Financial Contents

CORPORATE INFORMATION 2025

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
Ms. Diana Ng Lay Hoon
Mr. Bernard Tay (Ex-Officio)

6. AUDIT SUB-COMMITTEE

Mr. Rankin B. Yeo
Mr. Koh Ing Chin
Dr. Woo Yew Lok
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 Lok
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

Mr. Low Beng Tin
Mr. Rankin B. Yeo
Mr. Thomas Yeoh
Mr. Bernard Tay (Ex-Officio)

11. DIGITAL REVIEW SUB-COMMITTEE

Mr. Darryl Wee
Mr. Alvin Phua
Mr. Damian Tay
Mr. Ong Chee Beng
Mr. Bernard Tay (Ex-Officio)

12. NOMINATION SUB-COMMITTEE

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

13. CONSTITUTION REVIEW SUB-COMMITTEE

Dr. S Chandra Mohan
Mr. Wong Siew Hong
Mr. Chia Ho Choon
Mr. Bernard Tay (Ex-Officio)

14. PRINCIPAL BANKERS

Malayan Banking Ltd
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited
Standard Chartered Bank (Singapore) Limited
Bank of Singapore Limited

15. 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 7 to 54 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 2024 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, 29 April 2025

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 7 to 54, which comprise the statements of financial position (balance sheets) of the Group and of the Association as at 31 December 2024, 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 2024 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.

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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, 29 April 2025

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 2024

	Notes	Group 2024 $	Group 2023 $	Association 2024 $	Association 2023 $
INCOME					
Membership subscriptions and entrance fees		1,902,550	1,999,849	1,902,550	1,999,499
Vehicle recovery and towing services		386,328	570,944	15,384	21,212
Fruit machine net takings	3	1,408,989	1,113,232	1,408,989	1,113,232
Income from other services	4	5,239,122	4,222,047	4,392,786	3,690,745
Interest income	5	992,155	915,222	1,156,941	1,125,182
Lease income (net)	6	1,134,623	1,070,444	–	–
Income from workshop services and related sale of goods	7	2,334,347	2,767,548	–	–
Other income	8	400,065	792,100	1,496,860	1,547,152
Total income		13,798,179	13,451,386	10,373,510	9,497,022
LESS EXPENDITURE					
Direct costs for workshop income and related sale of goods		1,131,994	1,319,672	–	–
Depreciation expense	9	2,885,074	3,022,300	548,090	623,972
Amortisation of intangible assets	15	101,745	78,684	88,655	57,696
Employee benefits expense	10	6,341,353	6,123,815	3,381,479	3,167,665
Membership promotion, publicity and meetings		792,298	700,720	792,298	703,812
Finance costs	28	53,762	78,653	36,296	59,281
Other expenses	11	4,108,627	4,018,525	4,686,427	4,664,278
Total expenditure		15,414,853	15,342,369	9,533,245	9,276,704
(Deficit)/surplus before tax		(1,616,674)	(1,890,983)	840,265	220,318
Income tax expense	12	(118,467)	(178,078)	(109,480)	(167,607)
(Deficit)/surplus for the year		(1,735,141)	(2,069,061)	730,785	52,711
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Net fair value losses reclassified to profit or loss upon early redemption of bonds by issuers	23	179,500	102,250	179,500	102,250
Fair value gains on financial assets at FVOCI, recognised in other comprehensive income	23	286,035	433,635	286,035	433,635
Other comprehensive income for the year, net of tax		465,535	535,885	465,535	535,885
Total comprehensive (loss)/income for the year		(1,269,606)	(1,533,176)	1,196,320	588,596

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

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 2024

	Notes	Group 2024 $	Group 2023 $	Association 2024 $	Association 2023 $
<u>(Deficit)/surplus attributable to:</u>					
- Members of the Association		(1,732,604)	(2,056,385)	730,785	52,711
- Non-controlling interests		(2,537)	(12,676)	–	–
		(1,735,141)	(2,069,061)	730,785	52,711
<u>Total comprehensive (loss)/income attributable to:</u>					
- Members of the Association		(1,267,069)	(1,520,500)	1,196,320	588,596
- Non-controlling interests		(2,537)	(12,676)	–	–
		(1,269,606)	(1,533,176)	1,196,320	588,596

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Notes	Group 2024 $	Group 2023 $	Association 2024 $	Association 2023 $
ASSETS					
Non-Current Assets					
Property, plant and equipment	13	24,744,614	26,125,606	398,618	559,624
Investment properties	14	42,138,250	42,490,954	–	–
Intangible assets	15	381,478	409,743	269,985	301,660
Right-of-use assets	16	1,547,491	2,166,525	1,071,529	1,959,741
Investments	17	11,955,020	12,360,385	11,955,020	12,360,385
Investments in subsidiary companies	18	–	–	6,000,002	6,000,002
Amount due from subsidiary companies	19	–	–	58,155,018	58,200,307
		80,766,853	83,553,213	77,850,172	79,381,719
Current Assets					
Investments	17	1,993,200	3,259,127	1,993,200	3,259,127
Inventories	20	337,114	304,142	43,022	56,708
Trade and other receivables	21	2,827,192	2,473,846	1,622,802	890,958
Amount due from subsidiary companies	19	–	–	3,117,796	2,732,270
Cash and cash equivalents	22	22,573,110	21,077,890	7,271,478	10,129,912
		27,730,616	27,115,005	14,048,298	17,068,975
Total Assets		108,497,469	110,668,218	91,898,470	96,450,694
TOTAL FUNDS, RESERVES AND LIABILITIES					
FUNDS AND RESERVES					
Accumulated funds		100,479,969	102,466,132	80,504,009	79,948,224
Fair value reserve	23	(351,455)	(816,990)	(351,455)	(816,990)
Fruit machine replacement reserve	24	925,606	750,606	925,606	750,606
Total funds and reserves attributable to members of the Association		101,054,120	102,399,748	81,078,160	79,881,840
Non-controlling interests		–	90,644	–	–
Total Funds and Reserves		101,054,120	102,490,392	81,078,160	79,881,840
LIABILITIES					
Non-Current Liabilities					
Subscriptions received in advance	25	822,188	887,364	822,188	887,364
Deferred tax liabilities	26	3,000	3,000	–	–
Trade and other payables	27	276,419	276,419	276,419	276,419
Lease liabilities	28	461,712	1,106,794	209,494	1,064,360
Amount due to subsidiary companies	19	–	–	1,588,174	2,429,500
		1,563,319	2,273,577	2,896,275	4,657,643

