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Since 1907

AUTOMOBILE ASSOCIATION
OF SINGAPORE

EXPANDING
SAFETY BOUNDARIES
ANNUAL REPORT 2018

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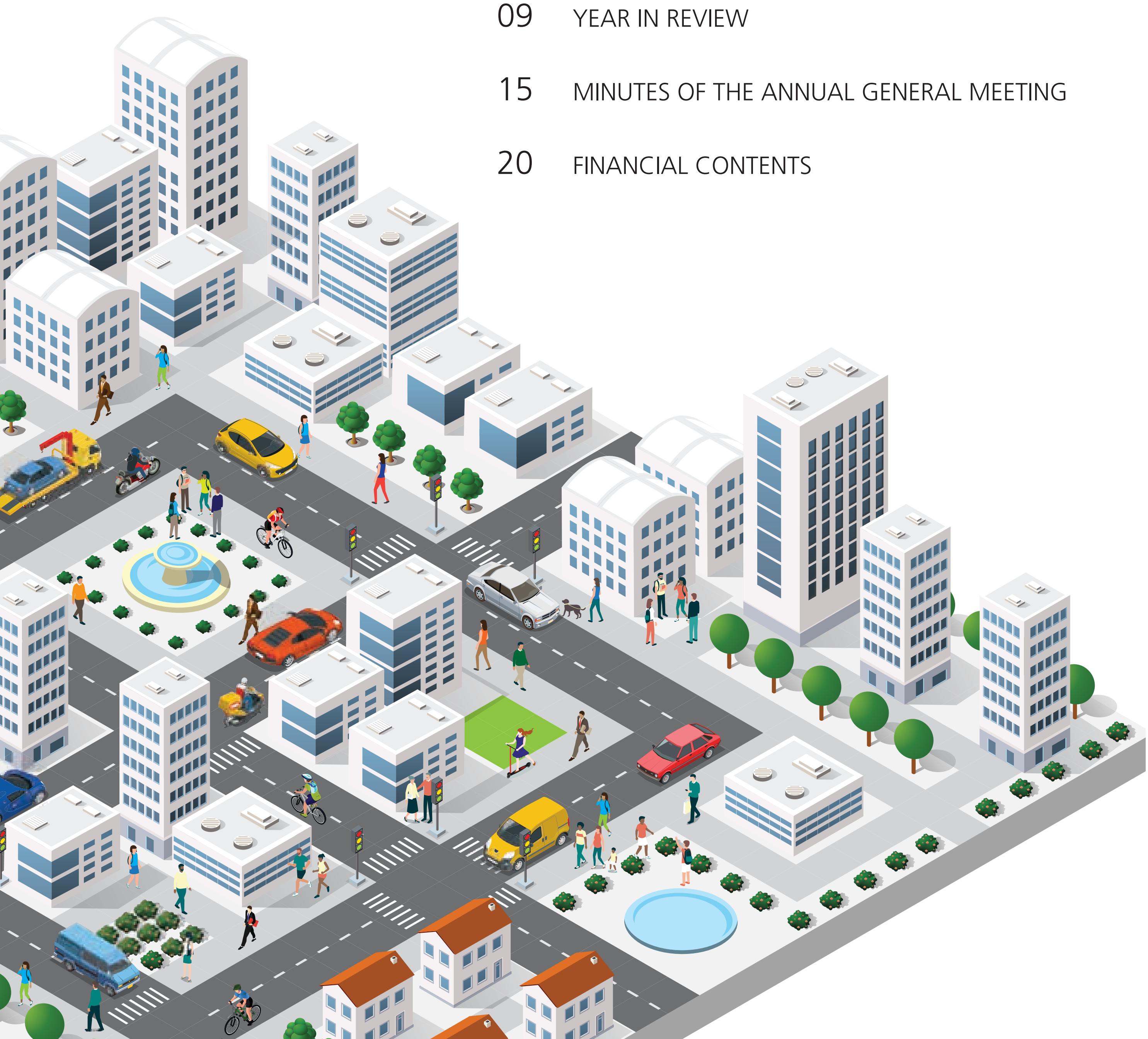


VISION

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

MISSION

To represent our Members' interest and satisfy their needs for value and peace of mind.

To be the voice of motorists and serve as a bridge between the motoring public and relevant agencies.

To excel in our products, services and people.

VALUE

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

ADVANCED

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

LOYAL

We believe in building loyal and trusted relationships.

UNITED

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

ETHICAL

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

PRESIDENT'S MESSAGE

The automotive industry continues to evolve with new regulations and technology, as well as increased competition in the market, making 2018 a challenging year for us. Our Association continues to review our services and product offerings to mitigate and minimise the impact on the Association's overall performance.

BEYOND MOTORING NEEDS

In 2018, the Association expanded our product offerings to fulfil the diverse needs of our members. With the increasing popularity of personal mobility devices as a mode of transport, AAS Insurance Agency launched a personal mobility insurance (AA Personal Mobility) in March 2018 to provide better protection to both PMD users and pedestrians. The third-party liability coverage also promotes responsible riding in the community and prevent any hit-and-run incidences during an accident. New products such as helmets, bicycle care and light accessories were also made available in our AAShop for members and the public.

We have also secured more privileges for our members in 2018. Our Privilege Programme saw a rise in the number of participating merchants offering a wide array of motoring and lifestyle discounts and perks to members. The latest addition includes a third car rental partner, JR Hokkaido Rent A Car, offering exclusive members' discounts and savings on car rentals and hotel accommodation in Hokkaido, Japan. Members were also eligible for a new privilege offered by Hertz when they applied for International Driving Permit, which covered a free additional driver for worldwide car rentals and additional discount on top of the prevailing rates.

Another new initiative introduced for members include Highway magazine going fully digital. With a digital magazine, members are able to read on-the-go anytime, anywhere and easily share their favourite articles with their friends. The May/Jun 2018 issue was the last print copy.

The AUTOVENTURE™ drives organised by the Association have been popular amongst members and travel enthusiasts. Our annual AUTOVENTURE™ collaboration with Lianhe Wanbao crossed its 10th year anniversary and the AA-Wanbao participants set off on an 8D7N Fly-Drive to Jeju Island and Seoul, which I was delighted to be a part of. This was the first Fly-Drive trip for the convoy of 38 cars and 98 participants. In another notable trip, the Association organised a 38-day drive to Fujian, China from 1 October to 7 November 2018, clocking in the longest drive of 2018.

Our local talks and courses were well received by members and a total of 33 motoring and lifestyle workshops and courses were organised last year. Popular courses such as the Defensive Driving Course, Basic Car Maintenance Clinic and Know Your Car Course were frequently organised for members.

MOTORING NEEDS

I am pleased to share that in 2018, we received over 30,000 roadside assistance requests from our members and 91% of the jobs that requested for mechanic assistance were attended to within 45 minutes.

Our subsidiary, AutoSwift Recovery, has secured another two years renewal with Singapore Grand Prix to provide Race Circuit support and Traffic Support during the Singapore Formula One races.

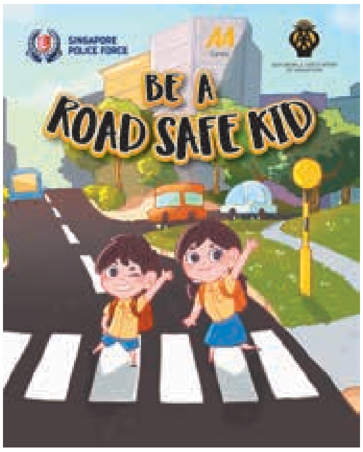
AAS Insurance Agency also further expanded their range of insurance products to offer customised business insurance packages for SMEs to allow better management of risk exposure for their businesses.

