACHINE REPLACEMENT RESERVE

	Group and Association	
	2022 \$	2021 \$
Balance at beginning of the year	570,363	483,299
Transfer from accumulated funds	240,000	240,000
Purchase of fruit machines	(109,977)	(152,936)
	130,023	87,064
Balance at end of the year	700,386	570,363

## 25. SUBSCRIPTIONS RECEIVED IN ADVANCE

	Group		Association	
	2022 \$	2021 \$	2022 \$	2021 \$
Contract liabilities to be recognised as revenue:				
After 12 months				
Life membership subscriptions	130,807	153,295	130,807	153,295
Ordinary and other membership subscriptions	852,718	1,215,591	852,718	1,215,591
	983,525	1,368,886	983,525	1,368,886
Within 12 months				
Life membership subscriptions	22,488	23,718	22,488	23,718
Ordinary and other membership subscriptions	1,272,678	1,555,741	1,240,934	1,515,089
	1,295,166	1,579,459	1,263,422	1,538,807
Total subscriptions received in advance	2,278,691	2,948,345	2,246,947	2,907,693

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 25. SUBSCRIPTIONS RECEIVED IN ADVANCE (CONTINUED)

Total subscriptions received in advance as at 31 December 2022 represent the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) by the Group and the Association as at the financial year end. These will be recognised as revenue by the Group and the Association when the subscriptions fall due over the financial years from 2023 to 2034 (2020: 2022 to 2034).

Subscriptions recognised as revenue of the Group and the Association in 2022 which were included in subscriptions received in advance as at 1 January 2022 (2021: 1 January 2021) amounted to \$1,547,715 and \$1,538,807 (2021: \$1,760,874 and \$1,720,232) respectively.

## 26. DEFERRED TAX LIABILITIES

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
On excess of carrying amount over tax written down value of property, plant and equipment:				
Balance at beginning of the year	3,000	3,000	-	-
Acquisition of the subsidiary companies	23,427	-	-	-
Charged to statements of comprehensive income	(23,427)	-	-	-
Balance at end of the year	3,000	3,000	-	-

## 27. TRADE AND OTHER PAYABLES

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
<u>Due after 12 months</u>				
Provisions (note 29)	276,419	276,419	276,419	276,419
	276,419	276,419	276,419	276,419
<u>Due within 12 months</u>				
Trade payables	375,673	57,955	-	-
Accrued operating expenses	2,851,331	2,481,041	1,482,752	1,476,063
Accrued redevelopment costs of leasehold property (a)	1,118,755	1,451,081	-	-
Deposits	377,592	336,448	47,038	48,955
Contract liabilities (b)	46,520	8,203	39,277	960
Goods and services tax payable	139,412	129,555	59,728	58,530
Non-trade payables	384,202	446,022	164,702	136,635
	5,293,485	4,910,305	1,793,497	1,721,143
Total trade and other payables	5,569,904	5,186,724	2,069,916	1,997,562

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 27. TRADE AND OTHER PAYABLES (CONTINUED)

Trade and other payables due within 12 months are unsecured, non-interest bearing and are normally settled within 30 to 90 days (2021: 30 to 90 days) or on demand.

- (a) Accrued redevelopment costs of leasehold property represent unbilled redevelopment costs of the redevelopment project which has been completed in 2019. The Group has withheld payment to the main contractor pending the settlement of certain disputes and claims related to the redevelopment project.
- (b) Contract liabilities relate to the Group's obligations to organise events, provide services and lease of office spaces to customers who have made advance service fee payments to the Group. Contract liabilities are recognised as revenue over the period when the services are provided. Revenue recognised in the current year that were included in contract liabilities at the beginning of the year amounted to \$8,203 (2021: \$115,310) and \$960 (2021: \$480) for the Group and the Association respectively.