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Notes	Group 2024 $	Group 2023 $	Association 2024 $	Association 2023 $
Current Liabilities					
Subscriptions received in advance	25	1,090,184	1,094,423	1,090,184	1,094,423
Trade and other payables	27	3,558,566	3,563,869	1,983,910	1,755,397
Lease liabilities	28	1,091,651	1,066,319	854,866	860,930
Amount due to subsidiary companies	19	–	–	3,865,075	8,034,461
Current tax liabilities		139,629	179,638	130,000	166,000
		5,880,030	5,904,249	7,924,035	11,911,211
Total Liabilities		7,443,349	8,177,826	10,820,310	16,568,854
Total Funds, Reserves and Liabilities		108,497,469	110,668,218	91,898,470	96,450,694

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

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

For the year ended December 2024

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 2023		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
Deficit for the year		(1,732,604)	–	–	(1,732,604)	(2,537)	(1,735,141)
Other comprehensive income for the year	23	–	465,535	–	465,535	–	465,535
Total comprehensive (loss)/income for the year		(1,732,604)	465,535	–	(1,267,069)	(2,537)	(1,269,606)
Transactions with owners, recognised directly in total funds and reserves							
Transfer to fruit machine replacement reserve, net of reserve utilised	24	(175,000)	–	175,000	–	–	–
Acquisition of non-controlling interests		(78,559)	–	–	(78,559)	(88,107)	(166,666)
		(253,559)	–	175,000	(78,559)	(88,107)	(166,666)
Balance as at 31 December 2024		100,479,969	(351,455)	925,606	101,054,120	–	101,054,120

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

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

For the year ended December 2024

Association	Notes	Accumulated funds $	Fair value reserve $	Fruit machine replacement reserve $	Total funds and reserves $
Balance as at 1 January 2023		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
Surplus for the year		730,785	–	–	730,785
Other comprehensive income for the year	23	–	465,535	–	465,535
Total comprehensive income for the year		730,785	465,535	–	1,196,320
Transactions with owners, recognised directly in total funds and reserves					
Transfer to fruit machine replacement reserve, net of reserve utilised	24	(175,000)	–	175,000	–
		(175,000)	–	175,000	–
Balance as at 31 December 2024		80,504,009	(351,455)	925,606	81,078,160

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 2024

	Notes	Group 2024 $	Group 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Deficit before tax		(1,616,674)	(1,890,983)
Adjustments for:			
Allowance for expected credit losses - trade	21	12,011	–
Depreciation expense		3,493,121	3,699,993
Amortisation of intangible assets	15	101,745	78,684
Property, plant and equipment written off	11	–	235
Interest income	5	(992,155)	(915,222)
Interest expenses	28	90,332	136,751
Loss on early redemption of bonds by issuers	11	179,500	102,250
Gain on disposal of property, plant and equipment		(698)	(7,555)
Gain on right-of-use assets written off		(993)	(120,519)
Operating surplus before working capital changes		1,266,189	1,083,634
Increase in inventories		(32,972)	(15,835)
Increase in receivables		(403,922)	(191,507)
(Decrease)/increase in payables		(81,616)	169,706
Decrease in subscriptions received in advance		(69,415)	(296,904)
Cash generated from operations		678,264	749,094
Income tax refunded		2,194	–
Income tax paid		(160,670)	(171,247)
Net cash from operating activities		519,788	577,847
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase)/decrease in fixed deposits pledged with banks and/or with maturities over 3 months		(3,396,906)	1,052,182
Interest received		1,030,720	907,712
Acquisition of non-controlling interests		(166,666)	–
Additions to intangible assets	15	(73,480)	(218,248)
Additions to property, plant and equipment	13	(581,731)	(708,863)
Proceeds from capital grant for property, plant and equipment	13	30,000	–
Proceeds from disposal of investments	17	8,728,000	4,250,000
Proceeds from disposal of property, plant and equipment		54,208	20,841
Purchase of bonds	17	(6,694,360)	(3,224,077)
Purchase of investment property	14	(74,100)	(48,800)
Net cash (used in)/from investing activities		(1,144,315)	2,030,747
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of principal portion of lease liabilities	28	(1,186,827)	(1,122,145)
Payment of interest on lease liabilities	28	(90,332)	(135,801)
Repayment of bank loan		–	(42,237)
Payment of interest on amount due to bank	28	–	(950)
Net cash used in financing activities		(1,277,159)	(1,301,133)
Net (decrease)/increase in cash and cash equivalents		(1,901,686)	1,307,461
Cash and cash equivalents at beginning of the year		10,960,878	9,653,417
Cash and cash equivalents at end of the year	22	9,059,192	10,960,878

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

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 Critical 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.

(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 to the financial statements 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 respectively.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Critical Accounting Estimates and Judgments (continued)

(A) *Key Sources of Estimation Uncertainty (continued)*

(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.

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

In the process of applying the Group's accounting policies, there are no significant items in the financial statements which require the exercise of critical judgement on the part of the management.

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.

2.4 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Revenue Recognition (continued)

(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.

(vii) *Commission income*

Commission income is recognised when the performance obligation is satisfied which is upon the notification from the principal on conclusion of a sale.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Employee Benefits (continued)

(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.

2.8 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Financial Assets (continued)

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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Property, Plant and Equipment (continued)

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 and accessories	5 - 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.

2.10 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. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Intangible Assets

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

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

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

Computer software	5 years
Mobile application	5 years

2.12 Investments in Subsidiary Companies

(i) *Subsidiary and Basis of Consolidation*

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

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

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

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

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

(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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.12 Investments in Subsidiary Companies (continued)

(ii) *Acquisitions (continued)*

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

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

(iii) *Disposals*

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

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

(iv) *Transactions with Non-Controlling Interests*

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

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) to the financial statements.

