AA SINGAPORE

AUTOMOBILE ASSOCIATION OF SINGAPORE

UNRAVELING A YEAR OF CRUISING MARVELS

2023 ANNUAL REPORT

Contents

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.

ADVANCED

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

LOYAL

We believe in building loyal and trusted relationships.

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

In Year 2023, we made significant strides in enhancing our membership offerings to better serve our diverse member base. From refining our packages to introducing innovative benefits and promotions, such as exclusive vouchers and preferential rates on tourism services, we strive to ensure that every interaction with AA Singapore leaves our AA Members feeling valued and appreciated.

Dear AA Members,

It is with great pride and gratitude that I reflect on the journey we have undertaken together. Over the past three years, our journey has been defined by unprecedented challenges, notably the COVID-19 pandemic, which disrupted our lives and operations. The inability to hold in-person events posed significant hurdles, requiring us to innovate and adapt to remote work setups. Despite these challenges, our team demonstrated resilience by embracing virtual platforms and reimagining strategies to ensure operational continuity. Together, we weathered the storm, finding strength in unity and determination to persevere.

Elevating Members' Experience

In Year 2023, we made significant strides in enhancing our membership offerings to better serve our diverse member base. From refining our packages to introducing innovative benefits and promotions, such as exclusive vouchers and preferential rates on tourism services, we strive to ensure that every interaction with AA Singapore leaves our AA Members feeling valued and appreciated.

In our ongoing commitment to enhancing your experience, the Association introduced the One Road programme, a FIA-led global loyalty programme crafted specifically for AA members. One Road offers a range of international privileges, including exclusive benefits and preferential rates on tourism services and accommodation. We encourage you to explore the One Road portal to discover the exciting offerings that await you. Members are encouraged to explore the One Road portal by visiting https://portal.oneroadloyalty.com/aas

Expansion In The Motoring Industry

As part of our strategic vision for the future, we have expanded our presence in the motoring industry by acquiring the Europcar Singapore Franchise on 1 December 2023. This move not only strengthens our position but also brings substantial benefits exclusively to our valued members, including exclusive overseas car rental rates and worldwide car rental selections. Members can access our Europcar services through our website at https://www.europcar.com.sg/ or by reaching out to our dedicated staff at 6389 4222.

President's Message

Our unwavering commitment to your safety and satisfaction remains at the forefront of everything we do. Our dedicated mechanics and tow crews have responded promptly to over 16,000 roadside assistance requests, displaying our commitment to efficiency and reliability.

Commitment To Safety And Travel Protection

I am pleased to share with you some exciting developments in our travel protection policies throughout the year. In response to your feedback and the changing landscape of travel, we have enhanced our TourCare Plus travel policy to offer even more comprehensive coverage. Notably, we have introduced coverage for pre-existing conditions, exclusively available for single trip policies lasting up to 30 days. Additionally, in recognition of the ongoing concerns surrounding Covid-19, we have extended the age limit for Covid coverage up to 85 years old.

Furthermore, I am delighted to announce the introduction of the International Driving Permit - Personal Accident coverage at a special discounted rate of $5.40. This coverage is available to everyone, reflecting our commitment to making essential travel protections accessible to all. These enhancements represent our ongoing efforts to ensure that our members receive the most robust and inclusive travel protection available. As we continue to adapt and evolve, your safety and well-being remain our top priority.

Unforgettable Journeys And Sustainable Travels

I would also like to share some of the remarkable milestones achieved by AUTOVENTURE in 2023. These accomplishments further place emphasis on our commitment to innovation, sustainability, and providing unforgettable travel experiences for our members.

Our AUTOVENTURE journeys in 2023 were nothing short of extraordinary. We organised a 31-Day AUTOVENTURE to Thailand, Cambodia, and Vietnam, which featured our first convoy drive to Vietnam, receiving an overwhelming response from participants and unveiling new scenic views along the way.

Another highlight was the 98-day AUTOVENTURE London-Singapore Expedition Drive. Covering 25,000km across twenty-one countries, this journey commenced with a memorable flag-off ceremony attended by Singapore's High Commissioner to the United Kingdom, exemplifying our dedication to providing unparalleled travel experiences.

We took bold steps towards promoting eco-friendly travel options by featuring drives with electric vehicles in our AUTOVENTURE. Initiatives included a 12-Day Autoventure Eco-Driving expedition in South Korea and a 13-Day Hyundai Motor Expedition ASEAN EV Drive to Malaysia, Thailand, Cambodia, and Vietnam.

These milestones represent our ongoing commitment to providing our members with exceptional travel adventures while promoting sustainability and environmental responsibility. We express our gratitude to our AA Members for their continued support and trust in our AUTOVENTURE journeys.

Empowering Members Through Safety Training

AA Singapore has always been at the forefront of road safety, and we remain committed towards safety training enhancement. As Singapore embraces electric vehicles and sustainable transportation, our efforts at AAS Academy have been dedicated to expanding our course offerings and ensuring that our members are well-prepared for their journeys. From revamping and updating our Car Appreciation Course materials to hosting Eco & Safe Driving webinars and Hazard Perception workshops, our aim is to promote sustainable and safe driving practices among our members and partners, both at home and abroad. Through these initiatives, we not only provide exceptional travel adventures but also ensure the safety and security of our members every step of the way.

President's Message

Smooth And Safe Drives

In 2023, AA Singapore demonstrated its commitment to promoting safe driving practices both locally and internationally. AA Singapore organised the Overseas Safe Driving Forum 2023 (OSDF), attracting a total of 160 participants and featuring distinguished overseas speakers to discuss safe driving practices abroad.

In September, AA Singapore, together with Motor Sports Singapore, hosted a welcome dinner for the FIA President, Mr. Mohammed Ben Sulayem during the Singapore Grand Prix Formula One, fostering discussions and idea exchanges within the motoring community. The Association further extended its hospitality to fellow Automobile and Motorsports Clubs, fostering camaraderie and collaboration, strengthening bonds within the automobile community.

AA Singapore also partnered with the Singapore Road Safety Council, the Traffic Police, the Land Transport Authority, Ministry of Education, and the People's Association in the Singapore Road Safety Month on 1 July 2023. The campaign, themed "Road Safety for All," raised awareness on speeding and jaywalking hazards through impactful visual presentations and interactive activities held over two days at Toa Payoh Hub Mall Atrium. AA Singapore played a significant role in supporting collaborative efforts to raise road safety awareness and encourage responsible commuting behaviors.

Operational Streamlining And Cybersecurity Measures

In line with our commitment to operational efficiency and cybersecurity, we have streamlined processes, enhanced our website, and upgraded our CRM system to provide our members with a more user-friendly experience while ensuring data security and seamless integration with other platforms. We value members' feedback, and we encourage you to share your thoughts on any motoring or road traffic-related matters with us through our website or email.

Amidst the evolving landscape, our team collaborated across departments, addressing potential disruptions, and placing cybersecurity at the forefront. Proactive measures were implemented, including Cybersecurity Awareness sessions and employee engagement initiatives. These endeavors played a pivotal role in cultivating a deeper understanding and dedication to cybersecurity practices, reinforcing the safeguarding of AA's invaluable assets against potential threats.

Strategic Collaborations

In addition to acquiring the Europcar Singapore Franchise, we have partnered with Starcharge Energy Pte Ltd to expand our reach in the electric vehicle landscape. These collaborations demonstrates our dedication to providing forward-thinking solutions that align with the changing needs of the automotive industry.

President's Message

Looking ahead, we remain committed to forging partnerships for the future, embracing education, and creating opportunities for our members and the wider community. Our acquisition of Europcar Singapore Franchise and collaboration with Starcharge Energy Pte Ltd highlight our ongoing commitment to providing innovative solutions and fostering a sustainable and eco-conscious motoring community.

Nurturing Minds, Empowering Futures

Beyond service provision, we are actively engaged in initiatives that make a positive impact on society. From partnering with ITE to establish the Automobile Association of Singapore Book Prizes Award to supporting underprivileged students through the ITE College West Token scheme, we are committed to building a better community and nurturing the next generation of automotive professionals.

Once again, for the second consecutive year, the staff of AA Singapore took the initiative to organise a Christmas Charity Donation Exercise. Instead of exchanging Christmas gifts among themselves, employees collectively contributed funds to donate to Touch Community Services, a local charity organisation providing assistance and support to those in need. This act of kindness from the staff is a testament to their dedication to positively impacting 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.

Shaping Our Future

As we embark on the journey ahead, I am confident in overcoming challenges and achieving success through collective efforts. With your support, AA Singapore will adapt, innovate, and shape a future of growth and resilience.

I thank our Members for your unwavering trust and partnership to keep the Association going.

Thank you.

Mr Bernard Tay
President

General Committee

L-R

WONG SIEW HONG
Secretary

LOW BENG TIN
Deputy President

BERNARD TAY
President

ALVIN PHUA
Treasurer

General Committee

CHIA HO CHOON
Committee Member

S CHANDRA MOHAN
Committee Member

EDWIN TAN
Committee Member

TAY BOON KENG
Committee Member

DARRYL WEE
Committee Member

DAVID WONG
Committee Member

RANKIN B. YEO
Committee Member

THOMAS YEOH
Committee Member

Resource Panel

KOH ING CHIN

DIANA NG

ONG CHEE BENG

TAN HUN TWANG

DAMIAN TAY

WOO YEW LOK

Adapting and Innovating for the Future

Embracing A New Era

The year 2023 marked a significant period of adaptation and innovation for AA Singapore as we continued to navigate the changing landscape shaped by the challenges of the previous years. With the lingering effects of the pandemic, our commitment to Members remained steadfast, and we strived to enhance our services and offerings.

Membership Engagement

In 2023, the Association refined its membership offerings, enhancing the value proposition for our esteemed members and cultivating lasting relationships with those who opt for a longer journey with AA. The membership offerings not only include enticing benefits but also introduce innovative promotions that deliver immediate advantages, such as battery discounts and warranties. As part of this enriching experience, new members are welcomed with exclusive welcome vouchers, further accentuating the exceptional perks that come with their commitment to our Association.