ENHANCED FUNDING ON TRAINING

In June 2018, the AAS Academy achieved their milestone by attaining enhanced funding by SkillsFuture Singapore (SSG) for Crash Prevention Course. These MOE-approved training courses allows Singaporeans and Permanent Residents to enjoy between 80% to 95% subsidy of their course fee. Besides local training, the Academy also began delivering training courses overseas where the first overseas workshop held in Thailand was attended by Safety Managers and Logistic Managers from seven different regions across Southeast Asia. AAS Academy further launched its Crash Prevention Course for Motorcyclists and conducted training courses for organisations, which received favourable feedback.

PRESIDENT'S MESSAGE

STRENGTHENING ROAD SAFETY



As a strong advocate of road safety, AA Singapore have been rolling out road safety initiatives, educating members and the public. In March 2018, the Association organised the Overseas Safe Driving Forum, "One Life Lost is One Too Many", to help the public understand what is needed when preparing for a drive overseas, recognising potential hazards and minimising their driving risks. The forum garnered over 300 local and overseas participants, with presentations by local and renowned speakers from Australia and Malaysia, sharing the different driving challenges of their own country.

In May 2018, the Association supported the launch of the annual Singapore Road Safety Month, organised by Singapore Road Safety Council, focusing on engaging motorcyclists and heavy vehicle drivers. We also partnered with KK Women's and Children's Hospital and Taxi Baby to form the Childhood Injury Prevention Alliance, to promote awareness on child passenger safety in cars. AA Singapore and Taxi Baby co-organised a community children's car seat check in support of Singapore Road Safety Month 2018 as part of the Alliance initiative. With 95% of the car seats incorrectly installed at the event, the Alliance aims to improve the awareness and correct usage of child safety restraints in vehicles in Singapore.

In August 2018, the Association participated in the Teck Ghee National Day Celebrations – Road Safety Carnival for Seniors and Families, co-organised by the People's Association and Singapore Road Safety Council, where Prime Minister Mr Lee Hsien Loong and other Grassroots Advisers graced the event. The carnival was held to educate residents of all ages on the importance of road safety through various activities, booths, demonstrations to highlight the importance for all users to be considerate to one another.

With the Formula 1 Singapore Grand Prix in Singapore held in September, AA Singapore continues its road safety efforts with Federation Internationale de l'Automobile (FIA) and Motor Sports Singapore to raise awareness on the #3500LIVES global campaign and educating event-goers through displayed road safety exhibits.

In October, AA Singapore launched our second edition of children books titled 'Be A Road Safe Kid' at the Singapore Road Safety Council's Gala Dinner. We would like to extend our appreciation for Guest-of-Honour Mrs Josephine Teo, Minister for Manpower and Second Minister for Home Affairs for officiating the launch. The story book teaches young primary school children, and helps to remind adults, on the road safety habits to keep them safe on roads.

The Association continues to collaborate and forge greater ties with our partners, such as the Singapore Road Safety Council, AIG Singapore, Liberty Insurance Pte Ltd, Tokio Marine Insurance Singapore Pte Ltd, Lianhe Wanbao, Korea Tourism Organisation, and Asiana Airlines, to name a few, to provide a holistic partnership and ensure successful events and initiatives are carried out for the benefit of our members. We look forward to our partners' strong support and cooperation for our continued success.

ACTIVE CORPORATE CITIZENRY

We also actively involve ourselves with various community efforts, playing our role to shape a better and more sustainable society. It has been our pleasure to support and participate in the 46th edition of Chingay Parade, showcasing the history of local transport modes while conveying the values of an inclusive society.

AA Singapore was also awarded the Plaque of Commendation for our continuous support and contribution towards good labour management relations, workers' welfare and NTUC initiatives at the annual May Day Awards, organised by the National Trades Union Congress (NTUC) movement. AA Singapore is proud to be awarded the Plaque of Commendation, recognising the Association's continuous support and contribution towards good labour management relations, workers' welfare and NTUC initiatives.

OUTLOOK AHEAD

It has been over five years since AA Singapore relocated to GB Point in November 2013 and the Association is looking forward to its redevelopment of AA Centre located at 2 Kung Chong Road. In June 2018, the Association held its Topping-Up Ceremony to mark the completion of the structural phase of the construction phase. Located In the prime area of automotive cluster in Alexandra and Leng Kee neighbourhood, the new AA Centre is targeted to open to members in the second half of 2019. Members can expect a one-stop centre, providing greater convenience and hassle-free services.

Challenges will remain to lie ahead of the automotive industry and 2019 will continue to be another challenging year for the Association. As a motoring leader in Singapore, it is important for us to embrace any hurdles ahead. To stay competitive, we must be flexible and be open to easily adapt to changes. We will continuously seek and strive for better as we bring in more benefits to our members.

I would like to express my gratitude to all our members for your ongoing trust and support, and on behalf of AA Singapore and the General Committee, I thank you for accompanying us on our new journey ahead.

Thank you.

Bernard Tay
President

GENERAL COMMITTEE

DARRYL WEE
Committee Member

ALVIN PHUA
Committee Member

THOMAS YEOH
Committee Member

DAVID WONG
Committee Member

RANKIN B. YEO
Treasurer

BERNARD TAY
President

LOW BENG TIN
Deputy President

CHIA HO CHOON
Secretary

CHAN CHIK WENG
Committee Member

TAY BOON KENG
Committee Member

ROBERT TAN
Committee Member

S CHANDRA MOHAN
Committee Member

RESOURCE
PANEL

YEAR
IN REVIEW

EVOLVING TOGETHER AS AN ASSOCIATION

DIVERSIFYING MEMBERS' PRIVILEGES

2018 was a challenging year for the Association as we strive to evolve with the everchanging motoring landscape in Singapore.

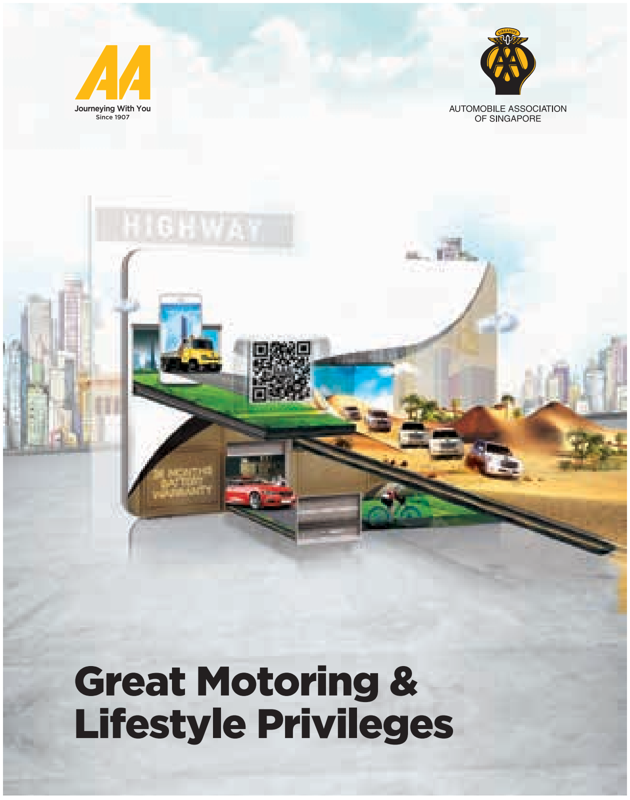
The interests of our members have always been our topmost priority and we care beyond your motoring needs. In 2018, AA Singapore partnered GetDoc to extend GetDocPlus as one of the new privileges to members, at no additional cost. Through GetDocPlus, members are able to enjoy great savings on health services including preferential rates for dental, health screenings, traditional Chinese medicine and chiropractic care.

With more mobility options and increasing shared use of roads by cyclists and Personal Mobility Device users, AA Singapore expanded its product offerings to cater to the needs of these two-wheelers. Bicycle and Personal Mobility Device-related products such as helmets, bicycle care, and light accessories, that were previously not available, were brought to AAShops' shelves. Jumping onboard the popular year-end shopping frenzy, AAShop also launched its first ever 11.11, Black Friday and 12.12 sales.