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. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

2.17 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.18 Leases (continued)

(a) As lessee (continued)

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 to the financial statements.

The Group's right-of-use assets are presented in note 16 to the financial statements.

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 to the financial statements.

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. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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.

2.21 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 2024 $	Group and Association 2023 $
Income		
Fruit machine gross collections and related income	21,136,033	17,418,442
Lease income	33,813	34,800
	21,169,846	17,453,242
Less: Expenditure		
Depreciation of property, plant and equipment [note 13(c)]	158,797	268,581
Depreciation of right-of-use assets [note 16(c)]	449,250	409,112
Fruit machine operating expenses	19,116,240	15,604,219
Interest on lease liabilities (note 28)	36,570	58,098
	19,760,857	16,340,010
	1,408,989	1,113,232

4. INCOME FROM OTHER SERVICES

	Group		Association	
	2024 $	2023 $	2024 $	2023 $
Insurance commission income	432,387	418,139	–	–
Consignment sales commission income	264,465	311,620	264,465	311,620
Europcar commission income	76,168	–	–	–
Technical service income	101,116	–	–	–
Service income from training	193,139	67,080	–	–
International driving permit fees	3,641,958	2,987,639	3,641,958	2,987,639
International driving permit postage fee	79,994	60,408	79,994	60,408
Event income	256,784	221,397	256,784	221,397
Income from sales of accessories	19,500	15,061	19,500	15,061
Agency fees	569	694	569	694
Vehicle evaluation fees	18,198	18,670	18,198	18,670
Scrap cars handling fee	11,606	13,565	11,606	13,565
Miscellaneous income	143,238	107,774	99,712	61,691
	5,239,122	4,222,047	4,392,786	3,690,745

5. INTEREST INCOME

	Group		Association	
	2024 $	2023 $	2024 $	2023 $
Interest income from:				
- bank accounts	39,969	76,165	39,969	73,661
- fixed deposits	378,479	322,526	110,739	91,877
- bonds	497,394	481,481	424,186	374,814
- loans to subsidiary companies	–	–	581,927	584,607
- treasury bills	76,313	35,050	120	223
	992,155	915,222	1,156,941	1,125,182

6. LEASE INCOME

	Group		Association	
	2024	2023	2024	2023
	$	$	$	$
Gross lease income from				
- investment property	1,291,661	1,227,245	–	–
- leasehold properties	100,878	109,284	–	–
	1,392,539	1,336,529	–	–
Less: Property related expenses				
- investment property	(257,916)	(266,085)	–	–
- leasehold properties	–	–	–	–
	(257,916)	(266,085)	–	–
	1,134,623	1,070,444	–	–

7. INCOME FROM WORKSHOP SERVICES AND RELATED SALE OF GOODS

	Group		Association	
	2024	2023	2024	2023
	$	$	$	$
<u>Transfer of goods - at point in time</u>				
Sale of goods	1,626,794	1,964,655	–	–
<u>Transfer of services - over time</u>				
Services income	707,553	802,893	–	–
	2,334,347	2,767,548	–	–

8. OTHER INCOME

	Group		Association	
	2024	2023	2024	2023
	$	$	$	$
Administrative and service income	34,800	32,400	1,385,476	1,322,748
Allowance for expected credit losses written back - trade	–	808	–	–
Insurance incentive income	48,876	115,345	–	–
Gain on disposal of property, plant and equipment	698	7,555	22,603	–
Gain on right-of-use assets written off	993	120,519	–	119,466
Other payables written back	17,236	49,870	17,236	38,371
Government grants	145,893	173,800	71,545	66,567
Sundry income	151,569	291,803	–	–
	400,065	792,100	1,496,860	1,547,152

9. DEPRECIATION EXPENSE

	Group		Association	
	2024 $	2023 $	2024 $	2023 $
Depreciation of				
- Property, plant and equipment [note 13(c)]	1,720,416	1,896,355	109,128	222,776
- Investment properties (note 14)	426,804	399,146	–	–
- Right-of-use assets (note 16)	737,854	726,799	438,962	401,196
	2,885,074	3,022,300	548,090	623,972

10. EMPLOYEE BENEFITS EXPENSE

	Group		Association	
	2024 $	2023 $	2024 $	2023 $
Salaries and other related costs	5,749,246	5,425,417	3,074,789	2,795,052
Employer's contributions to Central Provident Fund	570,204	632,124	297,116	341,019
Other benefits	21,903	66,274	9,574	31,594
	6,341,353	6,123,815	3,381,479	3,167,665

11. OTHER EXPENSES

	Group		Association	
	2024 $	2023 $	2024 $	2023 $
Audit fees	85,900	85,900	47,800	47,500
Allowance for expected credit losses - trade	12,011	–	–	–
Bad debts written off - trade	–	16,873	–	–
Donations and sponsorships	113,250	34,069	113,250	34,069
Highway magazine	292,479	293,633	292,479	293,633
Maintenance of property, plant and equipment	843,498	716,922	382,511	346,282
Lease expenses on short term lease	–	–	1,384,162	1,384,162
Other administrative and operating expenses	2,382,808	2,520,649	941,485	1,088,988
Loss on early redemption of bonds by issuers	179,500	102,250	179,500	102,250
Loss on disposal of property, plant and equipment	–	–	–	69
Property, plant and equipment written off	–	235	–	–
Towing and vehicle recovery expenses	199,181	247,994	1,345,240	1,367,325
	4,108,627	4,018,525	4,686,427	4,664,278