To further enhance our members' experience, the Association embarked on One Road, an innovative FIA-led global loyalty programme crafted for AA members. One Road aims to provide a range of international privileges across countries and Members would enjoy exclusive benefits and preferential rates on tourism services and accommodation. More offerings will soon be available, and Members are encouraged to visit the One Road portal at https://portal.oneroadloyalty.com/aas

In a strategic move towards the future, AA Singapore acquired the Europcar Singapore Franchise, effective from 1 December 2023. This move aims to further enhance our offerings and strengthen our position in the motoring industry. This strategic move will bring about substantial benefits, exclusively to our valued members. Members enjoy exclusive overseas car rental rates and enjoy worldwide car rental selections with instant car rental confirmation for overseas drive. Members can visit https://www.europcar.com.sg/ or contact our staff at 6389 4222.

In 2023, our mechanics and tow crews continued their dedicated service, promptly responding to over 16,000 roadside assistance requests. The Association experienced an increased volume of phone calls by 47%, reflecting the growing reliance on our indispensable services.

The Association's service level increased by 2.60%, showcasing our commitment to efficiency. Tow service response time saw an improvement, ensuring timely arrivals for our Members. Public awareness and community engagement remained at the forefront of our initiatives.

Year in Review

Roadshows, including participation in SMU in-house events and the Singapore Business Show, displayed our dedication to the community and welcomed new members into our motoring community, where exclusive perks awaited them.

Embarking On Journeys

In 2023, the AUTOVENTURE witnessed several significant milestones. AA Singapore organised a 31-Day AUTOVENTURE to Thailand, Cambodia, and Vietnam from 26 January to 25 February 2023. This was also the first convoy drive to Vietnam which saw overwhelming responses and unveiled new scenic views along the journey.

AA Members embarked on a remarkable adventure of a lifetime with AA Singapore as they set off on the 98-day AUTOVENTURE London-Singapore Expedition Drive. The flag-off ceremony took place on 6 August with His Excellency, Mr Lim Thuan Kuan, the Singapore High Commissioner to the United Kingdom, who was the Guest-of-Honour for this special occasion. Building on the success of AA Singapore's first-ever 92-day trip in 2019, the 98-Day Autoventure covered a vast distance of 25,000km, spanning 20 countries. This expanded upon the 2019 London-Singapore Autoventure™ expedition, which covered 21,000km across 16 countries. The group of 33 participants and 12 cars returned to Singapore on November 10, celebrating their journey.

The AUTOVENTURE also featured some drives with electric vehicles, marking a bold step towards promoting eco-friendly travel options. These electric vehicle drives not only demonstrated AA Singapore's dedication to embracing emerging technologies but also our proactive approach towards reducing carbon emissions and promoting environmental consciousness within the automotive and travel industries.

On 3 June 2023, the Association flew 38 members to Korea to start on a green tour, travelling through multiple cities in South Korea with electric vehicles for the first time. The 12-Day Autoventure Eco-Driving in South Korea was supported by the Jeju Island Tourism Corporation and South Korea's Hyundai Motor Company, aiming to promote a more environmentally friendly electric vehicle mode to visit South Korea and Jeju Island. In addition, the participants had the opportunity to visit the Hyundai Motor Studio in Goyang to learn more about the process and functions of the car through exhibitions and concept cars related to the company's future blueprint design.

In November, the Association collaborated with Hyundai Motors and organised a trip of 13 Days Hyundai Motor Expedition ASEAN EV Drive to Malaysia, Thailand, Cambodia, and Vietnam. This marked the first electric vehicle drive where the participants travelled from Singapore to Vietnam, further contributing to the evolution of sustainable and innovative travel experiences.

Enhancing Travel Protection

In response to the evolving needs of our Members, the enhanced TourCare Plus travel policy includes coverage for pre-existing conditions, exclusively available for single trip policies lasting up to 30 days. Additionally, to address the ongoing concerns related to Covid-19, the age limit for Covid coverage has been extended up to 85 years old. These enhancements reflect our dedication to providing comprehensive and tailored travel protection for our Members.

In 2023, AAS-IA also introduced the International Driving Permit - Personal Accident coverage at a special discount of $5.40. This coverage has been made available to everyone. These are continuous enhancements, where we continue to adapt and evolve, ensuring that our Members receive the most robust and inclusive travel protection available.

Navigating Safely

AA Singapore organised the Overseas Safe Driving Forum 2023 (OSDF) in October and emphasised the importance of preparation at every stage, from pre-trip preparations and route planning to familiarizing oneself with driving culture, road, and weather conditions. The event featured our in-house speakers as well as distinguished overseas speakers from the Malaysian Institute of Road Safety Research (MIROS), Thai Ecotourism & Adventure Travel Association (TEATA), International Road Assessment Programme (iRAP), Japan Automobile Federation and AA New Zealand. The half-day forum, held at the Sands Expo & Convention Centre, attracted a total of 160 participants, fostering a valuable platform for insights and discussions on safe driving practices abroad.

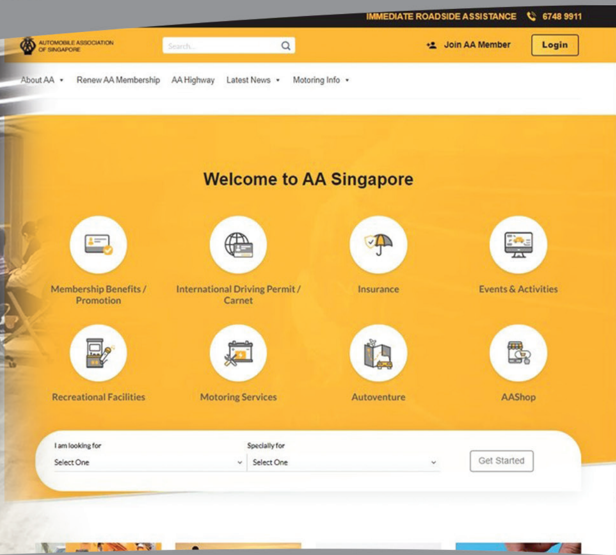
In September, Singapore held the Singapore Grand Prix Formula One and AA Singapore, along with the Motor Sports Singapore, hosted a welcome dinner for the Fédération Internationale de l'Automobile President, Mr Mohammed Ben Sulayem, during his visit to Singapore. The event served as a platform for insightful discussions, meaningful exchanges of ideas, and a chance for the motoring community to come together. In the same month, AA Singapore extended its hospitality by hosting fellow Automobile and Motorsports Clubs, extending a warm welcome to them and provided a unique opportunity for the clubs to share valuable insights, exchange ideas, and strengthen the bonds within the automobile community.

AA Singapore partnered with the Singapore Road Safety Council and the Traffic Police, as well as the Land Transport Authority, Ministry of Education, People's Association in the Singapore Road Safety Month on 1 July 2023. The campaign launch, graced by the Guest of Honour Associate Professor Muhammad Faishal Ibrahim, Minister of State for the Ministry of Home Affairs & Ministry of National Development, centered around the theme "Road Safety for All." The primary focus was on creating awareness about the hazards of speeding and jaywalking through impactful visual presentations. A key highlight of the month-long initiative was the two-day 'Road Safety for All' carnival at Toa Payoh Hub Mall Atrium on 1-2 July 2023. The carnival featured informative road safety exhibitions and interactive activities. AA Singapore contributed to the collective efforts of various organisations to enhance road safety awareness and promote responsible commuting habits.

Safety Training Enhancement

As Singapore embraces electric vehicles as part of the sustainable transportation, AAS Academy expanded the course offerings both online and physically. The AAS Academy undertook a revamp and updated the Car Appreciation Course materials in 2023. This revision includes essential insights into electric and hybrid vehicles, ensuring that our Members remain well-versed in the latest advancements within the automotive industry. Additionally, the AAS Academy demonstrated its commitment to road safety by providing an Eco & Safe Driving online webinar to our members and partners, promoting sustainable and safe driving practices. Through live webinars and the Learn@AAS online learning management system, Members gained flexibility in accessing training programs, allowing them to learn at their own pace and convenience. AAS Academy conducted a Hazard Perception workshop during the Military Transport Safety seminar, focusing on enhancing hazard perception skills to reduce the risk of vehicle crashes.

Year in Review



Operational Efficiency And Cybersecurity

The Association continues to streamline processes and maximise resources to ensure a convenient and efficient experience for our Members.

In recent years, AA Singapore has been focusing on enhancing our digital infrastructure to ensure secure access to our services for our Members. In 2023, we further strengthened our commitment to security by revamping our website. Through the redesign, the latest security protocols were implemented, vulnerabilities were addressed, and user education on security best practices was emphasised. The enhanced user experience contributed to security by reducing the likelihood of user errors. This comprehensive approach is part of AA Singapore's commitment to providing both a user-friendly and secure online platform for its members. We have also embarked on 2FA security measures and used Sophos Advanced Intercept X to protect our resources. The redesigned website provides Members with a more user-friendly experience, featuring an intuitive interface and streamlined navigation. By continually improving functionality and design, our aim is to enhance Member engagement and satisfaction while ensuring a seamless online experience.

The redesigned website provides Members with a more user-friendly experience, featuring an intuitive interface and streamlined navigation. By continually improving functionality and design, our aim is to enhance Member engagement and satisfaction while ensuring a seamless online experience.

In tandem with the website upgrade, the Association has also enhanced the CRM system to improve user experience. This includes optimising performance, and ensuring seamless integration with other platforms, delivering a more efficient and user-friendly experience for our Members.

In response to the dynamic environment, the team collaborated across departments, mitigated disruptions, and prioritised cybersecurity. The team implemented proactive measures with initiatives such as Cybersecurity Awareness sessions and engagement with employees. These efforts were instrumental in fostering a heightened understanding and commitment to cybersecurity practices, further safeguarding AA's valuable resources against potential threats.

Forging Partnerships For The Future

Besides acquiring Europcar Singapore Franchise, AA Singapore is also a service provider for Starcharge Energy Pte Ltd, expanding our reach and impact in the ever-evolving landscape of automotive services in the Electric Vehicle landscape. The Association is dedicated to providing our members and the wider community with forward-thinking solutions that align with the changing needs and preferences in the automotive industry. Through these initiatives, AA Singapore is not only adapting to the future but actively shaping it to ensure a more sustainable and eco-conscious motoring community.