Apart from promotional activities, more privileges were secured for our members in 2018. A third car rental partner, JR Hokkaido Rent A Car, had joined our Privilege Programme offering members greater deals when driving in Hokkaido. Members who had applied for an International Driving Permit could take advantage of the new privilege offered by Hertz in 2018 that included a free additional driver for worldwide car rentals and an extra 10% discount.

AA Singapore added to these benefits by conducting regular lucky draws and contests within the year to reward members for their support.

It is also in the duty of the Association to safeguard the interests of our AA Winners' Club members. The Association partnered with Responsible Gambling Forum to promote responsible gambling within the Association premises during the Responsible Gambling Awareness Week 2018. With it, AA Singapore hopes to remind our members to engage in healthy playing behaviours.



YEAR IN REVIEW

CLOCKING MORE MILES

AA AUTOVENTURE™ trips remains well received by our members, and the team had embarked on a total of 15 trips in 2018, with some heading to as far as New Zealand.

The annual trip collaboration between AA Singapore and Lianhe Wanbao entered into its 10th year. Marking this 10th anniversary drive, the team organised its first 8D7N Fly-Drive to Jeju Island and Seoul with 98 participants and 38 cars. In the past, the AA-Wanbao participants had only travelled on AUTOVENTURE™ drives to neighbouring countries.

In the longest drive of the year, the team travelled to Fujian, China over a span of 38 days from 1 October – 7 November 2018.

Locally, we held a total of 33 motoring and lifestyle workshops and courses for our members. Our motoring workshops such as the Basic Car Maintenance Clinic, Know Your Car Course and Defensive Driving Course are most well-received with at least one organised almost every month.

EXCELLENCE ON THE ROADS

One of the key features of AA Membership lies in our roadside assistance services, rendered by our subsidiary – AutoSwift Recovery Pte Ltd (ASR).

In 2018, we responded to over 30,000 roadside assistance requests from AA Members. We continued to uphold our service level in providing prompt response with 91% of service requests for mechanic assistance attended to within 45 minutes.

Besides offering our services to AA Members, AutoSwift Recovery also extends their services to corporate engagements. In 2018, ASR secured a two years renewal with Singapore Grand Prix to provide Race Circuit support during the Singapore Formula One races, a service we had been providing since 2008. Additionally, we also signed a two years agreement with Singapore Grand Prix to provide Traffic Support during the event.

EXPANDED TRAINING AND SUBSIDIES

The Association's training arm, AAS Academy, achieved new milestones in 2018.

In June 2018, Academy's flagship course – Crash Prevention Course – was approved for enhanced funding by SkillsFuture Singapore (SSG). Utilising the funding allows Singaporeans and Permanent Residents to enjoy between 80% to 95% fee subsidy of the MOE-approved course.

The Academy also conducted its first overseas training for French MNC Air Liquide in Bangkok, Thailand. As part of Air Liquide's Southeast Asia region-wide safety campaign, the workshop was attended by Safety Managers and Logistic Managers from seven different regions across Southeast Asia.

Shifting their attention to not just the usual drivers on roads but also motorcyclists, AAS Academy launched its first Crash Prevention Course (Motorcycle) in December 2018 for Income Orange Force Response Riders, garnering a positive response.

LESS WORRIES ON THE ROADS

AAS Insurance Agency (AAS-IA) also expanded their range of insurance products and they now offer customised business insurance packages for SMEs specialising in Office, Services, Retail, and Food and Beverage. Their cost effective and flexible products allow for better management of risk exposure while protecting the business and their employees at the same time.

With the increasing number of personal mobility device (PMD) users and cyclists on the roads, AAS-IA also introduced the AA Personal Mobility Plus to better protect riders on the road. AA Personal Mobility Plus covers the insured for a sum of up to $50,000 in the event of accidental death or permanent disability. It provides up to $100,000 for personal liability claims and reimburses medical claims of up to $1,000 per person per policy year. Families with multiple users may also opt to purchase a Family Plan, built-in with cumulative discounts.

YEAR
IN REVIEW

CARING FOR ALL ROAD USERS

Road safety remains a key concern for the Association.

In 2018, we organised events promoting the road safety message to our members and the public. Following the spate of overseas driving accidents that occurred at the end of 2017, the Association organised the Overseas Safe Driving Forum on 17 March 2018. The aim of the forum, was to equip the public with the knowledge to be prepared when driving overseas, understand potential hazards and minimising their risk of accidents. With the theme 'One Life Lost is One Too Many', the forum engaged local and overseas speakers from Australia and Malaysia to give their insights into the driving challenges within their own country.

Within the year, AA Singapore also entered a collaboration with KK Women's and Children's Hospital and Taxi Baby to form The Childhood Injury Prevention Alliance, promoting awareness about child passenger injury in vehicles in Singapore. On 5 May 2018, AA Singapore and Taxi Baby co-organised a community children's car seat check in support of Singapore Road Safety Month 2018 as part of the Alliance initiative. The event aimed to correct usage of child safety restraints in vehicles. Over 95% of car seats inspected that day were found to be incorrectly installed, further reiterating the importance of continuous education towards this issue.

We supported the launch of the annual Singapore Road Safety Month on 22 May organised by Singapore Road Safety Council, focusing on engaging motorcyclists and heavy vehicle drivers. Statistics have shown that accidents involving these two groups of road users are more likely to result in fatalities.

Another notable event was our participation in the Teck Ghee Road Safety Carnival in August where safety tips were shared with both adults and children that day. The event brought attention to the dangers of blind spots in and around vehicles, particularly the heavy vehicles, through an on-site vehicle demonstration. The risks faced by PMD users and cyclists on roads were also highlighted to public via a risk assessment offered by AAS Academy at the carnival. It was our honour to welcome the Guest-of-Honour, Prime Minister Lee Hsien Loong at the carnival.

Following that was the launch of our 'Be A Road Safe Kid' children storybook, held in October, during the Singapore Road Safety Council's Gala Dinner. The storybook was designed to educate young children specifically those in primary school, to understand and be more aware of essential road safety habits that would keep them safe on roads.

As always, the Association continues to support global road safety campaign initiatives by the Federation Internationale de l'Automobile (FIA). We were present at the Formula 1 Singapore Grand Prix to raise awareness for the #3500LIVES campaign, amongst other activities for this campaign.

YEAR
IN REVIEW

AA Singapore also made various media appearances throughout the year to reach out to TV and radio listeners on these road safety issues.

DEVELOPING BETTER RELATIONSHIP WITH THE PEOPLE

The annual May Day Awards, organised by the National Trades Union Congress (NTUC), honours individuals and organisations for their contributions to the labour movement. AA Singapore is proud to be awarded the Plaque of Commendation, recognising the Association's continuous support and contribution towards good labour management relations, workers' welfare and NTUC initiatives.

The Association also had the opportunity, in 2018, to support and participate in the 46th edition of the annual Chingay Parade. With over 100,000 people watching in the audience, the Chingay performers played different roles that showcased the history of local transport modes – from trishaw riders and cyclists to PMD users.

ACCELERATING FORWARD

Moving in 2019, the Association is looking forward to our presence in 2 Kung Chong Road. The Topping-Up Ceremony for the redevelopment works was held on 19 June 2018 to mark the completion of the structural phase of the construction process. The new AA Centre will be expected to open to members in the second half of 2019.

MINUTES OF THE ANNUAL GENERAL MEETING

Minutes of the Annual General Meeting (AGM) of Members of the Automobile Association of Singapore held at Fort Canning Lodge (YWCA), 6 Fort Canning Road, Level 2 Sophia Cooke Ballroom, Singapore 179494 on Wednesday, 23 May 2018 at 6:30 pm.