12. INCOME TAX EXPENSE

	Group 2024 $	Group 2023 $	Association 2024 $	Association 2023 $
Provision for current taxation	139,629	179,638	130,000	166,000
(Over)/under-provision of taxation in prior year	(21,162)	(1,560)	(20,520)	1,607
	118,467	178,078	109,480	167,607
Reconciliation of income tax expense:				
(Deficit)/surplus before tax	(1,616,674)	(1,890,983)	840,265	220,318
Tax at statutory rate of 17%	(274,835)	(321,467)	142,845	37,454
Tax effects of:				
Non-taxable income	(1,568,470)	(1,419,062)	(1,568,210)	(1,416,629)
Non-deductible expenses	1,930,344	1,910,125	1,620,921	1,576,816
Statutory stepped income exemption	(44,495)	(58,292)	(17,425)	(17,425)
Income tax at concessionary rate	(5,027)	(4,900)	–	–
Corporate tax rebate	(3,591)	(39,872)	–	–
Deferred tax assets not recognised	334,707	297,369	–	–
Utilisation of deferred tax assets previously not recognised	(125,282)	(141,608)	–	–
Tax incentive	(48,221)	(16,731)	(48,131)	(14,216)
(Over)/under-provision of taxation in prior year	(21,162)	(1,560)	(20,520)	1,607
Others	(55,501)	(25,924)	–	–
	118,467	178,078	109,480	167,607

As at the balance sheet date, the Group has unutilised tax losses, donations and capital allowances amounting to approximately $4,351,000 (2023: $3,440,000), $500 (2023: $500) and $165,000 (2023: $103,000) 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 $768,000 (2023: $602,000) arising from the above tax losses, donations and capital allowances are not recognised in the accounts due to the uncertainty of future taxable profits being available against which the tax losses, donations and capital allowances can be utilised.

13. PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Leasehold property $	Motor vehicles and equipment $	Tow trucks and accessories $	Furniture, fittings, plant and equipment and office equipment $	Fruit machines $	Renovations $	Total $
Cost							
At 1 January 2023	26,983,107	928,568	3,648,983	2,404,976	1,830,636	5,600,663	41,396,933
Additions	302,158	–	174,448	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 and 1 January 2024	25,350,978	907,568	3,756,615	2,439,118	1,884,056	5,600,663	39,938,998
Additions	105,001	–	256,150	152,030	65,000	3,550	581,731
Disposals/written off	–	(238,674)	(79,438)	(69,756)	(30,800)	–	(418,668)
Proceed from capital grant	–	(10,000)	(20,000)	–	–	–	(30,000)
At 31 December 2024	25,455,979	658,894	3,913,327	2,521,392	1,918,256	5,604,213	40,072,061
Accumulated depreciation							
At 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 and 1 January 2024	4,095,921	622,985	2,590,019	2,215,232	1,593,798	2,695,437	13,813,392
Charge for the year	1,232,610	69,482	216,874	213,757	140,942	5,548	1,879,213
Disposals/written off	–	(198,136)	(70,177)	(68,545)	(28,300)	–	(365,158)
At 31 December 2024	5,328,531	494,331	2,736,716	2,360,444	1,706,440	2,700,985	15,327,447
Carrying amount							
At 31 December 2024	20,127,448	164,563	1,176,611	160,948	211,816	2,903,228	24,744,614
At 31 December 2023	21,255,057	284,583	1,166,596	223,886	290,258	2,905,226	26,125,606

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 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 and 1 January 2024	361,424	1,447,070	1,884,056	2,244,575	5,937,125
Additions	–	54,480	65,000	3,550	123,030
Disposals/written off	(198,049)	(77,254)	(30,800)	–	(306,103)
At 31 December 2024	163,375	1,424,296	1,918,256	2,248,125	5,754,052
Accumulated depreciation					
At 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 and 1 January 2024	273,268	1,265,860	1,593,798	2,244,575	5,377,501
Charge for the year	19,880	105,328	140,942	1,775	267,925
Disposals/written off	(189,468)	(72,224)	(28,300)	–	(289,992)
At 31 December 2024	103,680	1,298,964	1,706,440	2,246,350	5,355,434
Carrying amount					
At 31 December 2024	59,695	125,332	211,816	1,775	398,618
At 31 December 2023	88,156	181,210	290,258	–	559,624

(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	
	2024 $	2023 $	2024 $	2023 $
Fruit machine net takings - Expenditure (note 3)	158,797	268,581	158,797	268,581
Depreciation expense (note 9)	1,720,416	1,896,355	109,128	222,776
	1,879,213	2,164,936	267,925	491,357

14. INVESTMENT PROPERTIES

	Leasehold properties $	Freehold property $	Renovations $	Total $
Group				
Cost				
At 1 January 2023	858,910	44,409,280	312,498	45,580,688
Additions	–	–	48,800	48,800
At 31 December 2023 and 1 January 2024	858,910	44,409,280	361,298	45,629,488
Additions	–	–	74,100	74,100
At 31 December 2024	858,910	44,409,280	435,398	45,703,588
Accumulated depreciation				
At 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 and 1 January 2024	36,054	2,963,760	138,720	3,138,534
Charge for the year (note 9)	18,675	368,101	40,028	426,804
At 31 December 2024	54,729	3,331,861	178,748	3,565,338
Carrying amount				
At 31 December 2024	804,181	41,077,419	256,650	42,138,250
At 31 December 2023	822,856	41,445,520	222,578	42,490,954

(a) The fair values of the above investment properties of the Group as at 31 December 2024 are approximately $49 million (2023: $44.5 million). These are determined based on formal valuation performed on 31 December 2024 (2023: formal valuation performed on 31 December 2023) by an independent appraiser, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (2023: Colliers International Consultancy & Valuation (Singapore) Pte Ltd) who holds a recognised and relevant professional qualification. The valuation for both 2024 and 2023 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 $287,673 (2023: $274,211).

15. INTANGIBLE ASSETS

	Computer software $	Mobile application $	Goodwill $	Total $
(a) Group				
Cost				
At 1 January 2023	1,234,153	4,642	91,811	1,330,606
Additions	218,248	–	–	218,248
At 31 December 2023 and 1 January 2024	1,452,401	4,642	91,811	1,548,854
Additions	56,980	16,500	–	73,480
At 31 December 2024	1,509,381	21,142	91,811	1,622,334
Accumulated amortisation and impairment loss				
At 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 and 1 January 2024	1,136,312	2,799	–	1,139,111
Amortisation for the year	98,204	3,541	–	101,745
At 31 December 2024	1,234,516	6,340	–	1,240,856
Carrying amount				
At 31 December 2024	274,865	14,802	91,811	381,478
At 31 December 2023	316,089	1,843	91,811	409,743
(b) Association				
Cost				
At 1 January 2023	1,171,871	–	–	1,171,871
Additions	217,048	–	–	217,048
At 31 December 2023 and 1 January 2024	1,388,919	–	–	1,388,919
Additions	56,980	–	–	56,980
At 31 December 2024	1,445,899	–	–	1,445,899
Accumulated amortisation				
At 1 January 2023	1,029,563	–	–	1,029,563
Amortisation for the year	57,696	–	–	57,696
At 31 December 2023 and 1 January 2024	1,087,259	–	–	1,087,259
Amortisation for the year	88,655	–	–	88,655
At 31 December 2024	1,175,914	–	–	1,175,914
Carrying amount				
At 31 December 2024	269,985	–	–	269,985
At 31 December 2023	301,660	–	–	301,660