Commitment Towards Future

Committed to building a better community, AA Singapore actively engages in initiatives that make a positive impact on society. In 2023, we continued to partner with ITE to establish the Automobile Association of Singapore Book Prizes Award. This collaboration specifically supports outstanding graduates from the Nitec in Automotive Technology course, encouraging excellence in the automotive field. Additionally, our commitment extends to the ITE College West Token scheme, where we contribute to providing meal tokens for students from underprivileged families.

In addition to these endeavors, AA Singapore continues to prioritise road safety as a cornerstone of our community efforts. We maintain an ongoing partnership with the Singapore Road Safety Council, collaborating on various initiatives and campaigns aimed at raising awareness and promoting safe driving practices among motorists. Through these collective efforts, we aim to reduce road accidents and create safer road environments for all.

Looking Ahead: Embracing Challenges, Creating Opportunities

As we reflect on the year 2023, AA Singapore remains committed to adapting, innovating, and fostering positive relationships. By continuously improving our services, embracing technology, and collaborating with partners, we are poised to overcome challenges and seize opportunities on the road ahead. Together, with our Members and stakeholders, we look forward to a future of growth, resilience, and success.

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, 17 May 2023 at 6:30 pm.

Present:
Bernard Tay, Chairman and President
Low Beng Tin
Wong Siew Hong
Alvin Phua
S Chandra Mohan
Tay Boon Keng

Via live webcast:
Chia Ho Choon
Edwin Tan
Rankin B. Yeo
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 12d 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 38. As there was a quorum, President called the Meeting to order.

1. President's Address

It is with great pleasure that I welcome all of you to our AA Annual General Meeting 2023 this evening.

In view of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Registered Societies) Order issued on 15 December 2022, which enable registered societies to convene, hold, or conduct meetings through electronic means until 1 July 2023, we have opted to convene the Annual General Meeting by electronic means as we seek to prioritise the health and safety of our Members. Nonetheless, I am confident that we will have the opportunity to meet in person soon at our upcoming activities.

This evening, we are presenting to you live from AA Centre at 2 Kung Chong Road and I am pleased to have you join us for the live streaming of the AGM this evening. Please be reminded that the AGM proceedings are private. Hence, please kindly refrain from doing any recordings. The Association will be recording this evening's proceedings on audio and video for official record-keeping purposes.

Firstly, 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, Deputy President, Mr Low Beng Tin, Secretary, Mr Wong Siew Hong and Treasurer, Mr Alvin Phua. The other GC Members, who are in attendance, include: Mr Chia Ho Choon, Dr Chandra Mohan, Dr Edwin Tan, Mr Rankin B. Yeo, Professor Tay Boon Keng, Mr Darryl Wee, Mr David Wong and Mr Thomas Yeoh.

We also have Members of the Resource Panel, Mr Koh Ing Chin, Mr Ong Chee Beng, Mr Tan Hun Twang, Mr Damian Tay and Dr Woo Yew Lock, in attendance this evening.

Also in attendance are our polling agent representatives from Agile 8 Advisory Pte Ltd; and our independent Scrutineer from Drew & Napier, represented by Mr Joel Ng.

Over the past 3 years, the COVID-19 pandemic has undoubtedly posed significant hurdles, both in Singapore and worldwide. However, despite the challenges and obstacles faced, AA Singapore remained committed to placing our Members and team at the heart of our vision and the Association have been consistently delivering reliable, safe services and activities for our Members.

AA Singapore adhered to the government guidelines and recommendations to prevent the spread of COVID-19. The Association have also taken the prudent decision to continue with the discontinuation of allowing car owners to ride in the cabin of our recovery trucks while their vehicle is being towed. We seek your understanding and cooperation as this decision was made with the utmost consideration for everyone's safety. Moving forward, the Association 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.

The Association have been strengthening our capabilities across all our business areas to deliver enhanced value to Members and stakeholders while securing a sustainable future for the Association. Over the past year, the Association made significant strides in enhancing our digital infrastructure to ensure seamless access for Members via our online platforms. We introduced new security measures, including a revamped login process and the implementation of One-Time Password (OTP) authentication, to further safeguard Members accounts. As an additional measure, I would like to encourage Members to enable the biometric login feature, which offers a secure and seamless experience when utilising our services.

Year 2022 also witnessed an increase in the issuance of International Driving Permits (IDPs), primarily due to the surge in travel demand. As the sole issuer of IDP in Singapore, we promptly responded to the heightened demand and ensured that IDPS were issued in a timely manner, allowing drivers to relish a delightful holiday experience.

Taking into consideration of the increased travel demands, AAS Insurance Agency partnered with Liberty Insurance Pte Ltd and Tokio Marine Insurance Singapore to incorporate Covid-19 coverage in our Tour Care Plus and TM Xplora Plus policies in 2022. This is in addition to the enhancement of the Travel Guard by AIG in 2021. AAS Insurance Agency introduced new online payment options for Motor Insurance renewal transactions in 2022. With the enhanced coverage, Members can be provided with added protection to meet their evolving needs, even during the pandemic.

Our travel insurance products remain highly popular among our Members. We have observed significant growth in the sales of our travel insurance products, with commission revenue for travel insurance in 2022 surpassing year 2021. This year, AAS Insurance Agency will continue to enhance our product offerings, ensuring that our Members and customers will receive competitive and comprehensive insurance products and services.

In January 2022, the Association made a strategic investment by acquiring a majority stake in BCC Automotive Pte Ltd, a well-established local automobile repair chain store, and the master franchisee of POINT S Singapore. This will allow us to better serve and provide additional services to our members. This marks the beginning of an exciting new important milestone for AA Singapore in our quest to provide better and more comprehensive services to our members.

Meanwhile our subsidiary, Autoswift Recovery, took a significant step towards sustainability by incorporating electric vans into our daily operations The adoption of electric vans will not only align with our environmental goals, but also improve operational efficiency due to the van's larger carrying capacity which allows us to transport more equipment in a single trip – thereby enhancing our ability to respond to Members' requests for roadside assistance and mechanic services.

We understand the importance of supporting our Members in navigating the financial challenges posed by the pandemic, and we have ensured that our Membership offerings remain affordable and accessible with more options at better valued rates. In addition to expanding our network of privilege partnerships with motoring-related companies, we have also broadened our horizons by collaborating with partners beyond the automotive industry in 2022. By leveraging our partnership network, we are able to work more closely with our privilege partners to support various initiatives and offer our Members an extensive range of options and benefits.

As we witness the easing of border restrictions around the world, the Association is excited to announce that we have progressively resumed our Autoventure trips in 2022. In April 2022, we organised our first trip to Scotland - 21 Days 20 Nights AA Fly-Drive, and it was truly an unforgettable experience for all participants. Our Members had the opportunity to immerse themselves in Scotland's rich culture and history, while taking in the breath-taking views of the Scottish Highlands as they cruised along the famous North Coast 500 touring route.

In 2022, the Association organised a total of 30 motoring and lifestyle workshops and courses for Members, which included workshops from 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. Members will be pleased to know that we have resumed hosting physical workshops at our AA Centre and we look forward to your active participation.

The AAS Academy conducted live training webinar sessions and utilised our dedicated online learning management system, Learn @ AAS, to allow Members to access training programs remotely and learn at their own pace and convenience. In light of the increasing demand for safe driving practices, AAS Academy introduced a new Safe Driving course in 2022. The safe driving course covers crucial topics such as maintaining safe speeds, maintaining a safe distance from other vehicles, and effectively identifying and managing blind spots.

AA Singapore has always been a strong advocator of road safety and we remain committed to promoting this important cause through various impactful initiatives in 2022. In September 2022, AA Singapore collaborated with the Singapore Traffic Police, the Singapore Civil Defence Force, and the Singapore Road Safety Council in co-organising the AA Emergency Preparedness on the Road event. This initiative aims to raise awareness among our local motoring community about the importance of regular vehicle maintenance to prevent vehicle fires, as well as the crucial role of giving way to emergency vehicles. Participants had the opportunity to receive hands-on training on essential emergency procedures and life-saving skills through the Community Emergency Preparedness Programme (CEPP) by SCDF and learned to respond effectively in emergency situations.

I would like to express my heartfelt gratitude to our Guest-of-Honour, Associate Professor Muhammad Faishal Ibrahim, for gracing the AA Emergency Preparedness on the Road event. We are also deeply grateful to our esteemed partners for their invaluable collaboration in making this event a success.

We partnered with Yeap Transport Pte Ltd, a local school bus management company, to launch the "Safe Speed Saves Lives" #Love30 road safety campaign at the United World College West, in support of the UN Global Road Safety Week in the month of May 2022. The campaign aimed to advocate 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 zones. Over 400 school buses of Yeap Transport displayed "Safe Speed, Save Lives" bus decals, raising awareness among school bus drivers, who often encounter vulnerable pedestrians such as children and the elderly. A road safety webinar was also organised for the school bus drivers and operators, to educate them on the dangers of speeding and the potential to prevent fatal accidents and save lives by adhering to a safe speed limit of 30km/h.

At AA Singapore, we understand the importance of giving back to society and as part of our commitment to building meaningful connections with the community, we continued to partner the ITE to establish the Automobile Association of Singapore Book Prizes Award. This Award aims to recognise and reward outstanding graduates from the Nitec in Automotive Technology course and promote excellence in this field.

Last December, our staff also took the initiative to organise a Christmas Charity Donation Exercise. Instead of exchanging gifts among themselves, they pooled their resources together and donated the funds to Touch Community Services, a local charity organization that assists those in need. The Association is grateful for the opportunities to make a positive impact and foster a stronger community.

With today's digital age, the importance of cybersecurity cannot be overstated, and we are aware of the potential risks associated with it. We have been equipping our staff with the necessary skills to identify and mitigate technological risks. We recently conducted Cybersecurity Awareness Training sessions for our staff, led by the National Crime Prevention Council. These sessions provided our staff with a deeper understanding of the significance of cybersecurity and its implications in our modern world.