## 28. LEASE LIABILITIES

	Group			
	2022		2021	
	Minimum lease liabilities	Present value of lease liabilities	Minimum lease liabilities	Present value of lease liabilities
	\$	\$	\$	\$
Lease payments due:				
Within 1 year	1,105,829	976,863	751,766	642,268
After 1 year but not later than 5 years	2,306,980	2,177,483	1,999,824	1,840,555
	3,412,809	3,154,346	2,751,590	2,482,823
Less: Amounts representing interest	(258,463)	–	(268,767)	–
	3,154,346	3,154,346	2,482,823	2,482,823

	Association			
	2022		2021	
	Minimum lease liabilities	Present value of lease liabilities	Minimum lease liabilities	Present value of lease liabilities
	\$	\$	\$	\$
Lease payments due:				
Within 1 year	876,138	759,034	751,766	642,268
After 1 year but not later than 5 years	2,126,208	2,001,531	1,999,824	1,840,555
	3,002,346	2,760,565	2,751,590	2,482,823
Less: Amounts representing interest	(241,781)	–	(268,767)	–
	2,760,565	2,760,565	2,482,823	2,482,823

The incremental borrowing rate of the above leases was 5.00% (2021: 5.00%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 28. LEASE LIABILITIES (CONTINUED)

### *Reconciliation of changes in liabilities arising from financing activities*

Movements in the Group's and the Association's lease liabilities arising from financing cash flows were as follows:

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Lease liabilities as at 1 January	2,482,823	3,125,948	2,482,823	3,125,948
<i>Non-cash movements:</i>				
Add: Capitalisation of new lease liability	1,371,084	8,514	998,247	8,514
Add: Acquisition of subsidiary	349,490	–	–	–
Add: Accretion of interest	103,381	138,150	87,188	138,150
Less: Written off	(109,553)	–	–	–
<i>Cash movements:</i>				
Less: Payment of lease liabilities during the year				
– Principal portion	(940,034)	(651,639)	(720,505)	(651,639)
– Interest	(102,845)	(138,150)	(87,188)	(138,150)
Lease liabilities as at 31 December	3,154,346	2,482,823	2,760,565	2,482,823

### *Interest expenses*

Interest expenses for the year are charged to statements of comprehensive income and presented as follows:

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Finance costs on lease liabilities allocated to fruit machine net takings				
– Expenditure (note 3)	53,920	64,858	53,920	64,858
Finance costs on other lease liabilities	49,461	73,292	33,268	73,292
Finance costs on amount due to bank	7,466	–	–	–
Finance costs on others	56,927	73,292	33,268	73,292
Total interest expenses	110,847	138,150	87,188	138,150

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 29. PROVISIONS

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Provision for reinstatement costs				
Balance at beginning of the year	276,419	279,912	276,419	279,912
Amount written back	–	[3,493]	–	[3,493]
Balance at end of the year	276,419	276,419	276,419	276,419
Presented as:				
Due after 12 months (note 27)	276,419	276,419	276,419	276,419

The provision for reinstatement costs represents the estimated costs of dismantling, removing and restoring the related premises at the expiration of the lease periods. The estimated provision was determined based on quotations received from an independent contractor.

## 30. AMOUNT DUE TO BANK – SECURED

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
<u>Current</u>				
Working capital loan	42,237	–	–	–

The working capital loan bears fixed interest rate of 7.00% per annum. The principal of working capital loan will be repayable over 48 monthly instalments commencing from July 2019. The loan is secured by the personal guarantee of a director of one of subsidiary companies/non-controlling interest.

## 31. RELATED PARTY DISCLOSURES

The Association is governed by the General Committee which is the final authority and has overall responsibility for policy making and determination of all activities. Members of the General Committee are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses.