16. RIGHT-OF-USE ASSETS

	Properties $	Equipment $	Total $
(a) Group			
Cost			
At 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 and 1 January 2024	2,707,907	25,009	2,732,916
Additions	585,574	–	585,574
Disposals/written off	(455,714)	–	(455,714)
At 31 December 2024	2,837,767	25,009	2,862,776
Accumulated depreciation			
At 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 and 1 January 2024	557,594	8,797	566,391
Charge for the year	1,182,103	5,001	1,187,104
Disposals/written off	(438,210)	–	(438,210)
At 31 December 2024	1,301,487	13,798	1,315,285
Carrying amount			
At 31 December 2024	1,536,280	11,211	1,547,491
At 31 December 2023	2,150,313	16,212	2,166,525
(b) Association			
Cost			
At 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, 1 January 2024 and 31 December 2024	2,498,939	25,009	2,523,948
Accumulated depreciation			
At 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 and 1 January 2024	555,410	8,797	564,207
Charge for the year	883,211	5,001	888,212
At 31 December 2024	1,438,621	13,798	1,452,419
Carrying amount			
At 31 December 2024	1,060,318	11,211	1,071,529
At 31 December 2023	1,943,529	16,212	1,959,741

16. RIGHT-OF-USE ASSETS (continued)

(c) The Group and the Association lease properties and equipment over lease periods ranging from 3 to 5 years (2023: 3 to 5 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	
	2024 $	2023 $	2024 $	2023 $
Fruit machine net takings - Expenditure (note 3)	449,250	409,112	449,250	409,112
Depreciation expense (note 9)	737,854	726,799	438,962	401,196
	1,187,104	1,135,911	888,212	810,308

17. INVESTMENTS

	Group and Association	
	2024 $	2023 $
Financial assets at fair value through other comprehensive income		
Quoted investments		
Balance at the beginning of the year	12,360,385	16,176,750
Additions	3,551,800	–
Early redemption of bonds by issuers	(2,250,000)	(4,250,000)
Fair value gains/(losses) recognised in other comprehensive income (note 23)	286,035	433,635
Balance at the end of year (a)	13,948,220	12,360,385
Financial assets at amortised cost:		
Singapore Treasury bills		
Balance at the beginning of the year	3,259,127	–
Additions	3,142,560	3,224,077
Disposal	(6,478,000)	–
Accrued interests	76,313	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)	13,948,220	15,619,512
Presented as:		
- Current Assets	1,993,200	3,259,127
- Non-current Assets	11,955,020	12,360,385
	13,948,220	15,619,512

17. INVESTMENTS (continued)

(a) The above investments, consisting of fixed income debt instruments with interest yield ranging from 2.85% to 5.30% (2023: 2.85% 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	
	2024	2023
	$	$
- Redeemable in 2025	1,993,200	1,968,000
- Redeemable in 2026	5,782,750	5,693,625
- Redeemable in 2027	2,522,130	2,460,010
* - Redeemable in 2029	–	2,238,750
* - Redeemable in 2033	1,038,000	–
* - Redeemable in 2034	2,612,140	–
	13,948,220	12,360,385

* Included in these bonds are an aggregate carrying amount of $1,563,000 (2023: $2,238,750) maturing between March 2033 and March 2034 (2023: in February 2029), yield interest at 5.30% (2023: 3.50%) 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)].

(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 to September 2024 (2023: March 2024) respectively. These investments earn interest at rates 3.34% to 3.65% (2023: 3.34%) per annum. In 2023, included in these investments amounting to $3,238,415 were acquired by the Association on behalf of certain subsidiary companies, and the interest arising from these investments were due and paid to the relevant subsidiary companies [note 19(d)].

18. INVESTMENTS IN SUBSIDIARY COMPANIES

	Association	
	2024	2023
	$	$
(a) Unquoted shares, at cost	6,000,002	6,000,002

18. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

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

Name of subsidiary companies	Principal activities	Country of incorporation/ Principal place of business	Percentage of ownership interests		Cost of investments	
			2024 %	2023 %	2024 $	2023 $
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

Name of subsidiary companies	Principal activities	Country of incorporation/ Principal place of business	Percentage of ownership interests	
			2024 %	2023 %
<u>Held by AAS Investment Holdings Pte. Ltd. (“AASIH”)</u>				
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 and provide private cars rental and leasing service	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	100	75
Four Wheels Auto Pte. Ltd.[(ii)]	Renting and leasing of private cars and commercial cars without operator	Singapore	100	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.

On 8 April 2024, AAS Investment Holdings Pte. Ltd. exercised the call option in respect of the acquisition of remaining 25% equity interest in BCC Automobile Pte. Ltd. from a third party for a consideration of $120,000. Consequently, BCC Automobile Pte. Ltd. becomes a wholly-owned subsidiary of the Association.

18. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

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

(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.

On 8 April 2024, AAS Investment Holdings Pte. Ltd. exercised the call option in respect of the acquisition of remaining 25% equity interest in Four Wheels Auto Pte. Ltd. from a third party for a consideration of $46,666. Consequently, Four Wheels Auto Pte. Ltd. becomes a wholly-owned subsidiary of the Association.

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

In 2023, the summarised financial information in respect of the Group's subsidiary that has significant NCIs was set out below. The summarised financial information below represents amounts before intra-group eliminations.