As part of our commitment to continuous learning and development, AA Singapore signed a Memorandum of Understanding (MOU) with the Singapore Manual and Mercantile Workers' Union (SMMWU) in 2022. This partnership aims to develop upskilling and reskilling initiatives for our staff, ensuring that their competitiveness in today's dynamic workforce. We will work closely with SMMWU to assess our staff's training needs and design customised training programs to meet those needs.

Moving forward, the Association will continue to harness the power of online and digital learning to equip our staff with the latest technological know-how, enabling them to adapt to changing business and technological requirements to excel in their roles.

As we move into year 2023, I am also delighted to share that AA Singapore has successfully launched our revamped AA website in the first quarter of 2023. The new version is equipped with an interactive user interface and a modern design, making it easier for Members to access our services. As we strive to enhance our digital capabilities to better serve our Members, feel free to approach the Association if you ever encounter any challenges or difficulties with the AA website or our AA Singapore app. Our staff will assist you to ensure a seamless online experience.

AA Singapore remains committed to providing exciting opportunities and experiences for our members. In August 2023, AA Singapore will be gearing up for a 98-Day AA Autoventure London-Singapore Expedition Drive from 4 August to 10 November 2023. Our recent preview of the expedition provided an exclusive preview into the meticulously planned routes and exciting activities that participants can look forward to. Interested members are welcome to approach our staff for more information about joining this journey.

The dedication of AA Singapore to providing exciting opportunities for its members goes beyond just the 98-Day AA Autoventure London-Singapore Expedition Drive. The Association is constantly reviewing our services to reinforce our offerings, and consistently evaluating our locations and facilities, to ensure that members receive the best possible benefits and value for their membership. By remaining vigilant and adaptable, AA Singapore will continue to evolve and meet the changing needs and expectations of its members in the years to come. Whether it's through exciting expeditions or excellence in customer service, AA Singapore is committed to creating a community that members can be proud to be a part of.

Lastly, I would like to express my deep gratitude to my fellow General Committee Members, Resource Panel Members, AA Management and staff, as well as our valued AA Members, for your unwavering support and commitment to the Association. Despite the challenges of 2022, your dedication has been the driving force that has propelled the Association forward. I am confident that the Association will continue to overcome any obstacles that may come our way and emerge from these challenges stronger than ever before.

Thank you.

2. To Confirm The Minutes Of The Annual General Meeting Held On 18 May 2022

As there were no comments received as at 5pm on 9 May 2023, the President handed over to the Scrutineer to announce the results. Based on the proxy forms received at 5pm on 12 May 2023 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 18 May 2022 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 2022

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

As there were no comments received as at 5pm on 9 May 2023, the President handed over to the Scrutineer to announce the results. Based on the proxy forms received at 5pm 12 May 2023 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 2022 had been received, approved and adopted by the Meeting.

4. To elect six members to the Committee for the ensuing term

The President informed that under the Association's Constitution, the term of office of 6 committee members had expired and we need to elect 6 members to the General Committee.

The President informed that the Scrutineer had duly verified and confirmed the nominations received.

The Scrutineer reported that 6 nominations were received as at 5pm on 3 May 2023, being the time and date set for nominations to be closed.

The 6 nominees were:

Mr Low Beng Tin
Mr Chia Ho Choon
Mr David Wong
Dr Edwin Tan
Mr Rankin B. Yeo
Dr S Chandra Mohan

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.

5. To appoint external 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 12 May 2023 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 9 May 2023

The President informed the Meeting that as at 5pm on 9 May 2023, 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 6.55pm.

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.

Financial Contents

Corporate Information 2023

Automobile Association of Singapore

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**

Name	Designation
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
   Ms. Diana Ng Lay Hoon
   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
   Ms. Diana Ng Lay Hoon
   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. **PRINCIPAL BANKERS**

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

13. **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 24 to 74 are drawn up so as to give a true and fair view of the financial position of the Group and of the Association as at 31 December 2023 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

Bernard Tay Ah Kong
President

Alvin Phua
Treasurer

Singapore, 4 April 2024

Independent Auditor's Report

To the members of Automobile Association of Singapore (Incorporated in the Republic 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 24 to 74, which comprise the statements of financial position (balance sheets) of the Group and of the Association as at 31 December 2023, 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 material accounting policy information.

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 2023 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.

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.

Responsibilities of Management and General Committee for the Financial Statements (Continued)

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.

- 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.

Independent Auditor's Report

To the members of Automobile Association of Singapore (Incorporated in the Republic of Singapore)

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.

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

Singapore, 4 April 2024

Statements of Comprehensive Income

For the year ended 31 December 2023

	Notes	Group 2023 $	Group 2022 $	Association 2023 $	Association 2022 $
INCOME					
Membership subscriptions and entrance fees		1,999,849	2,243,401	1,999,499	2,240,601
Vehicle recovery and towing services		570,944	919,656	21,212	20,939
Fruit machine net takings	3	1,113,232	1,298,147	1,113,232	1,298,147
Income from other services	4	4,222,047	3,076,327	3,690,745	2,602,060
Interest income	5	915,222	668,263	1,125,182	992,762
Lease income (net)	6	1,070,444	1,443,868	–	–
Income from workshop services and related sale of goods	7	2,767,548	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	792,100	563,488	1,547,152	1,347,607
Total income		13,451,386	16,730,367	9,497,022	10,252,116
LESS EXPENDITURE					
Direct costs for workshop income and related sale of goods		1,319,672	1,398,195	–	–
Depreciation expense	9	3,022,300	2,631,921	623,972	639,357
Amortisation of intangible assets	15	78,684	48,024	57,696	25,248
Employee benefits expense	10	6,123,815	6,084,396	3,167,665	2,949,414
Membership promotion, publicity and meetings		700,720	509,690	703,812	509,691
Finance costs	28	78,653	56,927	59,281	33,268
Other expenses	11	4,018,525	4,023,109	4,664,278	4,609,132
Total expenditure		15,342,369	14,752,262	9,276,704	8,766,110
(Deficit)/surplus before tax		(1,890,983)	1,978,105	220,318	1,486,006
Income tax expense	12	(178,078)	(141,019)	(167,607)	(144,000)
(Deficit)/surplus for the year		(2,069,061)	1,837,086	52,711	1,342,006
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Net fair value losses reclassified to profit or loss upon disposal of bonds	23	102,250	39,500	102,250	39,500
Fair value gains/(losses) on financial assets at FVOCI, recognised in other comprehensive income	23	433,635	(1,216,312)	433,635	(1,216,312)
Other comprehensive income/(loss) for the year, net of tax		535,885	(1,176,812)	535,885	(1,176,812)
Total comprehensive (loss)/income for the year		(1,533,176)	660,274	588,596	165,194

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

Statements of Comprehensive Income

For the year ended 31 December 2023

	Notes	Group		Association	
		2023 $	2022 $	2023 $	2022 $
(Deficit)/surplus attributable to:					
- Members of the Association		(2,056,385)	1,869,829	52,711	1,342,006
- Non-controlling interests		(12,676)	(32,743)	–	–
		(2,069,061)	1,837,086	52,711	1,342,006
Total comprehensive (loss)/income attributable to:					
- Members of the Association		(1,520,500)	693,017	588,596	165,194
- Non-controlling interests		(12,676)	(32,743)	–	–
		(1,533,176)	660,274	588,596	165,194

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

Statements of Financial Position

As at 31 December 2023

	Notes	Group 2023 $	Group 2022 $	Association 2023 $	Association 2022 $
ASSETS					
Non-Current Assets					
Property, plant and equipment	13	26,125,606	29,546,411	559,624	849,045
Investment properties	14	42,490,954	42,841,300	–	–
Intangible assets	15	409,743	270,179	301,660	142,308
Right-of-use assets	16	2,166,525	3,041,005	1,959,741	2,718,025
Investments	17	12,360,385	16,176,750	12,360,385	16,176,750
Investments in subsidiary companies	18	–	–	6,000,002	6,000,002
Amount due from subsidiary companies	19	–	–	58,200,307	58,658,450
		83,553,213	91,875,645	79,381,719	84,544,580
Current Assets					
Investments	17	3,259,127	–	3,259,127	–
Inventories	20	304,142	288,307	56,708	44,088
Trade and other receivables	21	2,473,846	2,257,990	890,958	1,054,892
Amount due from subsidiary companies	19	–	–	2,732,270	2,589,099
Cash and cash equivalents	22	21,077,890	20,822,611	10,129,912	8,787,677
		27,115,005	23,368,908	17,068,975	12,475,756
Total Assets		110,668,218	115,244,553	96,450,694	97,020,336
TOTAL FUNDS, RESERVES AND LIABILITIES					
FUNDS AND RESERVES					
Accumulated funds		102,466,132	104,572,737	79,948,224	79,945,733
Fair value reserve	23	(816,990)	(1,352,875)	(816,990)	(1,352,875)
Fruit machine replacement reserve	24	750,606	700,386	750,606	700,386
Total funds and reserves attributable to members of the Association		102,399,748	103,920,248	79,881,840	79,293,244
Non-controlling interests		90,644	103,320	–	–
Total Funds and Reserves		102,490,392	104,023,568	79,881,840	79,293,244
LIABILITIES					
Non-Current Liabilities					
Subscriptions received in advance	25	887,364	983,525	887,364	983,525
Deferred tax liabilities	26	3,000	3,000	–	–
Trade and other payables	27	276,419	276,419	276,419	276,419
Lease liabilities	28	1,106,794	2,177,483	1,064,360	2,001,531
Amount due to subsidiary companies	19	–	–	2,429,500	9,901,264
		2,273,577	3,440,427	4,657,643	13,162,739

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

Statements of Financial Position

As at 31 December 2023

	Notes	Group 2023 $	Group 2022 $	Association 2023 $	Association 2022 $
Current Liabilities					
Subscriptions received in advance	25	1,094,423	1,295,166	1,094,423	1,263,422
Trade and other payables	27	3,563,869	5,293,485	1,755,397	1,793,497
Lease liabilities	28	1,066,319	976,863	860,930	759,034
Amount due to subsidiary companies	19	–	–	8,034,461	601,592
Amount due to bank - secured	29	–	42,237	–	–
Current tax liabilities		179,638	172,807	166,000	146,808
		5,904,249	7,780,558	11,911,211	4,564,353
Total Liabilities		8,177,826	11,220,985	16,568,854	17,727,092
Total Funds, Reserves and Liabilities		110,668,218	115,244,553	96,450,694	97,020,336