PRESENT:
Bernard Tay, Chairman and President
Low Beng Tin
Chia Ho Choon
Rankin B. Yeo
Chan Chik Weng
S Chandra Mohan
Tay Boon Keng
Thomas Yeoh Eng Leong
David Wong

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

Ms Lo Wei Shih, the representative from the auditors, Messrs Lo Hock Ling & Co. confirmed that at the close of 6:30 pm, the total number of members present was 77. As there was a quorum, President called the Meeting to order.

1

PRESIDENT'S ADDRESS

The President highlighted the following points:

In 2017, AA Singapore had an eventful year as we celebrated our 110th Anniversary. In the celebratory spirit, we rolled out a number of membership promotions to reward our existing AA Members and attract new member sign-ups. We launched the "3-year membership at $110" promotion in March last year, receiving good response. The Association implemented a new loyalty programme for AA Members, allowing members of three years and above to enjoy free non-standard tow as part of their membership entitlements.

We also saw a 6% increase in our new privilege partners, with enhanced motoring and lifestyle perks; offering AA Members with more savings and discounts. We will continue to bring more exciting benefits and perks for our members in the months ahead.

Enhancing our service to AA Members has always of our topmost priority. To increase the accessibility and convenience of our Roadside Assistance Service (RAS), we launched the Roadside Assistance Service (RAS) mobile application in July 2017 for members requesting for assistance. We are pleased to share that there has been an improvement in our response time for breakdown service. Our mechanics were able to respond to 80% of the breakdown vehicles in less than 30 minutes. Our tow service had also improved by 11%, responding to 71% of the vehicles within 45 minutes.

AA-Gtechniq Car Detailing Service was also set up to help AA Members' with their grooming needs, offering superior protection to cars by guarding it against external contaminants that damages car's paint and finish. Besides car detailing, we offer car wash at the premises. We are also constantly exploring services beyond car detailing.

The use of ride-hailing and carpool platforms amongst commuters are gaining popularity and shared mobility such as car-sharing, carpooling and bike-sharing is on the rise. Last year, AAS Insurance Agency (AAS-IA) rolled out a free extension on motor insurance, allowing drivers to be insured even when engaging in carpooling activities, without having to apply for a commercial motor insurance. A new commercial insurance scheme was also introduced to offer protection for businesses and their drivers while promoting overall road safety at the same time.

MINUTES OF THE ANNUAL GENERAL MEETING

AAS-IA offered additional coverage to cover pre-existing conditions for emergency medical evacuation under AA TourCare Plus to give travellers greater peace-of-mind. AA Senior Motor Plus was further enhanced to reduce eligible driver's age from 65 to 60 years old making it more accessible to wider group of drivers.

Increasingly, there is a growing trend of Singaporeans embarking on overseas trips in recent years. Last year, AA Singapore organised a total of 15 AUTOVENTURE™ trips and the participation rate grew by 21% increase as compared to 2016. One of the highlighted trip was the 43 days 42 nights Autoventure to Xin Jiang, Tibet and Everest Base Camp from 25 September to 5 November 2017, with a convoy of 19 cars driving a total of 16,000km from Singapore up to China. The Association also embarked on a 9 days 8 nights Fly-Drive trip to Jeju Island and Seoul. The trip was organised with the support of Korea Tourism Organisation and Jeju Tourism Organisation, allowing participants to drive an electric car as part of the efforts in promoting clean energy.

We saw a 5% increase in the participation rate for the 34 talks and courses organised by AA Singapore. We will continue to offer a wide selection of motoring and lifestyle activities and courses to cater to the interests of our AA Members and family.

As part of our 110th Anniversary celebrations last year, we held several key celebratory events. We organised the 110th Anniversary Drive in June 2017, with a total of 215 participants, forming one of the largest convoy trips organised by the Association in recent years. AA Singapore organised the Safe Driving and Mobility Conference on 20 and 21 October 2017, featuring local and overseas renowned speakers. We concluded the 110th Anniversary celebrations with our Anniversary Dinner where AA Members and guests witnessed a self-driven AA 110th Anniversary Cake.

AA Singapore has always been advocating and promoting road safety to our members and the public. We launched the "Safer Seniors, Safer Roads" informational pamphlet for the elderly road users, highlighting their risks on the road. The pamphlet was distributed at the annual Singapore Road Safety Month 2017. The Association also supported the launch of #3500LIVES and safety campaign in Singapore by the FIA and JCDecaux. A billboard display featuring the "Use a Child Safety Seat" message was endorsed by celebrity Michelle Yeoh.

In collaboration with Korea Tourism Organisation, AA Singapore produced a guide book for drivers on "Must-Have Guide When Driving in Korea" and the books were distributed at AA outlets, KTO, events and roadshows.

To further enhance the Association's role in advocating road safety, AAS Academy and their trainers have achieved new accreditations from DriveTech UK and the Royal Society for Prevention of Accidents to deliver a wider range of safe driver training courses to companies' fleet of drivers. AAS Academy also offers on-road training as part of the driver coaching for all classes of drivers. AAS Academy has also been accredited by RoSPA to offer fleet audit services for owners and fleet operators. To date, AAS Academy has assessed over 5,000 drivers through the Online Driver Risk Assessment and Training System.

In addition, AAS Academy collaborated with our insurance partner, AIG Singapore, to reward safe drivers with insurance premium discounts through the use of Online Driver Risk Assessment programme.

Besides an advocate of road safety, AA Singapore believes in giving back to the society and lending support to worthy causes. AA Singapore have been contributing to professionalising the industry by bringing in relevant international standards of training and we are proud to sponsor the Road Safety Awards under the Champion Winner Award for the categories of Company award (AAS Academy), Safe Driver Award (AA-SPCS) and the Most Improved Driver Award (AAS Academy).

As part of the Mid-Autumn Festival celebrations in 2017, the Association also sponsored mooncakes for the charities, homes, shelters, schools and community organisations.

In 2017, we had our fair share of challenges. AA Singapore saw the expiry of EMAS vehicle services contract in July. Existing staff and assets were reviewed and deployed to other operations units. Nonetheless, the Association remains committed to its service level will continue to maintain its standards to meet the needs of our members.

Overall, 2017 was a significant year for AA Singapore as we achieved great milestones. The Groundbreaking Ceremony on 21 January last year, officiated by Minister K Shanmugam, marked the start of our goal towards having a one-stop AA Centre which will further strengthen the Association's presence amongst the public and motoring community while continuing to remain relevant and deliver better services to AA Members as well as the motorists of wider public.

The President would also like to take this opportunity to update our members on the current progress of our Kung Chong redevelopment. The main building structure has been completed, with the mechanical and engineering works still ongoing. The Kung Chong redevelopment project is currently on schedule and the new AA Centre at 2 Kung Chong Rd should be fully occupied and operational in 2nd half of 2019.

2018 will continue to be a challenging year for the Association as we continue to strive for service excellence. We are conscious of the efforts needed to meet the individual needs of the motoring community today.

We are also working with Deloitte Consulting to develop an improved business model to ensure the Association continues to stay relevant and sustainable. In recent years, we have seen Singapore driving digital innovation and moving towards a country of well-established digital capabilities. Disruption lies ahead for the automobile industry and embarking on a digital transformation will allow us to streamline processes and improve efficiency and communication to our members. The GCs and Management of AA Singapore will take this opportunity to leverage on opportunities which allow us to enhance the benefits and privileges for our AA Members.

Part of our efforts include the digitalisation project which the Association is now embarking on. Members would have noticed the new changes in our communication channels this year. Highway magazine has gone fully digital with the May/Jun issue being our last print copy. Moving forward, new issues would be made available on the Highway mobile app. The decision was made with increasing feedback from members that a digital copy is preferred for their reading convenience on-the-go. This will also allow us to innovate and present new and interactive ways for readers to consume content. We are also working hard to bring the content to you via a friendly website format in 2019.