	BCC Automotive Pte. Ltd. 2023 $
Summarised statement of comprehensive income	
Revenue	2,780,961
Loss for the year	(74,792)
Total comprehensive loss for the year	(74,792)
Attributable to NCIs:	
Loss for the year	(18,698)
Total comprehensive loss for the year	(18,698)
Summarised statement of financial position	
Non-current assets	226,965
Current assets	652,967
Non-current liabilities	(136,527)
Current liabilities	(763,701)
Net liabilities	(20,296)
Net liabilities attributable to NCIs	(5,074)
Other summarised information	
Net cash (outflow)/ inflow from:	
- operating activities	(9,924)
- investing activities	264,193
- financing activities	(382,225)
Net decrease in cash and cash equivalents	(127,956)

19. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

	Association 2024 $	Association 2023 $
Due from subsidiary companies		
After 12 months - non-trade (a)	58,155,018	58,200,307
Within 12 months		
- trade	3,574	1,144
- non-trade (b)	3,114,222	2,731,126
	3,117,796	2,732,270
	61,272,814	60,932,577
Due to subsidiary companies		
After 12 months - non-trade (c)	(1,588,174)	(2,429,500)
Within 12 months		
- trade	(1,630,484)	(1,117,807)
- non-trade (d)	(2,234,591)	(6,916,654)
	(3,865,075)	(8,034,461)
	(5,453,249)	(10,463,961)

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

These comprise unsecured loans to subsidiary companies amounting to $58,155,018 (2023: $58,200,307) which bear interest at 1.00% (2023: 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 $2,427,097 (2023: $2,083,445) 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 ranging from 3.10% to 3.15% (2023: 3.85%) per annum which are due and payable to the Association upon maturity.

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

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

These investments maturing between March 2033 and March 2034 (2023: in February 2029), yield interest at 5.30% (2023: 3.50%) 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.

In 2023, included in these net current payables were designated funds amounting to $3,238,415 which were acquired by the Association on behalf of certain subsidiary companies as at the balance sheet date. These investments with maturities within 12 months, yielded interest at 3.34% per annum which were due and paid to the subsidiary companies upon maturity (note 17).

20. INVENTORIES

	Group 2024 $	Group 2023 $	Association 2024 $	Association 2023 $
Inventories carried at cost	337,114	304,142	43,022	56,708

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

21. TRADE AND OTHER RECEIVABLES

	Group 2024 $	Group 2023 $	Association 2024 $	Association 2023 $
Trade receivables (a)	703,497	728,398	163,388	81,154
Less: Allowance for expected credit losses				
Balance at beginning of the year	–	(19,844)	–	–
Allowance made during the year	(12,011)	–	–	–
Allowance written back	–	808	–	–
Allowance written off	–	19,036	–	–
Balance at end of the year	(12,011)	–	–	–
	691,486	728,398	163,388	81,154
Accrued receivables	437,461	85,868	353,785	4,802
	1,128,947	814,266	517,173	85,956
Non-trade receivables (c)	203,975	192,511	150,750	119,111
Deposits	368,266	448,140	262,010	250,685
Interest receivable	221,245	259,810	145,313	156,228
Prepayments	632,840	487,200	547,556	278,978
Recoverable costs (b)	271,919	271,919	–	–
	1,698,245	1,659,580	1,105,629	805,002
Total trade and other receivables	2,827,192	2,473,846	1,622,802	890,958

(a) Trade receivables are unsecured, non-interest bearing and are generally on 30 days' (2023: 30 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

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

	Group 2024 $	Group 2023 $	Association 2024 $	Association 2023 $
Allowance made	12,011	–	–	–

(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	
	2024 $	2023 $	2024 $	2023 $
Fixed deposits	13,563,918	10,167,012	305,789	1,576,913
Cash and bank balances	9,009,192	10,910,878	6,965,689	8,552,999
Cash and cash equivalents (Statements of Financial Position)	22,573,110	21,077,890	7,271,478	10,129,912
Less:				
Fixed deposits with maturities over 3 months				
- Deposits pledged with banks*	(255,789)	(252,009)	(255,789)	(252,009)
- Unpledged deposits	(13,258,129)	(9,865,003)	–	(1,274,904)
	(13,513,918)	(10,117,012)	(255,789)	(1,526,913)
Cash and cash equivalents (Consolidated Statement of Cash Flows)	9,059,192	10,960,878	7,015,689	8,602,999
Fixed deposits with maturities				
- not more than 3 months	50,000	50,000	50,000	50,000
- between 3 and 12 months	13,513,918	10,117,012	255,789	1,526,913
	13,563,918	10,167,012	305,789	1,576,913

The fixed deposits of the Group and the Association bear interest at rates ranging from 1.50% to 3.70% (2023: 1.50% to 3.85%) 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	
	2024 $	2023 $
Balance at beginning of the year	(816,990)	(1,352,875)
Net fair value losses reclassified to profit or loss upon early redemption of bonds by issuers	179,500	102,250
Fair value gains on financial assets at FVOCI, recognised in other comprehensive income (note 17)	286,035	433,635
	465,535	535,885
Balance at end of the year	(351,455)	(816,990)

24. FRUIT MACHINE REPLACEMENT RESERVE

	Group and Association	
	2024	2023
	$	$
Balance at beginning of the year	750,606	700,386
Transfer from accumulated funds	240,000	240,000
Purchase of fruit machines	(65,000)	(189,780)
	175,000	50,220
Balance at end of the year	925,606	750,606

25. SUBSCRIPTIONS RECEIVED IN ADVANCE

	Group and Association	
	2024	2023
	$	$
Contract liabilities to be recognised as revenue:		
After 12 months		
Life membership subscriptions	91,592	110,172
Ordinary and other membership subscriptions	730,596	777,192
	822,188	887,364
Within 12 months		
Life membership subscriptions	18,580	20,634
Ordinary and other membership subscriptions	1,071,604	1,073,789
	1,090,184	1,094,423
Total subscriptions received in advance	1,912,372	1,981,787

Total subscriptions received in advance as at 31 December 2024 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 2025 to 2034 (2023: 2024 to 2034).

Subscriptions recognised as revenue of the Group and the Association in 2024 which were included in subscriptions received in advance as at 1 January 2024 (2023: 1 January 2023) amounted to $1,094,423 and $1,094,423 (2023: $1,295,166 and $1,263,422) respectively.