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

Consolidated Statement of Changes in Funds

For the year ended 31 December 2023

Group	Notes	Accumulated funds $	Fair value reserve $	Fruit machine replacement reserve $	Total funds and reserves attributable to members of the Association $	Non-controlling interests $	Total funds and reserves $
Balance as at 1 January 2022		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		104,572,737	(1,352,875)	700,386	103,920,248	103,320	104,023,568
Deficit for the year		(2,056,385)	–	–	(2,056,385)	(12,676)	(2,069,061)
Other comprehensive income for the year	23	–	535,885	–	535,885	–	535,885
Total comprehensive (loss)/income for the year		(2,056,385)	535,885	–	(1,520,500)	(12,676)	(1,533,176)
Transactions with owners, recognised directly in total funds and reserves							
Transfer to fruit machine replacement reserve, net of reserve utilised	24	(50,220)	–	50,220	–	–	–
		(50,220)	–	50,220	–	–	–
Balance as at 31 December 2023		102,466,132	(816,990)	750,606	102,399,748	90,644	102,490,392

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

Statement of Changes in Funds

For the year ended 31 December 2023

Association	Notes	Accumulated funds $	Fair value reserve $	Fruit machine replacement reserve $	Total funds and reserves $
Balance as at 1 January 2022		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		79,945,733	(1,352,875)	700,386	79,293,244
Surplus for the year		52,711	–	–	52,711
Other comprehensive income for the year	23	–	535,885	–	535,885
Total comprehensive income for the year		52,711	535,885	–	588,596
Transactions with owners, recognised directly in total funds and reserves					
Transfer to fruit machine replacement reserve, net of reserve utilised	24	(50,220)	–	50,220	–
		(50,220)	–	50,220	–
Balance as at 31 December 2023		79,948,224	(816,990)	750,606	79,881,840

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	Group 2023 $	Group 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Deficit)/surplus before tax		(1,890,983)	1,978,105
Adjustments for:			
Depreciation expense		3,699,993	3,267,348
Amortisation of intangible assets	15	78,684	48,024
Property, plant and equipment written off	11	235	–
Other payables written back		–	(112,228)
Interest income	5	(915,222)	(668,263)
Interest expenses	28	136,751	110,847
Loss on disposal of bonds	11	102,250	39,500
(Gain)/loss on disposal of property, plant and equipment		(7,555)	1,714
Loss on liquidation of subsidiary		–	21,860
Reversal of impairment losses on investment properties	14	–	(3,568,280)
Gain on right-of-use assets written off		(120,519)	(10,192)
Operating surplus before working capital changes		1,083,634	1,108,435
Increase in inventories		(15,835)	(6,863)
(Increase)/decrease in receivables		(191,507)	93,174
Increase in payables		169,706	288,233
Decrease in subscriptions received in advance		(296,904)	(669,654)
Cash generated from operations		749,094	813,325
Interest received		–	3,815
Income tax paid		(171,247)	(138,112)
Net cash from operating activities		577,847	679,028
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease/(increase) in fixed deposits pledged with banks and/or with maturities over 3 months		1,052,182	(1,152,979)
Interest received		907,712	664,448
Additions to intangible assets	15	(218,248)	(142,692)
Additions to property, plant and equipment	13	(708,863)	(627,972)
Acquisition of subsidiary companies, net cash outflow	39	–	(288,780)
Proceeds from disposal of bond	17	4,250,000	1,000,000
Proceeds from disposal of property, plant and equipment		20,841	–
Proceeds from liquidation of subsidiary		–	51,776
Purchase of bonds	17	(3,224,077)	(1,814,000)
Purchase of investment property	14	(48,800)	(858,910)
Net cash from/(used in) investing activities		2,030,747	(3,169,109)

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	Group 2023 $	Group 2022 $
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of principal portion of lease liabilities	28	(1,122,145)	(940,034)
Payment of interest on lease liabilities	28	(135,801)	(102,845)
Repayment of bank loan		(42,237)	(80,177)
Payment of interest on amount due to bank	28	(950)	(7,466)
Net cash used in financing activities		(1,301,133)	(1,130,522)
Net increase/(decrease) in cash and cash equivalents		1,307,461	(3,620,603)
Cash and cash equivalents at beginning of the year		9,653,417	13,274,020
Cash and cash equivalents at end of the year	22	10,960,878	9,653,417

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

Notes to the Financial Statements

For the year ended 31 December 2023

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. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

The financial statements are presented in Singapore dollars ("$"), 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 Committee, 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 2023. 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 and investments in Singapore Treasury bills, 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.

(ii) 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Financial Assets (continued)

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.

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	4 - 10 years
Tow trucks	10 years
Furniture, fittings, plant and equipment and office equipment	1 - 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. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.12 Investments in Subsidiary Companies (continued)

(i) *Subsidiary and Basis of Consolidation* (continued)

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.

(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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.12 Investments in Subsidiary Companies (continued)

(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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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.

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. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

3. FRUIT MACHINE NET TAKINGS

	Group and Association 2023 $	Group and Association 2022 $
Income		
Fruit machine gross collections and related income	17,418,442	16,079,750
Lease income	34,800	29,800
	17,453,242	16,109,550
Less: Expenditure		
Depreciation of property, plant and equipment [note 13(c)]	268,581	310,809
Depreciation of right-of-use assets [note 16(c)]	409,112	324,618
Fruit machine operating expenses	15,604,219	14,122,056
Interest on lease liabilities (note 28)	58,098	53,920
	16,340,010	14,811,403
	1,113,232	1,298,147

4. INCOME FROM OTHER SERVICES

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
Insurance commission	418,139	438,612	–	–
Consignment sales commission	311,620	323,486	311,620	323,486
Service income from training	67,080	3,780	–	–
International driving permit fees	2,987,639	1,859,963	2,987,639	1,859,963
International driving permit postage fee	60,408	39,167	60,408	39,167
Event income	221,397	235,963	221,397	235,963
Income from sales of accessories	15,061	31,299	15,061	31,299
Agency fees	694	846	694	846
Sales of system codes and licence fees	–	2,740	–	–
Vehicle evaluation fees	18,670	18,960	18,670	18,960
Scrap cars handling fee	13,565	18,692	13,565	18,692
Miscellaneous income	107,774	102,819	61,691	73,684
	4,222,047	3,076,327	3,690,745	2,602,060

Notes to the Financial Statements

For the year ended 31 December 2023

5. INTEREST INCOME

	Group		Association	
	2023	2022	2023	2022
	$	$	$	$
Interest income from:				
- bank accounts	76,165	3,815	73,661	3,281
- fixed deposits	322,526	114,647	91,877	35,205
- bonds	481,481	549,801	374,814	339,550
- loans to subsidiary companies	–	–	584,607	614,726
- treasury bills	35,050	–	223	–
	915,222	668,263	1,125,182	992,762

6. LEASE INCOME

	Group		Association	
	2023	2022	2023	2022
	$	$	$	$
Gross lease income from				
- investment property	1,227,245	1,251,336	–	–
- leasehold properties	109,284	451,771	–	–
	1,336,529	1,703,107	–	–
Less: Property related expenses				
- investment property	(266,085)	(253,681)	–	–
- leasehold properties	–	(5,558)	–	–
	(266,085)	(259,239)	–	–
	1,070,444	1,443,868	–	–

7. INCOME FROM WORKSHOP SERVICES AND RELATED SALE OF GOODS

	Group		Association	
	2023	2022	2023	2022
	$	$	$	$
Transfer of goods - at point in time				
Sale of goods	1,964,655	2,087,653	–	–
Transfer of services - over time				
Services income	802,893	861,284	–	–
	2,767,548	2,948,937	–	–

8. OTHER INCOME

	Group 2023 $	Group 2022 $	Association 2023 $	Association 2022 $
Administrative and service income	32,400	30,700	1,322,748	1,207,822
Allowance for expected credit losses written back - trade	808	–	–	–
Insurance incentive income	115,345	95,364	–	–
Gain on disposal of property, plant and equipment	7,555	–	–	–
Gain on right-of-use assets written off	120,519	10,192	119,466	–
Other payables written back	49,870	112,228	38,371	57,478
Government grants	173,800	126,191	66,567	82,307
Sundry income	291,803	188,813	–	–
	792,100	563,488	1,547,152	1,347,607

9. DEPRECIATION EXPENSE

	Group 2023 $	Group 2022 $	Association 2023 $	Association 2022 $
Depreciation of				
- Property, plant and equipment [note 13(c)]	1,896,355	1,698,465	222,776	236,132
- Investment properties (note 14)	399,146	344,421	–	–
- Right-of-use assets (note 16)	726,799	589,035	401,196	403,225
	3,022,300	2,631,921	623,972	639,357

10. EMPLOYEE BENEFITS EXPENSE

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
Salaries and other related costs	5,425,417	5,451,355	2,795,052	2,649,076
Employer's contributions to Central Provident Fund	632,124	577,982	341,019	281,892
Other benefits	66,274	55,059	31,594	18,446
	6,123,815	6,084,396	3,167,665	2,949,414

11. OTHER EXPENSES

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
Audit fees	85,900	85,900	47,500	35,000
Allowance for expected credit losses - trade	–	19,844	–	–
Bad debts written off - trade	16,873	–	–	–
Donations and sponsorships	34,069	15,750	34,069	15,750
Highway magazine	293,633	292,124	293,633	292,124
Maintenance of property, plant and equipment	716,922	775,735	346,282	372,251
Lease expenses on short term lease	–	–	1,384,162	1,384,162
Other administrative and operating expenses	2,520,649	2,541,697	1,088,988	1,013,157
Loss on disposal of bonds	102,250	39,500	102,250	39,500
Loss on disposal of property, plant and equipment	–	1,714	69	1,714
Loss on liquidation of subsidiary	–	21,860	–	84,724
Property, plant and equipment written off	235	–	–	–
Towing and vehicle recovery expenses	247,994	228,985	1,367,325	1,370,750
	4,018,525	4,023,109	4,664,278	4,609,132