As a motoring association of 110 years, AA Singapore looks beyond just providing motoring services to drivers. AAS-IA has recently collaborated with Liberty Insurance to offer AA Personal Mobility Plus insurance policy, an insurance policy which covers PMD riders and cyclists, at a premium of $54, offering personal accident coverage of up to $50,000 per person for PMD and $20,000 per person for bicycle. Keeping the welfare of our members in mind, the insurance plan was intended to be launched as an extension to our members on motoring policies. However, with increasing use of personal mobility devices in Singapore, we saw a rise in the number of complaints and accidents involving cyclists and device users. As such, the Association have also extended AA Personal Mobility Plus as a standalone policy to the public. We hope that by doing so, it will provide protection to PMD users and cyclists, promoting greater safety on our roads. For those who are interested to find out more about this policy, please feel free to approach any of our insurance staff after the AGM.

Also, in line with our role as an active advocate of road safety, AA Singapore actively organises road safety campaigns and outreach programmes. In December last year, there had been several reports of road fatalities involving Singaporeans driving overseas. In view of the accidents, AA Singapore recently conducted the Overseas Safe Driving Forum on 17 March this year. Over 300 participants attended the half day event and learnt from local and overseas speakers on how drivers could be better prepared and informed before embarking on a road trip. More activities will be organised for our members in the second half of the year. Do check our Highway magazine for the updates.

On behalf of the General Committee (GC), Management and staff of AA Singapore, the President would like to extend his heartfelt appreciation to Mr Lee Han Yang, who have been serving in the GC since 1988 and Mr Tan Chian Khong, who have been with the GC since year 2000. Throughout their tenure, Han Yang and Chian Khong made significant contributions towards the Association, sharing vast knowledge and experience in their respective fields and bringing great insights to the Association. Both Han Yang and Chian Khong have expressed their intention of not standing for re-election and we thank them for their great contributions all these years and wish them all the best.

Lastly, the President would like to thank our members for their support over the last 110 years and invite you to join us on the journey towards driving the Association for another 110 years to come.

MINUTES OF THE ANNUAL GENERAL MEETING

2 TO CONFIRM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 30 MAY 2017

There were no comments and the Minutes were confirmed as proposed by Mr Tay Choon Meng and seconded by Mr Lam Chiew Wah.

3 TO RECEIVE AND, IF APPROVED, ADOPT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

There were no comments and the annual report and audited financial statements were approved as proposed by Mr Shiao Chung Chiang and seconded by Mr Wong Siew Hong.

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

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

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

Mr Low Beng Tin informed that under the Association's Constitution, the term of office of 6 committee members had expired and the need to elect 6 members to the GC.

Mr Low also informed that the auditors, Messrs Lo Hock Ling & Co. had duly verified and confirmed the nominations received.

Ms Lo Wei Shih, the representative from the auditors, reported that 6 nominations were received at 5:00 pm on 11 May 2018, being the time and date set for nominations to be closed.

The 6 nominees duly nominated were:

Mr Bernard Tay
LTC (Ret) Chan Chik Weng
Prof Tay Boon Keng
Mr Thomas Yeoh Eng Leong
Mr Alvin Phua
Mr Darryl Wee

There were 6 candidates for the 6 vacancies and all the 6 were deemed elected.

Mr Low welcomed the newly elected members to the GC.

5 TO APPOINT AUDITORS FOR THE ENSUING YEAR

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

The motion to re-elect Messrs Lo Hock Ling & Co as auditors was then proposed by Mr Shiao Chung Chiang and seconded by Mr Tay Choon Mong.

Messrs Lo Hock Ling & Co. was re-appointed auditors for the ensuing year.

6 TO TRANSACT ANY OTHER BUSINESS OF WHICH NOTICE IN WRITING HAS BEEN RECEIVED BY THE CHIEF EXECUTIVE OFFICER BY 5:00 PM ON 16 MAY 2018

Mr Low informed the Meeting that as at 5:00 pm on 16 May 2018, there were no letters received from members.

7 MR LOW BENG TIN THANKED ALL MEMBERS FOR ATTENDING THE AGM

As there was no other business to be discussed, Mr Low Beng Tin formally declared the Meeting closed at 7:00 pm.

Mr Low thanked Members for taking their valuable time off to attend the Meeting and for their support and look forward to their continued support in the years ahead.

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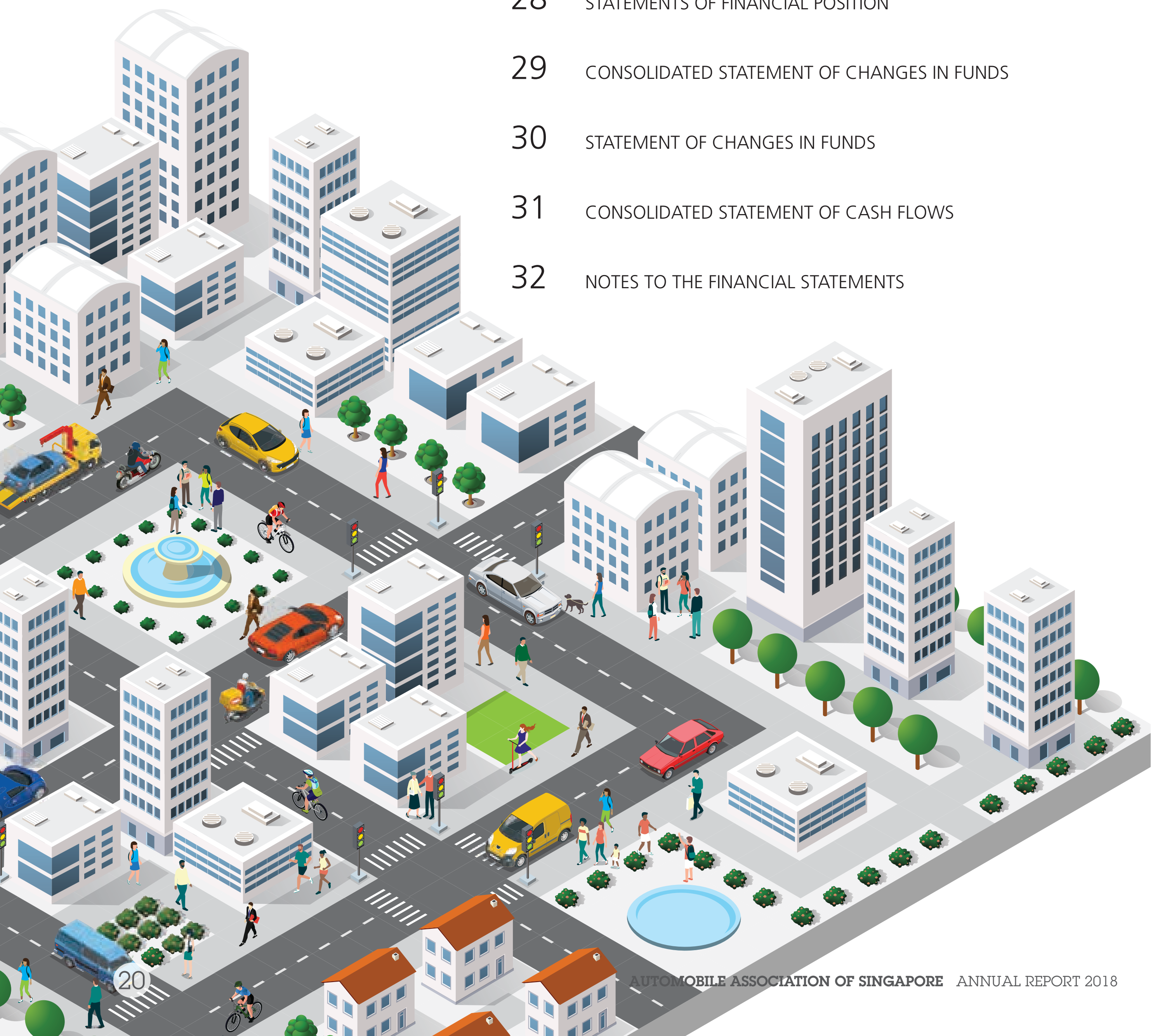