26. DEFERRED TAX LIABILITIES

	Group		Association	
	2024	2023	2024	2023
	$	$	$	$
On excess of carrying amount over tax written down value of property, plant and equipment:				
Balance at beginning of the year and at end of the year	3,000	3,000	–	–

27. TRADE AND OTHER PAYABLES

	Group		Association	
	2024 $	2023 $	2024 $	2023 $
<u>Due after 12 months</u>				
Provisions (a)	276,419	276,419	276,419	276,419
	276,419	276,419	276,419	276,419
<u>Due within 12 months</u>				
Trade payables	192,869	220,289	–	–
Accrued operating expenses	2,305,644	2,435,993	1,579,475	1,470,867
Deposits	507,521	410,933	101,766	36,255
Contract liabilities (b)	15,953	16,317	12,272	16,317
Goods and services tax payable	236,909	143,242	103,284	59,364
Interest received in advance	–	18,872	–	119
Non-trade payables	299,670	318,223	187,113	172,475
	3,558,566	3,563,869	1,983,910	1,755,397
Total trade and other payables	3,834,985	3,840,288	2,260,329	2,031,816

Trade and other payables due within 12 months are unsecured, non-interest bearing and are normally settled within 30 to 120 days (2023: 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) 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 $16,317 (2023: $46,520) and $16,317 (2023: $39,277) for the Group and the Association respectively.

28. LEASE LIABILITIES

	Group			
	2024		2023	
	Minimum lease liabilities $	Present value of lease liabilities $	Minimum lease liabilities $	Present value of lease liabilities $
Lease payments due:				
Within 1 year	1,137,204	1,091,651	1,143,477	1,066,319
After 1 year but not later than 5 years	472,080	461,712	1,138,231	1,106,794
	1,609,284	1,553,363	2,281,708	2,173,113
Less: Amounts representing interest	(55,921)	–	(108,595)	–
	1,553,363	1,553,363	2,173,113	2,173,113

28. LEASE LIABILITIES (continued)

	Association			
	2024		2023	
	Minimum lease liabilities $	Present value of lease liabilities $	Minimum lease liabilities $	Present value of lease liabilities $
Lease payments due:				
Within 1 year	883,830	854,866	933,023	860,930
After 1 year but not later than 5 years	211,080	209,494	1,095,310	1,064,360
	1,094,910	1,064,360	2,028,333	1,925,290
Less: Amounts representing interest	(30,550)	–	(103,043)	–
	1,064,360	1,064,360	1,925,290	1,925,290

The lease liabilities are computed based on implicit interest rate ranging from 3.77% to 5.00% (2023: 3.77% to 5.83%) per annum.

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	
	2024 $	2023 $	2024 $	2023 $
Lease liabilities as at 1 January	2,173,113	3,154,346	1,925,290	2,760,565
Non-cash movements:				
Add: Capitalisation of new lease liability	585,574	1,569,495	–	1,360,769
Add: Accretion of interest	90,332	135,801	72,866	117,379
Less: Written off	(18,497)	(1,428,583)	–	(1,428,211)
Cash movements:				
Less: Payment of lease liabilities during the year				
- Principal portion	(1,186,827)	(1,122,145)	(860,930)	(767,833)
- Interest	(90,332)	(135,801)	(72,866)	(117,379)
Lease liabilities as at 31 December	1,553,363	2,173,113	1,064,360	1,925,290

Interest expenses

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

	Group		Association	
	2024 $	2023 $	2024 $	2023 $
Finance costs on lease liabilities allocated to fruit machine net takings - Expenditure (note 3)	36,570	58,098	36,570	58,098
Finance costs on other lease liabilities	53,762	77,703	36,296	59,281
Finance costs on amount due to bank	–	950	–	–
Finance costs on others	53,762	78,653	36,296	59,281
Total interest expenses	90,332	136,751	72,866	117,379

29. 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	
	2024 $	2023 $
(a) With subsidiary companies		
Administrative and service income	1,385,476	1,322,748
Interest income	581,927	584,607
Towing and vehicle recovery expenses	1,408,088	1,426,869
Lease expenses	1,384,162	1,384,162
Other expenses	9,211	12,413

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

	Group		Association	
	2024 $	2023 $	2024 $	2023 $
Donations and sponsorship expenses	101,000	27,700	101,000	27,700
Lease income	52,800	95,644	–	–

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

30. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation are as follows:

	Group and Association	
	2024 $	2023 $
Salaries and other related costs	1,221,893	1,106,496
Employer's contributions to Central Provident Fund	122,798	106,217
Short-term employee benefits	1,344,691	1,212,713

31. 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 2024, the Association has an operating lease commitment amounting to approximately $1,384,000 (2023: $1,384,000) in respect of short-term lease of office premises from its subsidiary company.

31. LEASE COMMITMENTS (continued)

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

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

	Group		Association	
	2024 $	2023 $	2024 $	2023 $
Lease income receivable				
- within 1 year	1,486,478	1,592,665	29,000	34,800
- after 1 year but not later than 5 years	1,050,000	1,650,545	–	29,000
	2,536,478	3,243,210	29,000	63,800

The above operating leases do not provide for contingent rents.

32. CAPITAL COMMITMENT

As at 31 December 2024, the Group has capital commitment amounting to approximately $223,000 (2023: $84,125) in respect of contracted expenditure for purchase of intangible assets and lift modernisation works which have not been recognised in the financial statements.

33. 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:

33.1 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 (2023: $58.2 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.

33. FINANCIAL RISK MANAGEMENT (continued)

33.1 Credit risk (continued)

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

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.

33.2 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.

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

	Within 1 year $	Between 2 to 5 years $	Total $
Group			
2024			
Trade and other payables	3,305,704	–	3,305,704
Lease liabilities	1,137,204	472,080	1,609,284
	4,442,908	472,080	4,914,988
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
Association			
2024			
Trade and other payables	1,868,354	–	1,868,354
Lease liabilities	883,830	211,080	1,094,910
Amount due to subsidiary companies	3,865,075	1,588,174	5,453,249
	6,617,259	1,799,254	8,416,513
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

33. FINANCIAL RISK MANAGEMENT (continued)

33.3 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.