The Association has in place a conflict of interests policy in its code of conduct. All members of the General Committee are required to declare their interests yearly.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 31. RELATED PARTY DISCLOSURES (CONTINUED)

Significant transactions between the Association and its related parties, not otherwise disclosed in the financial statements, are as follows:

	Association	
	2022	2021
	\$	\$
(a) <u>With subsidiary companies</u>		
Administrative and service income	1,207,822	873,672
Interest income	614,726	624,000
Subscription income	–	40
Towing and vehicle recovery expenses	1,370,750	1,437,350
Lease expenses	1,384,162	1,384,162
Other expenses	12,037	105,705

(b) With entities in which certain General Committee members have interests/influence

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Donations and sponsorship expenses	11,200	500	11,200	500
Lease income	68,239	131,550	–	–

Related party transactions are based on terms agreed between the parties concerned.

## 32. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation are as follows:

	Group and Association	
	2022	2021
	\$	\$
Salaries and other related costs	1,238,550	1,169,807
Employer's contributions to Central Provident Fund	126,535	119,337
Short-term employee benefits	1,365,085	1,289,144

## 33. LEASE COMMITMENTS

(i) Where the Group and the Association are the lessees

The Association leases office premises from its subsidiary company with varying terms, escalation clauses and renewal rights.

As at 31 December 2022, the Association has an operating lease commitment amounting to approximately \$1,384,000 (2021: \$1,384,000) in respect of short-term lease of office premises from its subsidiary company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 33. LEASE COMMITMENTS (CONTINUED)

### (ii) Where the Group and the Association are the lessors

The Group and the Association lease out the investment property and members' lounge, cafeteria and office premises to lessees under non-cancellable operating leases. As at the balance sheet date, lease commitments under non-cancellable operating leases where the Group and the Association are the lessors, are as follows:

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Lease income receivable				
– within 1 year	999,509	1,688,136	34,800	24,000
– after 1 year but not later than 5 years	509,205	1,068,095	63,800	–
	<b>1,508,714</b>	<b>2,756,231</b>	<b>98,600</b>	<b>24,000</b>

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Lease income receivable in respect of lease contracts with a corporation in which a General Committee member has interests/influence	–	221,517	–	–

The above operating leases do not provide for contingent rents.

## 34. FINANCIAL RISK MANAGEMENT

The Group and the Association are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk, interest rate risk and market price risk. The management reviews and agrees on policies for managing each of these risks and they are summarised below:

### 34.1 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of customers or other counterparties to settle their financial and contractual obligations to the Group as and when they fall due.

#### (i) *Risk management*

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, including cash and cash equivalents, the Group mitigates credit risks by transacting with high credit rating counterparties and financial institutions which are regulated.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.1 Credit risk (Continued)

#### (i) Risk management (Continued)

As at the balance sheet date, there were no significant concentrations of credit risk except for the amounts due from subsidiary companies (note 19). The long term loans amounting to \$58.7 million (2021: \$62.4 million) [note 19(a)], intended to fund the long term capital requirements of the relevant subsidiaries, are considered by the management to be in substance part of the Association's net investment in the said subsidiaries, and are accounted for in accordance with note 2.12. The short-term advances to subsidiary companies are part of the Association's funds management strategy. The Association's management is satisfied that there are sufficient financial assets and other committed credit lines to meet the cash flow needs of the Association.

#### (ii) Recognition of expected credit losses ("ECLs")

The Group's financial assets that are subject to credit losses where the ECLs model has been applied are trade receivables.

The Group assesses on forward looking basis the ECLs on its trade receivables, and recognises a loss allowance in accordance with FRS 109.

Based on the Group's historical collection trend, all outstanding trade receivables are generally settled within the credit term of 30 days. Trade receivables are assessed on a collective basis to determine whether there are changes in credit risk. If credit risk on the receivables has not increased significantly since initial recognition, the loss allowance is recognised based on 12-month ECLs. Lifetime ECLs are recognised for specific receivables for which credit risk is deemed to have increased significantly.

At the balance sheet date, 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 balance sheet.