12. INCOME TAX EXPENSE

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
Provision for current taxation	179,638	170,249	166,000	146,372
Reversal of deferred tax liabilities	–	(23,427)	–	–
(Over)/under-provision of taxation in prior year	(1,560)	(5,803)	1,607	(2,372)
	178,078	141,019	167,607	144,000
Reconciliation of income tax expense:				
(Deficit)/surplus before tax	(1,890,983)	1,978,105	220,318	1,486,006
Tax at statutory rate of 17%	(321,467)	336,278	37,454	252,621
Tax effects of:				
Non-taxable income	(1,419,062)	(2,222,442)	(1,416,629)	(1,575,178)
Non-deductible expenses	1,910,125	2,081,018	1,576,816	1,493,048
Statutory stepped income exemption	(58,292)	(38,259)	(17,425)	(17,425)
Income tax at concessionary rate	(4,900)	(4,900)	–	–
Corporate tax rebate	(39,872)	–	–	–
Deferred tax assets not recognised	297,369	168,315	–	–
Utilisation of deferred tax assets previously not recognised	(141,608)	(169,565)	–	–
Tax incentive	(16,731)	(6,694)	(14,216)	(6,694)
(Over)/under-provision of taxation in prior year	(1,560)	(5,803)	1,607	(2,372)
Others	(25,924)	3,071	–	–
	178,078	141,019	167,607	144,000

As at the balance sheet date, the Group has unutilised tax losses and capital allowances amounting to approximately $3,792,000 (2022: $3,262,000) and $25,000 (2022: $45,000) respectively, 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 $649,000 (2022: $562,000) arising from the above tax losses and capital allowances are not recognised in the accounts due to the uncertainty of future taxable profits being available against which the tax losses and capital allowances can be utilised.

13. PROPERTY, PLANT AND EQUIPMENT

(a)

	Leasehold property $	Motor vehicles and equipment $	Tow trucks $	Furniture, fittings, plant and equipment and office equipment $	Fruit machines $	Renovations $	Total $
Group							
Cost							
At 1 January 2022	*26,938,242	618,113	3,404,514	2,288,418	1,837,310	5,590,129	40,676,726
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 and 1 January 2023	26,983,107	928,568	3,648,983	2,404,976	1,830,636	5,600,663	41,396,933
Additions	–	–	476,606	54,977	177,280	–	708,863
Disposals/written off	–	(21,000)	(66,816)	(20,750)	(123,860)	–	(232,426)
Adjustment/Reclassification	#(1,934,287)	–	–	(85)	–	–	(1,934,372)
At 31 December 2023	25,048,820	907,568	4,058,773	2,439,118	1,884,056	5,600,663	39,938,998
Accumulated depreciation							
At 1 January 2022	1,796,252	479,965	2,204,369	1,749,018	1,508,515	2,250,730	9,988,849
Charge for the year	1,101,032	85,719	146,022	259,328	167,074	250,099	2,009,274
Disposals/written off	–	–	–	(18,451)	(129,150)	–	(147,601)
At 31 December 2022 and 1 January 2023	2,897,284	565,684	2,350,391	1,989,895	1,546,439	2,500,829	11,850,522
Charge for the year	1,198,637	78,301	293,227	245,783	154,380	194,608	2,164,936
Disposals/written off	–	(21,000)	(53,599)	(20,446)	(107,021)	–	(202,066)
At 31 December 2023	4,095,921	622,985	2,590,019	2,215,232	1,593,798	2,695,437	13,813,392
Carrying amount							
At 31 December 2023	20,952,899	284,583	1,468,754	223,886	290,258	2,905,226	26,125,606
At 31 December 2022	24,085,823	362,884	1,298,592	415,081	284,197	3,099,834	29,546,411

* Included in the cost of leasehold property is an amount of nil (2022: $1,118,755) 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(b).

\# Adjustment due to settlement of account.

13. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Association

	Motor vehicles and equipment $	Furniture, fittings and office equipment $	Fruit machines $	Renovations $	Total $
Cost					
At 1 January 2022	361,424	1,387,161	1,837,310	2,244,575	5,830,470
Additions	–	57,275	122,476	–	179,751
Disposals/written off	–	(20,165)	(129,150)	–	(149,315)
At 31 December 2022 and 1 January 2023	361,424	1,424,271	1,830,636	2,244,575	5,860,906
Additions	–	41,564	177,280	–	218,844
Disposals/written off	–	(18,765)	(123,860)	–	(142,625)
At 31 December 2023	361,424	1,447,070	1,884,056	2,244,575	5,937,125
Accumulated depreciation					
At 1 January 2022	225,586	1,061,794	1,508,515	1,816,626	4,612,521
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 and 1 January 2023	249,427	1,161,816	1,546,439	2,054,179	5,011,861
Charge for the year	23,841	122,740	154,380	190,396	491,357
Disposals/written off	–	(18,696)	(107,021)	–	(125,717)
At 31 December 2023	273,268	1,265,860	1,593,798	2,244,575	5,377,501
Carrying amount					
At 31 December 2023	88,156	181,210	290,258	–	559,624
At 31 December 2022	111,997	262,455	284,197	190,396	849,045

(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	
	2023 $	2022 $	2023 $	2022 $
Fruit machine net takings - Expenditure (note 3)	268,581	310,809	268,581	310,809
Depreciation expense (note 9)	1,896,355	1,698,465	222,776	236,132
	2,164,936	2,009,274	491,357	546,941

14. INVESTMENT PROPERTIES

	Leasehold properties $	Freehold property $	Renovations $	Total $
Group				
Cost				
At 1 January 2022	–	44,409,280	312,498	44,721,778
Additions	858,910	–	–	858,910
At 31 December 2022 and 1 January 2023	858,910	44,409,280	312,498	45,580,688
Additions	–	–	48,800	48,800
At 31 December 2023	858,910	44,409,280	361,298	45,629,488
Accumulated depreciation and impairment loss				
At 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 and 1 January 2023	17,378	2,615,760	106,250	2,739,388
Charge for the year (note 9)	18,676	348,000	32,470	399,146
At 31 December 2023	36,054	2,963,760	138,720	3,138,534
Carrying amount				
At 31 December 2023	822,856	41,445,520	222,578	42,490,954
At 31 December 2022	841,532	41,793,520	206,248	42,841,300

(a) The fair values of the above investment properties of the Group as at 31 December 2023 are approximately $44.5 million (2022: $44.4 million). These are determined based on formal valuation performed on 31 December 2023 (2022: formal valuation performed on 31 December 2022) by an independent appraiser, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (2022: Colliers International Consultancy & Valuation (Singapore) Pte Ltd) who holds a recognised and relevant professional qualification. The valuation for both 2023 and 2022 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 $274,211 (2022: $242,968).

Direct operating expenses arising from non-income generating investment properties amounted to nil (2022: $10,322).

15. INTANGIBLE ASSETS

	Computer software $	Mobile application $	Goodwill $	Total $
(a) Group				
Cost				
At 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 and 1 January 2023	1,234,153	4,642	91,811	1,330,606
Additions	218,248	–	–	218,248
At 31 December 2023	1,452,401	4,642	91,811	1,548,854
Accumulated amortisation and impairment loss				
At 1 January 2022	1,012,403	–	–	1,012,403
Amortisation for the year	46,524	1,500	–	48,024
At 31 December 2022 and 1 January 2023	1,058,927	1,500	–	1,060,427
Amortisation for the year	77,385	1,299	–	78,684
At 31 December 2023	1,136,312	2,799	–	1,139,111
Carrying amount				
At 31 December 2023	316,089	1,843	91,811	409,743
At 31 December 2022	175,226	3,142	91,811	270,179
(b) Association				
Cost				
At 1 January 2022	1,033,821	–	–	1,033,821
Additions	138,050	–	–	138,050
At 31 December 2022 and 1 January 2023	1,171,871	–	–	1,171,871
Additions	217,048	–	–	217,048
At 31 December 2023	1,388,919	–	–	1,388,919
Accumulated amortisation				
At 1 January 2022	1,004,315	–	–	1,004,315
Amortisation for the year	25,248	–	–	25,248
At 31 December 2022 and 1 January 2023	1,029,563	–	–	1,029,563
Amortisation for the year	57,696	–	–	57,696
At 31 December 2023	1,087,259	–	–	1,087,259
Carrying amount				
At 31 December 2023	301,660	–	–	301,660
At 31 December 2022	142,308	–	–	142,308

16. RIGHT-OF-USE ASSETS

	Properties $	Equipment $	Total $
(a) Group			
Cost			
At 1 January 2022	4,300,412	26,606	4,327,018
Acquisition of subsidiary companies	235,313	–	235,313
Additions	1,354,589	16,495	1,371,084
Disposals/written off	(528,469)	(18,092)	(546,561)
At 31 December 2022 and 1 January 2023	5,361,845	25,009	5,386,854
Additions	1,569,495	–	1,569,495
Disposals/written off	(4,223,433)	–	(4,223,433)
At 31 December 2023	2,707,907	25,009	2,732,916
Accumulated depreciation			
At 1 January 2022	1,862,723	16,673	1,879,396
Charge for the year	908,438	5,215	913,653
Disposals/written off	(429,108)	(18,092)	(447,200)
At 31 December 2022 and 1 January 2023	2,342,053	3,796	2,345,849
Charge for the year	1,130,910	5,001	1,135,911
Disposals/written off	(2,915,369)	–	(2,915,369)
At 31 December 2023	557,594	8,797	566,391
Carrying amount			
At 31 December 2023	2,150,313	16,212	2,166,525
At 31 December 2022	3,019,792	21,213	3,041,005