33.4 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	
	2024 $	2023 $
Fair value reserve	697,411	618,019

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

34. 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)

34. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(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.

(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 (2023: $58.2 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.

35. FINANCIAL INSTRUMENTS BY CATEGORY

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

	Group		Association	
	2024 $	2023 $	2024 $	2023 $
Financial assets at FVOCI	13,948,220	12,360,385	13,948,220	12,360,385
Financial assets at amortised cost	24,767,462	26,323,663	69,619,538	74,933,596
Financial liabilities at amortised cost	4,859,067	5,558,551	8,385,963	14,068,848

36. RESERVES MANAGEMENT

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

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

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

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

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

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

37. CONTINGENT LIABILITIES

On 15 November 2024, the Group received a letter of demand with regards to the redevelopment of 2 Kung Chong. The legal opinion by the Group's legal representative is that it is not practical at this stage to provide an estimate of any liability/claim likely to be realised. There has been no change in the amount recognised in the liabilities given that there has been no changes to the assumptions used in developing the estimates as at 31 December 2024. Further disclosure of details at this juncture could prejudice the Group's position and accordingly, further information has not been provided.

38. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Association and consolidated financial statements of the Group for the year ended 31 December 2024 were authorised for issue by the General Committee on 29 April 2025.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of Automobile Association of Singapore ("AA Singapore") will be held on:

Date	:	Wednesday, 28 May 2025
Time	:	6.30pm
Venue	:	Fort Canning Lodge (YWCA), 6 Fort Canning Road, Level 2, Sophia Cooke Ballroom, Singapore 179494

AGENDA

1. To confirm the Minutes of the Annual General Meeting held on 29 May 2024.

2. To receive and, if approved, adopt the Annual Report and the Audited Financial Statements for the year ended 31 December 2024.

3. To elect six Members to the Committee for the ensuing term.

4. To appoint Lo Hock Ling & Co as the external auditors for the ensuing year.

5. To transact any other business of which notice in writing has been received by the Chairman by 5pm, 21 May 2025.

By Order of the General Committee

Mr Wong Siew Hong
Secretary
7 May 2025

Important Notes:

a. Members attending the Annual General Meeting must produce their valid membership e-card.

b. To facilitate discussion, members are requested to notify AA Singapore in writing by 5pm on Wednesday, 21 May 2025 of any other business they wish to transact at the Meeting.

c. Members are reminded of Clause 4(e) and Clause 4(f) of the Association's Constitution: "An Ordinary Member of 3 years standing and a Life Member shall be entitled to vote at every General Meeting of the Association." and "Members of less than 3 years standing shall not be eligible to vote at a General Meeting."

d. Nomination Forms may be downloaded at www.aas.com.sg or collected upon verification of a valid AA membership e-card at • 2 Kung Chong Road, #06-01 AA Centre, Singapore 159140, • 535 Kallang Bahru, #01-08 GB Point, Singapore 339351, or • 4190 Ang Mo Kio Ave 6, #03-03, Singapore 569841, between 10am to 5pm, Mondays to Fridays. Nominations for election to the posts in the Committee must be sent by post or delivered by hand to reach the Chairman of the AGM at 2 Kung Chong Road, #06-01 AA Centre, Singapore 159140, no later than 5pm on Friday, 16 May 2025. All envelopes must be clearly marked "**AA NOMINATIONS**".

e. Members may download a copy of the 2024 annual report at www.aas.com.sg.

AUTOMOBILE ASSOCIATION OF SINGAPORE

Registered Office: 2 Kung Chong Road, #06-01 AA Centre, Singapore 159140

ANNUAL GENERAL MEETING ON 28 MAY 2025
NOMINATION FORM FOR ANNUAL GENERAL MEETING

AUTOMOBILE ASSOCIATION OF SINGAPORE

May 2025

Attach colour passport photograph here

Chairman of the Annual General Meeting 2025
Automobile Association of Singapore
2 Kung Chong Road #06-01 AA Centre
Singapore 159140

Part A (To be completed by Proposer / Seconder)

We, the undersigned, hereby nominate Mr/Ms ______________________ for election as COMMITTEE MEMBER of the General Committee of the Automobile Association of Singapore for the ensuing term **2025/2027** at the Annual General Meeting to be held on Wednesday, 28 May 2025 at the Fort Canning Lodge (YWCA), 6 Fort Canning Road, Level 2, Sophia Cooke Ballroom, Singapore 179494 at 6.30pm.

Proposer ______________________ Membership No. ______________________

Signature ______________________ Membership Expiry Date ______________________

Seconder ______________________ Membership No. ______________________

Signature ______________________ Membership Expiry Date ______________________

Part B (To be completed by Nominee)

I confirm my willingness to serve on the General Committee as COMMITTEE MEMBER for the ensuing term, if duly elected.

Name ______________________ Membership No. ______________________

Profession ______________________ Membership Expiry Date ______________________

Designation / Company ____

Part C (Declaration to be completed by Nominee)

Please tick with "✓" within the box.

☐ I am not an undischarged bankrupt; have not been convicted of any offence involving fraud or dishonesty and have not behaved in any way that may bring the Association into disrepute.

Signature ______________________ Date ______________________

Please provide relevant information in support of this nomination (i.e., experience, professional skills you can contribute)

____

____

Note:

1. For qualifications for General Committee Members, see Article 9(c) of the AA Constitution (2021).
2. Each Member standing for election must be nominated by a Member and seconded by another Member, and the nominee must confirm on the letter of nomination his willingness to serve.
3. Only Members who have been Members of the Association for not less than **three (3) continuous years** before the date of the Annual General Meeting shall be eligible to be elected to the Committee.
4. Nominations must be sent by post or delivered by hand to reach the Chairman of the AGM at 2 Kung Chong Road, #06-01 AA Centre, Singapore 159140, no later than 5pm on Friday, 16 May 2025.

All envelopes must be clearly marked "**NOMINATION FORM**".

For Official Use

Verified by: ______________________

Date: ______________________

AUTOMOBILE ASSOCIATION OF SINGAPORE

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