CORPORATE INFORMATION 2018

AUTOMOBILE ASSOCIATION OF SINGAPORE

1. **INSTRUMENT OF SETTING UP THE ASSOCIATION**

   Constitution of Automobile Association of Singapore

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

   S61SS0040C

3. **REGISTERED ADDRESS**

   535 Kallang Bahru #02-08 GB Point Singapore 339351

4. **GENERAL COMMITTEE**

Name	Designation
Mr. Bernard Tay	President
Mr. Low Beng Tin	Deputy President
Mr. Chia Ho Choon	Secretary
Mr. Rankin B. Yeo	Treasurer
Ltc (Ret) Chan Chik Weng	Committee Member
Dr. S Chandra Mohan	Committee Member
Mr. Alvin Phua	Committee Member
Mr. Robert Tan	Committee Member
Prof. Tay Boon Keng	Committee Member
Mr. Darryl Wee	Committee Member
Mr. David Wong	Committee Member
Mr. Thomas Yeoh	Committee Member

5. **MEMBERSHIP SUB-COMMITTEE**

   Mr. Alvin Phua
   Mr. Darryl Wee
   Mr. Tan Hun Twang
   Mr. Bernard Tay (Ex-Officio)

6. **CONSTITUTION REVIEW SUB-COMMITTEE**

   Dr. S Chandra Mohan
   Prof. Tay Boon Keng
   Mr. Wong Siew Hong
   Mr. Bernard Tay (Ex-Officio)

7. **AUDIT SUB-COMMITTEE**

   Mr. Alvin Phua
   Mr. Chia Ho Choon
   Dr. Edwin Tan
   Mr. Bernard Tay (Ex-Officio)

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

   Mr. Rankin B. Yeo
   Mr. Chia Ho Choon
   Mr. Bernard Tay (Ex-Officio)

9. HUMAN RESOURCE AND REMUNERATION SUB-COMMITTEE

Mr. Low Beng Tin
Prof. Tay Boon Keng
Mr. Bernard Tay (Ex-Officio)

10. KUNG CHONG REDEVELOPMENT SUB-COMMITTEE

Mr. David Wong
Mr. Alvin Phua
Mr. Bernard Tay (Ex-Officio)

11. JACKPOT SUB-COMMITTEE

Mr. Low Beng Tin
Mr. Robert Tan
Dr. Denny Lie
Mr. Bernard Tay (Ex-Officio)

12. DIGITAL REVIEW COMMITTEE

Mr. Darryl Wee
Mr. Darryl Lua
Mr. Wong Siew Hong
Mr. Bernard Tay (Ex-Officio)

13. PRINCIPAL BANKERS

DBS Bank Ltd
Standard Chartered Bank (Singapore) Limited

14. AUDITORS

Lo Hock Ling & Co.
Chartered Accountants Singapore

STATEMENT BY THE GENERAL COMMITTEE

In our opinion, the accompanying financial statements of Automobile Association of Singapore (the "Association") and its subsidiary companies (collectively the "Group") set out on pages 27 to 67 are drawn up so as to give a true and fair view of the financial position of the Group and the Association as at 31 December 2018 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

Rankin B. Yeo
Treasurer

Singapore, 2 April 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUTOMOBILE ASSOCIATION OF SINGAPORE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Automobile Association of Singapore (the "Association") and its subsidiary companies (collectively the "Group") set out on pages 27 to 67, which comprise the statements of financial position (balance sheets) of the Group and of the Association as at 31 December 2018, the statements of comprehensive income and statements of changes in funds of the Group and of the Association, and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds of the Association are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (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 2018 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 and will not express any form of assurance conclusion thereon.

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

Responsibilities of Management and General Committee for the Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUTOMOBILE ASSOCIATION OF SINGAPORE

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act, Chapter 311 and the provisions of the Singapore Companies Act, Chapter 50 to be kept by the Association and by the subsidiary companies 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, 2 April 2019

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Group 2018 $	Group 2017 $	Association 2018 $	Association 2017 $
INCOME					
Membership subscriptions and entrance fees		**2,948,289**	3,195,810	**2,949,216**	3,188,469
Vehicle recovery and towing services		**786,243**	9,426,397	**47,090**	50,342
Fruit machine net takings	3	**1,922,343**	2,792,336	**1,922,343**	2,792,336
Income from other services	4	**5,286,074**	5,779,896	**2,613,674**	2,473,764
Interest income	5	**928,870**	1,090,520	**953,483**	1,065,291
Rental income (net)	6	**935,541**	743,568	**94,727**	69,516
Other income	7	**1,862,861**	857,009	**2,774,165**	1,860,989
Total income		**14,670,221**	23,885,536	**11,354,698**	11,500,707
LESS EXPENDITURE					
Depreciation expense	8	**1,134,682**	1,978,300	**450,296**	830,254
Amortisation of intangible assets	14	**1,164**	8,041	**–**	–
Employee benefits expense	9	**7,889,888**	12,730,435	**3,465,378**	3,848,509
Impairment on financial assets	20	**100,955**	–	**–**	–
Membership promotion, publicity and meetings		**884,919**	882,686	**888,619**	895,125
Other expenses	10	**4,476,286**	6,842,571	**4,813,687**	5,949,237
Total expenditure		**14,487,894**	22,442,033	**9,617,980**	11,523,125
Surplus/(deficit) before tax		**182,327**	1,443,503	**1,736,718**	(22,418)
Income tax benefits/(expense)	11	**123,391**	(478,973)	**(101,895)**	(136,780)
Surplus/(deficit) for the year		**305,718**	964,530	**1,634,823**	(159,198)
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Reversal upon disposal of available-for-sale financial assets		**–**	299,960	**–**	299,960
Net changes in fair value of available-for-sale financial assets		**–**	(8,360)	**–**	(104,240)
	15	**–**	291,600	**–**	195,720
Net changes in fair value of financial assets, at FVOCI	16	**(561,075)**	–	**(368,385)**	–
Other comprehensive income for the year, net of tax		**(561,075)**	291,600	**(368,385)**	195,720
Total comprehensive income for the year		**(255,357)**	1,256,130	**1,266,438**	36,522
Surplus/(deficit) attributable to:					
Members of the Association		**(66,473)**	677,159	**1,634,823**	(159,198)
Non-controlling interests		**372,191**	287,371	**–**	–
		305,718	964,530	**1,634,823**	(159,198)
Total comprehensive income attributable to:					
Members of the Association		**(627,548)**	1,043,759	**1,266,438**	36,522
Non-controlling interests		**372,191**	212,371	**–**	–
		(255,357)	1,256,130	**1,266,438**	36,522