16. RIGHT-OF-USE ASSETS (continued)

(b) Association

	Properties $	Equipment $	Total $
Cost			
At 1 January 2022	4,300,412	26,606	4,327,018
Additions	981,751	16,495	998,246
Disposal	–	(18,092)	(18,092)
At 31 December 2022 and 1 January 2023	5,282,163	25,009	5,307,172
Additions	1,360,769	–	1,360,769
Disposal	(4,143,993)	–	(4,143,993)
At 31 December 2023	2,498,939	25,009	2,523,948
Accumulated depreciation			
At 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 and 1 January 2023	2,585,351	3,796	2,589,147
Charge for the year	805,307	5,001	810,308
Disposal	(2,835,248)	–	(2,835,248)
At 31 December 2023	555,410	8,797	564,207
Carrying amount			
At 31 December 2023	1,943,529	16,212	1,959,741
At 31 December 2022	2,696,812	21,213	2,718,025

(c) The Group and the Association lease properties and equipment over lease periods ranging from 3 to 5 years (2022: 3 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	
	2023 $	2022 $	2023 $	2022 $
Fruit machine net takings - Expenditure (note 3)	409,112	324,618	409,112	324,618
Depreciation expense (note 9)	726,799	589,035	401,196	403,225
	1,135,911	913,653	810,308	727,843

17. INVESTMENTS

	Group and Association 2023 $	Group and Association 2022 $
Financial assets at fair value through other comprehensive income		
Quoted investments		
Balance at the beginning of the year	16,176,750	16,579,062
Additions	–	1,814,000
Disposals	(4,250,000)	(1,000,000)
Fair value gains/(losses) recognised in other comprehensive income (note 23)	433,635	(1,216,312)
Balance at the end of year (a)	12,360,385	16,176,750
Financial assets at amortised cost:		
Singapore Treasury bills		
Balance at the beginning of the year	–	–
Additions	3,224,077	–
Accrued interests	35,050	–
Balance at the end of year (b)	3,259,127	–
Fair value of Singapore Treasury bills	3,255,218	–
Total investments (a) + (b)	15,619,512	–
Presented as:		
- Current Assets	3,259,127	–
- Non-current Assets	12,360,385	16,176,750
	15,619,512	16,176,750

(a) The above investments, consisting of fixed income debt instruments with interest yield ranging from 2.85% to 4.35% (2022: 2.80% to 4.35%) per annum, are measured at fair values based on quoted market prices as at the balance sheet date. Their maturities are as follows:

	Group and Association 2023 $	Group and Association 2022 $
* - Redeemable in 2024	–	2,901,000
- Redeemable in 2025	1,968,000	1,933,000
- Redeemable in 2026	5,693,625	5,510,125
- Redeemable in 2027	2,460,010	2,385,250
* - Redeemable in 2028	–	1,246,875
* - Redeemable in 2029	2,238,750	2,200,500
	12,360,385	16,176,750

* These bonds, with an aggregate carrying amount of $2,238,750 (2022: $6,348,375) maturing in February 2029 (2022: between July 2024 and February 2029), yield interest at 3.50% (2022: 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)].

17. INVESTMENTS (continued)

(b) Investments in treasury bills are initially recognised at cost and subsequently measured at amortised cost. The fair value is determined using the current bid prices. These investments have the maturity period of six months on March 2024. These investments earn interest at rates 3.34% (2022: nil) per annum. Included in these investments amounting to $3,238,415 (2022: nil) are acquired by the Association on behalf of certain subsidiary companies, and the interest arising from these investments are due and payable to the relevant subsidiary companies [note 19(d)].

18. INVESTMENTS IN SUBSIDIARY COMPANIES

	Association 2023 $	Association 2022 $
(a) Unquoted shares, at cost		
Balance at beginning of the year	6,000,002	6,450,002
Liquidation of subsidiary	–	(450,000)
Balance at end of the year	6,000,002	6,000,002
Less: Impairment losses		
Balance at beginning of the year	–	(2,063,500)
Liquidation of subsidiary	–	313,500
Reversal of impairment loss	–	1,750,000
Balance at end of the year	–	–
	6,000,002	6,000,002

(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 2023 %	Percentage of ownership interests 2022 %	Cost of investments 2023 $	Cost of investments 2022 $
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
AAS @ 217 East Coast Road Pte. Ltd.	Investment in properties	Singapore	100	100	2	2
					6,000,002	6,000,002

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	
			2023	2022
			%	%
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.	Provision of vehicle recovery and towing services	Singapore	100	100
AAS @ Midview Pte. Ltd.	Holding of investments to derive investment income	Singapore	100	100
BCC Automotive Pte. Ltd. (i)	Workshop services for repair and maintenance for motor vehicles	Singapore	75	75
Four Wheels Auto Pte. Ltd.(ii)	Renting and leasing of private cars and commercial cars without operator	Singapore	75	75

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

(i) 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.

(ii) 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.

18. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

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

The summarised financial information in respect of the Group's subsidiary that has significant NCIs is set out below. The summarised financial information below represents amounts before intra-group eliminations.

	BCC Automotive Pte. Ltd. 2023 $	BCC Automotive Pte. Ltd. 2022 $
Summarised statement of comprehensive income		
Revenue	2,780,961	2,945,480
Loss for the year	(74,792)	(139,245)
Total comprehensive loss for the year	(74,792)	(139,245)
Attributable to NCIs:		
Loss for the year	(18,698)	(34,811)
Total comprehensive loss for the year	(18,698)	(34,811)
Summarised statement of financial position		
Non-current assets	226,965	407,512
Current assets	652,967	703,230
Non-current liabilities	(136,527)	(141,559)
Current liabilities	(763,701)	(914,687)
Net (liabilities)/assets	(20,296)	54,496
Net (liabilities)/assets attributable to NCIs	(5,074)	13,624
Other summarised information		
Net cash (outflow)/ inflow from:		
- operating activities	(9,924)	301,180
- investing activities	264,193	463,785
- financing activities	(382,225)	(793,777)
Net decrease in cash and cash equivalents	(127,956)	(28,812)

19. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

	Association 2023 $	Association 2022 $
Due from subsidiary companies		
After 12 months - non-trade (a)	58,200,307	58,658,450
Within 12 months		
- trade	1,144	119,952
- non-trade (b)	2,731,126	2,469,147
	2,732,270	2,589,099
	60,932,577	61,247,549
Due to subsidiary companies		
After 12 months - non-trade (c)	(2,429,500)	(9,901,264)
Within 12 months		
- trade	(1,117,807)	(541,678)
- non-trade (d)	(6,916,654)	(59,914)
	(8,034,461)	(601,592)
	(10,463,961)	(10,502,856)

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

These comprise unsecured loans to subsidiary companies amounting to $58,200,307 (2022: $58,658,450) which bear interest at 1.00% (2022: 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 $2,083,445 (2022: $2,027,684) 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 3.85% (2022: 2.75%) 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 are maturing in February 2029 (2022: July 2024 and February 2029), yield interest at 3.50% (2022: 2.80% to 3.80%) per annum which are due and payable to the subsidiary companies upon maturity (note 17).

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

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

19. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES (continued)

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

Included in these net current payables are designated funds amounting to $3,238,415 (2022: nil) which are acquired by the Association on behalf of certain subsidiary companies as at the balance sheet date.

These investments with maturities within 12 months, yield interest at 3.34% (2022: nil) per annum which are due and payable to the subsidiary companies upon maturity (note 17).

20. INVENTORIES

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
Inventories carried at cost	304,142	288,307	56,708	44,088

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

21. TRADE AND OTHER RECEIVABLES

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
Trade receivables (a)	728,398	596,150	81,154	127,138
Less: Allowance for expected credit losses				
Balance at beginning of the year	(19,844)	–	–	–
Allowance made during the year	–	(19,844)	–	–
Allowance written back	808	–	–	–
Allowance written off	19,036	–	–	–
Balance at end of the year	–	(19,844)	–	–
	728,398	576,306	81,154	127,138
Accrued receivables	85,868	75,240	4,802	6,683
	814,266	651,546	85,956	133,821
Non-trade receivables (c)	192,511	174,134	119,111	52,918
Deposits	448,140	428,688	250,685	250,685
Interest receivable	259,810	252,300	156,228	176,425
Prepayments	487,200	479,403	278,978	441,043
Recoverable costs (b)	271,919	271,919	–	–
	1,659,580	1,606,444	805,002	921,071
Total trade and other receivables	2,473,846	2,257,990	890,958	1,054,892

(a) Trade receivables are unsecured, non-interest bearing and are generally on 30 days' (2022: 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.

21. TRADE AND OTHER RECEIVABLES (continued)

(a) (continued)

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

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
Allowance made	–	19,844	–	–

(b) Recoverable costs amounting to $271,919 represent related costs that the Group paid for the redevelopment of its leasehold property.

(c) Non-trade receivables are unsecured, interest-free and repayable on demand.

22. CASH AND CASH EQUIVALENTS

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
Fixed deposits	10,167,012	11,219,194	1,576,913	1,301,504
Cash and bank balances	10,910,878	9,603,417	8,552,999	7,486,173
Cash and cash equivalents (Statements of Financial Position)	21,077,890	20,822,611	10,129,912	8,787,677
Less:				
Fixed deposits with maturities over 3 months				
- Deposits pledged with banks*	(252,009)	(251,504)	(252,009)	(251,504)
- Unpledged deposits	(9,865,003)	(10,917,690)	(1,274,904)	(1,000,000)
	(10,117,012)	(11,169,194)	(1,526,913)	(1,251,504)
Cash and cash equivalents (Consolidated Statement of Cash Flows)	10,960,878	9,653,417	8,602,999	7,536,173
Fixed deposits with maturities				
- not more than 3 months	50,000	50,000	50,000	50,000
- between 3 and 12 months	10,117,012	11,169,194	1,526,913	1,251,504
	10,167,012	11,219,194	1,576,913	1,301,504

The fixed deposits of the Group and the Association bear interest at rates ranging from 1.50% to 3.85% (2022: 0.10% to 3.70%) 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.