### 34.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.2 Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's and the Association's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	Within 1 year \$	Between 2 to 5 years \$	Total \$
<u>Group</u>			
<u>2022</u>			
Trade and other payables	5,107,553	–	5,107,553
Lease liabilities	1,105,829	2,306,980	3,412,809
Amount due to bank	43,103	–	43,103
	<b>6,256,485</b>	<b>2,306,980</b>	<b>8,563,465</b>
<u>2021</u>			
Trade and other payables	4,772,547	–	4,772,547
Lease liabilities	751,766	1,999,824	2,751,590
	<b>5,524,313</b>	<b>1,999,824</b>	<b>7,524,137</b>
<u>Association</u>			
<u>2022</u>			
Trade and other payables	1,814,492	–	1,814,492
Lease liabilities	876,138	2,126,208	3,002,346
Amount due to subsidiary companies	601,592	9,901,264	10,502,856
	<b>3,292,222</b>	<b>12,027,472</b>	<b>15,319,694</b>
<u>2021</u>			
Trade and other payables	1,661,653	–	1,661,653
Lease liabilities	751,766	1,999,824	2,751,590
Amount due to subsidiary companies	971,285	9,843,238	10,814,523
	<b>3,384,704</b>	<b>11,843,062</b>	<b>15,227,766</b>

### 34.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group does not have any variable rate interest-bearing financial liabilities. Its only exposure to changes in interest rates relates primarily to interest-bearing bank deposits. The Group monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

Information relating to the Group's interest rate and terms of maturity of the Group's financial instruments are disclosed in the notes to the financial statements. The Group does not enter into derivatives to hedge its interest rate risk.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 34. FINANCIAL RISK MANAGEMENT (CONTINUED)

### 34.3 Interest rate risk (Continued)

The effect of interest rate changes on total funds and surplus is not significant as the Group's and the Association's financial instruments at balance sheet date are either fixed-rate instruments or non-interest bearing.

### 34.4 Market price risk

At the balance sheet date, the Group and the Association held quoted commercial bonds as financial assets at fair value through other comprehensive income.

#### *Sensitivity analysis*

A 5% (decrease)/increase in the quoted market prices at the balance sheet date would (decrease)/increase fair value reserve by the following amounts:

	Group and Association	
	2022	2021
	\$	\$
Fair value reserve	<b>808,838</b>	828,953

Changes in market price do not have any effect on the surplus of the Group and the Association.

## 35. FAIR VALUE OF ASSETS AND LIABILITIES

### (a) Fair Value Hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

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

### (b) Fair Value of Non-Financial Assets

The Group does not apply fair value accounting in the measurement of its non-financial assets. The only non-financial assets of the Group for which fair values are required to be disclosed are the investment properties. The basis of valuations of the investment properties, as described in note 14(a), represent recurring fair value measurements under Level 2 of the fair value hierarchy.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 35. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (c) Fair Value of Financial Instruments

#### (i) *Financial instruments Measured at Fair Value*

The only financial assets of the Group measured at fair values are quoted commercial bonds classified as financial assets at FVOCI, as disclosed in note 17. These fair values, based on quoted market prices as at the balance sheet date, are recurring fair value measurements under Level 1 of the fair value hierarchy.

#### (ii) *Financial Instruments Not Measured at Fair Value*

Cash and cash equivalents, lease liabilities, receivables and payables classified as current assets and current liabilities are measured at amortised cost. Financial instruments with a short duration are not discounted.

The long term loans to subsidiary companies amounting to \$58.7 million (2021: \$62.4 million), disclosed in note 19(a), which the management regards in substance to be part of the Association's net investment in the subsidiaries, are stated at cost less impairment loss, in accordance with note 2.12.

### (d) Transfers Between Levels of Fair Value Hierarchy

During the financial year, there were no assets or liabilities transferred between Level 1 and Level 2 or transfers into or out of Level 3. The Group's policy is to recognise transfers (if any) between levels of fair value hierarchy at the end of the reporting period during which they occur.

### (e) Valuation Policies and Procedures

The General Committee oversees the Group's financial reporting and valuation processes and is responsible for setting and documenting the Group's valuation policies and procedures.