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	Group 2018 $	Group 2017 $	Association 2018 $	Association 2017 $
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	**25,360,349**	16,866,604	**638,313**	867,598
Investment property	13	**39,408,414**	39,704,207	**–**	–
Intangible assets	14	**4,161**	3,024	**–**	–
Available-for-sale financial assets	15	**–**	10,789,575	**–**	7,659,885
Financial assets, at FVOCI	16	**13,752,000**	–	**10,815,000**	–
Investments in subsidiary companies	17	**–**	–	**4,386,502**	4,386,502
Amount due from subsidiary companies	18	**–**	–	**53,600,000**	45,000,000
		78,524,924	67,363,410	**69,439,815**	57,913,985
Current Assets					
Inventories	19	**88,326**	80,296	**51,794**	37,520
Trade and other receivables	20	**2,273,038**	3,622,990	**1,242,056**	2,467,256
Amount due from subsidiary companies	18	**–**	–	**7,134,337**	22,171,469
Cash and cash equivalents	21	**37,960,812**	50,804,085	**13,699,577**	6,050,780
		40,322,176	54,507,371	**22,127,764**	30,727,025
Total Assets		**118,847,100**	121,870,781	**91,567,579**	88,641,010
TOTAL FUNDS, RESERVES AND LIABILITIES					
FUNDS AND RESERVES					
Accumulated fund		**108,015,720**	108,233,741	**80,744,608**	79,261,333
Fair value reserve	23	**(575,000)**	(13,925)	**(467,000)**	(98,615)
Fruit machine replacement reserve	22	**464,181**	312,633	**464,181**	312,633
Total funds and reserves attributable to members of the Association		**107,904,901**	108,532,449	**80,741,789**	79,475,351
Non-controlling interests		**1,016,591**	579,600	**–**	–
Total Funds and Reserves		**108,921,492**	109,112,049	**80,741,789**	79,475,351
LIABILITIES					
Non-Current Liabilities					
Subscriptions received in advance	24	**2,356,395**	2,292,660	**2,355,461**	2,292,660
Deferred tax liabilities	25	**3,000**	368,368	**–**	–
Trade and other payables	26	**–**	364,276	**–**	356,300
Amount due to a subsidiary company	18	**–**	–	**3,040,101**	–
		2,359,395	3,025,304	**5,395,562**	2,648,960
Current Liabilities					
Subscriptions received in advance	24	**1,952,208**	1,867,912	**1,951,275**	1,866,482
Trade and other payables	26	**5,357,803**	7,376,617	**1,991,624**	3,838,264
Amount due to subsidiary companies	18	**–**	–	**1,385,429**	673,153
Current tax liabilities		**256,202**	488,899	**101,900**	138,800
		7,566,213	9,733,428	**5,430,228**	6,516,699
Total Liabilities		**9,925,608**	12,758,732	**10,825,790**	9,165,659
Total Funds, Reserves and Liabilities		**118,847,100**	121,870,781	**91,567,579**	88,641,010

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

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2018

Group	Note	Accumulated fund $	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 2017		107,772,582	(305,525)	96,633	107,563,690	367,229	107,930,919
Total comprehensive income for the year		677,159	291,600	–	968,759	287,371	1,256,130
Transactions with owners, recognised directly in total funds and reserves							
Transfer to fruit machine replacement reserve, net of reserve utilised	22	(216,000)	–	216,000	–	–	–
Dividends paid to non-controlling shareholder of subsidiary company		–	–	–	–	(75,000)	(75,000)
		(216,000)	–	216,000	–	(75,000)	(75,000)
Balance as at 31 December 2017		108,233,741	(13,925)	312,633	108,532,449	579,600	109,112,049
Total comprehensive income for the year		(66,473)	(561,075)	–	(627,548)	372,191	(255,357)
Transactions with owners, recognised directly in total funds and reserves							
Transfer to fruit machine replacement reserve, net of reserve utilised	22	(151,548)	–	151,548	–	–	–
Changes in ownership interests in subsidiary without a change in control							
Dilution of interests in subsidiary		–	–	–	–	289,800	289,800
Dividends paid to non-controlling shareholder of subsidiary company		–	–	–	–	(225,000)	(225,000)
		(151,548)	–	151,548	–	64,800	64,800
Balance as at 31 December 2018		108,015,720	(575,000)	464,181	107,904,901	1,016,591	108,921,492

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

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2018

Association	Note	Accumulated fund $	Fair value reserve $	Fruit machine replacement reserve $	Total $
Balance as at 1 January 2017		79,636,531	(294,335)	96,633	79,438,829
Total comprehensive income for the year		(159,198)	195,720	–	36,522
Transactions with owners, recognised directly in total funds and reserves					
Transfer to fruit machine replacement reserve, net of reserve utilised	22	(216,000)	–	216,000	–
Balance as at 31 December 2017		79,261,333	(98,615)	312,633	79,475,351
Total comprehensive income for the year		1,634,823	(368,385)	–	1,266,438
Transactions with owners, recognised directly in total funds and reserves					
Transfer to fruit machine replacement reserve, net of reserve utilised	22	(151,548)	–	151,548	–
Balance as at 31 December 2018		80,744,608	(467,000)	464,181	80,741,789

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Group 2018 $	Group 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Surplus before tax		**182,327**	1,443,503
Adjustments for:			
Bad debts written off – trade		**5,686**	–
Depreciation expense	8	**1,134,682**	1,978,300
Amortisation on intangible assets	14	**1,164**	8,041
Impairment loss on financial assets	20	**100,955**	–
Intangible assets written off		**2,079**	39,467
Property, plant and equipment written off		**34,468**	16,109
Provisions written back	27	**(1,216,039)**	–
Loss on disposal of available-for-sale financial assets		**–**	381,000
Interest income	5	**(928,870)**	(1,090,520)
Gain on disposal of property, plant and equipment		**(72,747)**	(281,295)
Operating (deficit)/surplus before working capital changes		**(756,295)**	2,494,605
Increase in inventories		**(8,030)**	(7,983)
Decrease in receivables		**1,190,770**	3,995,584
Decrease in payables		**(1,167,051)**	(1,111,951)
Increase/(decrease) in subscriptions received in advance		**148,031**	(419,625)
Cash (used in)/generated from operations		**(592,575)**	4,950,630
Interest received		**14,684**	16,243
Income tax refund		**5,414**	–
Income tax paid		**(480,088)**	(648,344)
Net cash (used in)/from operating activities		**(1,052,565)**	4,318,529
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease/(increase) in fixed deposits pledged with banks and/or with maturities over 3 months		**17,359,889**	(2,367,667)
Interest received		**966,727**	1,270,820
Additions to available-for-sale financial assets		**–**	(6,258,500)
Additions to financial assets, at FVOCI		**(3,523,500)**	–
Additions to intangible assets		**(4,380)**	–
Additions to property, plant and equipment	12	**(9,466,353)**	(7,391,253)
Proceeds from disposal of available-for-sale financial assets		**–**	8,000,000
Proceeds from disposal of property, plant and equipment		**171,998**	323,899
Proceeds from partial disposal of interests in a subsidiary		**289,800**	–
Net cash from/(used in) investing activities		**5,794,181**	(6,422,701)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid to non-controlling shareholder of subsidiary		**(225,000)**	(75,000)
Net cash used in financing activities		**(225,000)**	(75,000)
Net increase/(decrease) in cash and cash equivalents		**4,516,616**	(2,179,172)
Cash and cash equivalents at beginning of the year		**12,768,743**	14,947,915
Cash and cash equivalents at end of the year	21	**17,285,359**	12,768,743

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 Cap.311. Its registered office is located at 535 Kallang Bahru, #02-08 GB Point, Singapore 339351.

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 17 to the financial statements.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are presented in Singapore dollars ("$"), 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 Singapore Financial Reporting Standards (FRS), including related Interpretations promulgated by the Accounting Standards Council.

During the financial year, the Group adopted all the applicable new/revised FRSs which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2018.

2.1.1 Adoption of FRSs effective in 2018

On 1 January 2018, the Group adopted the new or amended FRSs that are mandatory for application for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs, as disclosed below.

(a) Adoption of FRS 109 Financial Instruments

The Group has adopted the new Standard retrospectively from 1 January 2018, in line with the transition provisions permitted under the Standard. Comparatives for financial year 2017 are not restated and there was no significant difference between the carrying amounts at 31 December 2017 and 1 January 2018 that are required to be recognised in the opening retained earnings. The accounting policies for financial instruments under FRS 109 are disclosed in note 2.7.

The effects on adoption of FRS 109 are described below:

(i) Debt instruments reclassified from AFS to FVOCI

Quoted commercial bonds, previously classified as "Financial assets, available-for-sale" (AFS), are reclassified to Fair Value through Other Comprehensive Income (FVOCI) as the Group's business model for managing these assets is to collect contractual cash flows consisting solely of payments of principal and interest and to sell these assets. The reclassification is disclosed in notes 15 and 16.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of Preparation (Continued)

2.1.1 Adoption of FRSs effective in 2018 (Continued)

(a) Adoption of FRS 109 Financial Instruments (Continued)

(ii) Financial assets at amortised cost

Cash and cash equivalents and receivables, previously classified as "loans and receivables" under FRS 39 and measured on amortised cost basis, continue to be accounted for using the amortised cost model under FRS 109.