23. FAIR VALUE RESERVE

	Group and Association	
	2023 $	2022 $
Balance at beginning of the year	(1,352,875)	(176,063)
Net fair value losses reclassified to profit or loss upon disposal of bonds	102,250	39,500
Fair value gains /(losses) on financial assets at FVOCI, recognised in other comprehensive income (note 17)	433,635	(1,216,312)
	535,885	(1,176,812)
Balance at end of the year	(816,990)	(1,352,875)

24. FRUIT MACHINE REPLACEMENT RESERVE

	Group and Association	
	2023 $	2022 $
Balance at beginning of the year	700,386	570,363
Transfer from accumulated funds	240,000	240,000
Purchase of fruit machines	(189,780)	(109,977)
	50,220	130,023
Balance at end of the year	750,606	700,386

25. SUBSCRIPTIONS RECEIVED IN ADVANCE

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
Contract liabilities to be recognised as revenue:				
After 12 months				
Life membership subscriptions	110,172	130,807	110,172	130,807
Ordinary and other membership subscriptions	777,192	852,718	777,192	852,718
	887,364	983,525	887,364	983,525
Within 12 months				
Life membership subscriptions	20,634	22,488	20,634	22,488
Ordinary and other membership subscriptions	1,073,789	1,272,678	1,073,789	1,240,934
	1,094,423	1,295,166	1,094,423	1,263,422
Total subscriptions received in advance	1,981,787	2,278,691	1,981,787	2,246,947

Total subscriptions received in advance as at 31 December 2023 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 2024 to 2052 (2022: 2023 to 2034).

Subscriptions recognised as revenue of the Group and the Association in 2023 which were included in subscriptions received in advance as at 1 January 2023 (2022: 1 January 2022) amounted to $1,295,166 and $1,263,422 (2022: $1,547,715 and $1,538,807) respectively.

26. DEFERRED TAX LIABILITIES

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
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	
	2023 $	2022 $	2023 $	2022 $
Due after 12 months				
Provisions (a)	276,419	276,419	276,419	276,419
	276,419	276,419	276,419	276,419
Due within 12 months				
Trade payables	220,289	375,673	–	–
Accrued operating expenses	2,435,993	2,851,331	1,470,867	1,482,752
Accrued redevelopment costs of leasehold property (b)	–	1,118,755	–	–
Deposits	410,933	377,592	36,255	47,038
Contract liabilities (c)	16,317	46,520	16,317	39,277
Goods and services tax payable	143,242	139,412	59,364	59,728
Interest received in advance	18,872	–	119	–
Non-trade payables	318,223	384,202	172,475	164,702
	3,563,869	5,293,485	1,755,397	1,793,497
Total trade and other payables	3,840,288	5,569,904	2,031,816	2,069,916

Trade and other payables due within 12 months are unsecured, non-interest bearing and are normally settled within 30 to 120 days (2022: 30 to 120 days) or on demand.

(a) 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.

(b) Accrued redevelopment costs of leasehold property represented unbilled redevelopment costs of the redevelopment project which had been completed in 2019.

(c) 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 $46,520 (2022: $8,203) and $39,277 (2022: $960) for the Group and the Association respectively.

28. LEASE LIABILITIES

	Group			
	2023		2022	
	Minimum lease liabilities $	Present value of lease liabilities $	Minimum lease liabilities $	Present value of lease liabilities $
Lease payments due:				
Within 1 year	1,143,477	1,066,319	1,105,829	976,863
After 1 year but not later than 5 years	1,138,231	1,106,794	2,306,980	2,177,483
	2,281,708	2,173,113	3,412,809	3,154,346
Less: Amounts representing interest	(108,595)	–	(258,463)	–
	2,173,113	2,173,113	3,154,346	3,154,346

	Association			
	2023		2022	
	Minimum lease liabilities $	Present value of lease liabilities $	Minimum lease liabilities $	Present value of lease liabilities $
Lease payments due:				
Within 1 year	933,023	860,930	876,138	759,034
After 1 year but not later than 5 years	1,095,310	1,064,360	2,126,208	2,001,531
	2,028,333	1,925,290	3,002,346	2,760,565
Less: Amounts representing interest	(103,043)	–	(241,781)	–
	1,925,290	1,925,290	2,760,565	2,760,565

The lease liabilities are computed based on implicit interest rate ranging from 3.77% to 5.83% (2022: 3.77% to 5.83%) per annum.

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	
	2023 $	2022 $	2023 $	2022 $
Lease liabilities as at 1 January	3,154,346	2,482,823	2,760,565	2,482,823
Non-cash movements:				
Add: Capitalisation of new lease liability	1,569,495	1,371,084	1,360,769	998,246
Add: Acquisition of subsidiary	–	349,490	–	–
Add: Accretion of interest	135,801	103,381	117,379	87,188
Less: Written off	(1,428,583)	(109,553)	(1,428,211)	–
Cash movements:				
Less: Payment of lease liabilities during the year				
- Principal portion	(1,122,145)	(940,034)	(767,833)	(720,504)
- Interest	(135,801)	(102,845)	(117,379)	(87,188)
Lease liabilities as at 31 December	2,173,113	3,154,346	1,925,290	2,760,565

Interest expenses

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

	Group		Association	
	2023 $	2022 $	2023 $	2022 $
Finance costs on lease liabilities allocated to fruit machine net takings - Expenditure (note 3)	58,098	53,920	58,098	53,920
Finance costs on other lease liabilities	77,703	49,461	59,281	33,268
Finance costs on amount due to bank	950	7,466	–	–
Finance costs on others	78,653	56,927	59,281	33,268
Total interest expenses	136,751	110,847	117,379	87,188

29. AMOUNT DUE TO BANK – SECURED

	Group		Association	
Current	2023 $	2022 $	2023 $	2022 $
Working capital loan	–	42,237	–	–

In 2022, the working capital loan bore fixed interest rate of 7.00% per annum. The principal of working capital loan was repayable over 48 monthly instalments commencing from July 2019. The loan was secured by the personal guarantee of a director of one of subsidiary companies/non-controlling interest.

The working capital loan was fully repaid during the year.

30. 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.

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

		Association	
		2023	2022
		$	$
(a)	With subsidiary companies		
	Administrative and service income	1,322,748	1,207,822
	Interest income	584,607	614,726
	Towing and vehicle recovery expenses	1,426,869	1,370,750
	Lease expenses	1,384,162	1,384,162
	Other expenses	12,413	12,037

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

	Group		Association	
	2023	2022	2023	2022
	$	$	$	$
Donations and sponsorship expenses	27,700	11,200	27,700	11,200
Lease income	95,644	90,667	–	–

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

31. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation are as follows:

	Group and Association	
	2023	2022
	$	$
Salaries and other related costs	1,106,496	1,238,550
Employer's contributions to Central Provident Fund	106,217	126,535
Short-term employee benefits	1,212,713	1,365,085

32. 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 2023, the Association has an operating lease commitment amounting to approximately $1,384,000 (2022: $1,384,000) in respect of short-term lease of office premises from its subsidiary company.

(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	
	2023 $	2022 $	2023 $	2022 $
Lease income receivable				
- within 1 year	1,592,665	999,509	34,800	34,800
- after 1 year but not later than 5 years	1,650,545	509,205	29,000	63,800
	3,243,210	1,508,714	63,800	98,600

The above operating leases do not provide for contingent rents.

33. CAPITAL COMMITMENT

As at 31 December 2023, the Group has capital commitment amounting to approximately $84,125 (2022: nil) in respect of contracted expenditure for purchase of intangible assets and lift modernisation works which have not been recognised in the financial statements.

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. FINANCIAL RISK MANAGEMENT (continued)

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.

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 $58.2 million (2022: $58.7 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, except for the disclosure in note 21 to the financial statements, there were no significant trade and other receivables that are subject to ECLs.

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.

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.

Group	Within 1 year $	Between 2 to 5 years $	Total $
2023			
Trade and other payables	3,385,438	–	3,385,438
Lease liabilities	1,143,477	1,138,231	2,281,708
	4,528,915	1,138,231	5,667,146
2022			
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
	6,256,485	2,306,980	8,563,465
Association			
2023			
Trade and other payables	1,679,597	–	1,679,597
Lease liabilities	933,023	1,095,310	2,028,333
Amount due to subsidiary companies	8,034,461	2,429,500	10,463,961
	10,647,081	3,524,810	14,171,891
2022			
Trade and other payables	1,694,492	–	1,694,492
Lease liabilities	876,138	2,126,208	3,002,346
Amount due to subsidiary companies	601,592	9,901,264	10,502,856
	3,172,222	12,027,472	15,199,694

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.

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. FINANCIAL RISK MANAGEMENT (continued)

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	
	2023 $	2022 $
Fair value reserve	618,019	808,838

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

(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.

35. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(c) Fair Value of Financial Instruments (continued)

(ii) Financial Instruments Not Measured at Fair Value

Cash and cash equivalents, lease liabilities, receivables, investments in Treasury bills 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 $58.2 million (2022: $58.7 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	
	2023 $	2022 $	2023 $	2022 $
Financial assets at FVOCI	12,360,385	16,176,750	12,360,385	16,176,750
Financial assets at amortised cost	26,323,663	22,601,198	74,933,596	70,649,075
Financial liabilities at amortised cost	5,558,551	8,304,136	14,068,848	14,957,913

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.

37. RESERVES MANAGEMENT (continued)

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 (2022: $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.

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:

		2023 $	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. SUBSEQUENT EVENT

On 1 April 2024, the Group acquired additional 25,000 ordinary shares of BCC Automotive Pte. Ltd. and 15,000 ordinary shares of Four Wheels Auto Pte. Ltd. respectively for a total cash consideration of $166,667. Consequently, the Group's equity interests in BCC Automotive Pte. Ltd. and Four Wheels Auto Pte. Ltd. were increased from 75% to 100%.

41. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Association and consolidated financial statements of the Group for the year ended 31 December 2023 were authorised for issue by the General Committee on 4 April 2024.

AUTOMOBILE ASSOCIATION OF SINGAPORE

CORPORATE OFFICE
2 Kung Chong Road #06-01
AA Centre Singapore 159140
Tel: 6333 8811 • Fax: 6733 5094

AA @ GB POINT
535 Kallang Bahru #01-08
GB Point Singapore 339351
Tel: 6333 8811, Ext *195

AA @ BROADWAY PLAZA
4190 Ang Mo Kio Ave 6 #03-03
Broadway Plaza Singapore 569841
Tel: 6333 8811, Ext *350

TECHNICAL SERVICES
2 Kung Chong Road #03-01
AA Centre Singapore 159140
Tel: 6389 4270