## 36. FINANCIAL INSTRUMENTS BY CATEGORY

The aggregate carrying amounts of financial instruments by category are as follows:

	Group		Association	
	2022	2021	2022	2021
	\$	\$	\$	\$
Financial assets at FVOCI	16,176,750	16,579,062	16,176,750	16,579,062
Financial assets at amortised cost	22,525,958	24,528,433	70,649,075	72,359,848
Financial liabilities at amortised cost	8,304,136	7,255,370	15,077,913	14,958,999

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 37. RESERVES MANAGEMENT

The Group's reserves management objective is to ensure that it maintains strong and healthy capital ratios in order to support its operations and future growth.

The management regularly reviews and manages the Group's reserves to ensure optimal capital structure, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

With the exception of AAS Insurance Agency Pte. Ltd., the other entities in the Group are not subject to externally imposed capital requirements.

Under the General Insurance Agents' Registration Regulations, AAS Insurance Agency Pte. Ltd. is required, at all times, to maintain a minimum paid up share capital of \$25,000.

AAS Insurance Agency Pte. Ltd. had complied with the above-mentioned regulatory capital requirement during the financial year.

There were no changes to the Group's approach to capital management since the previous financial year.

## 38. FINANCIAL GUARANTEE CONTRACTS

As at the balance sheet date, the Group and the Association have obtained letters of guarantee ("LOGs") issued by financial institutions in favour of various government authorities with maximum exposure amounting to approximately \$95,000 and \$50,000 (2021: \$95,000 and \$50,000) respectively. As at the reporting date, the management does not consider it probable that a claim will be made against the Group or the Association under these LOGs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 39. BUSINESS COMBINATIONS

On 3 January 2022, the Group acquired 75% equity interests in BCC Automotive Pte. Ltd. and Four Wheels Auto Pte. Ltd. Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interests recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	2022 \$
(a) Purchase consideration	
Cash paid	500,000
(b) Effect on cash flows of the Group	
Cash paid	500,000
Less: Cash and bank balances in subsidiary companies acquired	(211,220)
Cash outflow on acquisition	(288,780)
(c) Identifiable assets acquired and liabilities assumed	
Cash and bank balances	211,220
Property, plant and equipment	256,050
Inventories	214,956
Intangible assets	17,452
Right-of-use assets	235,313
Trade and other receivables	310,955
Total assets	1,245,946
Trade and other payables	(203,867)
Lease liabilities	(349,490)
Amount due to bank	(122,414)
Current tax liabilities	(2,496)
Deferred tax liabilities	(23,427)
Total liabilities	(701,694)
Total identifiable net assets	544,252
Less: Non-controlling interests at fair value	(136,063)
Add: Goodwill	91,811
Purchase consideration	500,000

## 40. IMPACT OF COVID-19

The Coronavirus Disease 2019 ("COVID-19") situation has persisted in 2022. It has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's and the Association's significant operations are in Singapore and have been significantly affected by the spread of COVID-19 since 2020.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 40. IMPACT OF COVID-19 (CONTINUED)

Set out below is the impact of COVID-19 on the Group's and the Association's financial performance reflected in this set of financial statements for the year ended 31 December 2022:

- (i) The Group and the Association have assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- (ii) In 2022, continued border closures around the world, have negatively impacted business supply chain and sales volume, resulting in a negative impact on the Group's and the Association's financial performance for 2022.
- (iii) The Group and the Association have considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 December 2022.

As the COVID-19 situation has started to subside but remains present, the Group and the Association continue to be impacted by the measures taken by governments to combat the spread of the disease. If the situation persists beyond management's current expectations, the Group's and the Association's assets may be subject to further write downs in the subsequent financial periods.

## 41. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Association and consolidated financial statements of the Group for the year ended 31 December 2022 were authorised for issue by the General Committee on 4 April 2023.

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