Loans to related companies are assessed for impairment on a forward-looking basis under the expected credit loss impairment model of FRS 109, whereas previously, impairment under FRS 39 was recognised only when there is objective evidence of incurred losses. The adoption of FRS 109 did not result in additional impairment allowances recognised as at 1 January 2018.

(b) Adoption of FRS 115 Revenue from Contracts with Customers

The Group has adopted the new Standard using the modified retrospective approach with the cumulative impact of the adoption recognised in the opening retained earnings at 1 January 2018. Comparative information for 2017 are not restated.

The adoption of FRS 115 on 1 January 2018 did not result in significant changes to the recognition criteria for the Group's revenue arrangements. The accounting policies for revenue recognition are disclosed in note 2.4.

2.2 Significant Accounting Estimates and Judgments

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

(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 and Investment Property/Amortisation of Intangible Assets

The cost of property, plant and equipment, investment property and intangible 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 and intangible assets are disclosed in notes 2.8, 2.9 and 2.10 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 and intangible assets and their respective depreciation/amortisation charge for the year are disclosed in notes 12, 13 and 14 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant Accounting Estimates and Judgments (Continued)

(A) Key Sources of Estimation Uncertainty (Continued)

(ii) Income Taxes

Significant judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the current tax liabilities and deferred tax liabilities of the Group and the Association are disclosed in the statements of financial position.

(iii) Expected credit losses on receivables

Expected credit losses (ECLs) are probability-weighted estimates of credit losses over the life of a financial instrument. In estimating ECLs to determine the probability of default of its debtors, the Group has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions as well as management's assessment of future economic conditions based on observable market information, which involved significant estimates and judgement.

ECLs recognised on the Group's trade receivables as at the balance sheet date are disclosed in note 20 to the financial statements.

(B) Critical Judgments Made in Applying Accounting Policies

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

(i) Impairment of 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 based on the higher of the value in use and the asset's fair value less cost of disposal. Estimating the value in use requires critical judgment on the part of the management to make an estimate of the expected future cash flows from the continuing use of the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) Impairment of Investments in Subsidiary Companies

The Group follows the guidance of FRS 36 "Impairment of Assets" in determining whether its long term investments in subsidiary companies have been impaired. This determination requires significant judgment. The Group evaluates, among other factors, whether the recoverable amount of the investment is less than its carrying amount, the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financial cash flow.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 plans to adopt these FRSs in the first financial year commencing on or after their respective effective dates.

The new FRSs issued but are not yet effective that are relevant to the Group's financial statements are as follows:

New FRS relevant to the Group's financial statements:	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019

The nature of the impending changes in accounting policy on adoption of the above new FRS are described below.

(i) FRS 116 Leases

FRS 116, which replaces FRS 17 Leases and the related Interpretations when it becomes effective, requires lessees to recognise most leases on the balance sheet to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The Standard includes two recognition exemptions for lessees – short-term leases and leases of 'low value' assets.

Lessor accounting requirements under FRS 116 are substantially the same as the current FRS 17. A lessor continues to classify its leases as either operating leases or finance leases, and to account for those two types of leases differently.

Potential impact on financial statements

The Group will apply FRS116 retrospectively in accordance with the requirements of the Standard on its effective date on 1 January 2019.

Based on preliminary assessment of the Group's existing operating lease arrangements as a lessee, the management expects most of the operating leases to be recognised as right-of-use assets with corresponding lease liabilities under the new standard.

2.4 Revenue Recognition

The accounting policies for revenue recognition from 1 January 2018 under FRS 115 are as follows:

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

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

(i) Subscriptions and Fees Income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue Recognition (Continued)

(i) *Subscriptions and Fees Income* (Continued)

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 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) *Rental Income*

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

2.5 Employee Benefits

(i) *Defined Contribution Plans*

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

(ii) *Short Term Compensated Absences*

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

2.6 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 fund 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Income Taxes (Continued)

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 fund 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 fund.

2.7 Financial Assets

2.7.1 Accounting for financial assets from 1 January 2018

The accounting for financial assets from 1 January 2018 under FRS 109 is as follows:

A. *Classification*

Financial assets are classified into the following measurement categories:

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

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

B. *At initial recognition*

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

C. *At subsequent measurement*

There are three prescribed subsequent measurement categories – at amortised cost, FVOCI and FVPL, depending on the Group's business model in 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 loans and other receivables due from related companies and cash and cash equivalents, measured at amortised cost subsequent to initial recognition, as these are contractual cash flows which represent 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial Assets (Continued)

2.7.1 Accounting for financial assets from 1 January 2018 *(Continued)*

C. At subsequent measurement (Continued)

(ii) Financial assets, at fair value through other comprehensive income (FVOCI)

These comprise quoted commercial bonds, held to collect contractual cash flows consisting solely of payments of principal and interest and to sell these assets. 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 Company applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.7.2 Accounting for financial assets prior to 1 January 2018

Prior to 1 January 2018, the accounting for financial assets under FRS 39 were as follows:

A. Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments are acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation of every reporting date.

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for those maturing more than 12 months after the balance sheet date. These are classified as non-current assets.

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Receivables with a short duration are not discounted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial Assets (Continued)

2.7.2 Accounting for financial assets prior to 1 January 2018 *(Continued)*

A. Classification (Continued)

(ii) Available-For-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category at initial recognition or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the balance sheet date.

Available-for-sale financial assets are recognised initially at fair value plus transactions costs, and subsequently carried at fair value. Unrealised gains and losses arising from changes in fair value of these financial assets are recognised directly in other comprehensive income and accumulated in a separate component of total funds as fair value reserve.

When available-for-sale financial assets are sold or impaired, the cumulative fair value adjustments in the fair value reserve is reclassified from total funds to profit or loss.

B. Recognition and Derecognition

Financial assets are recognised on the balance sheet when the Group becomes a contractual party to the contractual provisions of the financial instrument. Purchases and sales of investments are recognised on trade-date, that is, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

C. Determination of Fair Value

The fair values of quoted financial assets are based on bid price as at balance sheet date. For quoted financial assets without an active market and for unquoted financial assets, the Group establishes fair value by using valuation techniques.

D. Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Impairment of Loans and Receivables

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial Assets (Continued)

2.7.2 Accounting for financial assets prior to 1 January 2018 *(Continued)*

D. *Impairment of Financial Assets* (Continued)

(i) *Impairment of Loans and Receivables* (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The amount of the reversal shall be recognised in profit or loss.

(ii) *Impairment of Available-For-Sale Financial Assets*

A significant or prolonged decline in the fair value of an available-for-sale equity investment is considered in determining whether the investment is impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is reclassified from total funds to profit or loss. Impairment losses recognised in profit or loss for equity investments are not reversed through profit or loss.

If impairment loss has been recognised on debt instruments classified as available-for-sale, and subsequent to the impairment recognition the fair value increases, and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

2.8 Property, Plant and Equipment

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

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

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

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

Motor vehicles and equipment	5 – 10 years
Tow trucks	10 years
Furniture, fittings and office equipment	5 years
Fruit machine	4 years
Renovations	3 – 10 years
Technical equipment	5 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, Plant and Equipment (Continued)

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.

2.9 Investment Property

Investment property, which is held on a long term basis for investment potential and rental income, is stated at cost less accumulated depreciation and impairment loss, recognised in accordance with note 2.16 to the financial statements.

Freehold land is not depreciated. The cost of the building erected on the freehold land is depreciated on the straight line basis so as to write off the cost of the asset over its estimated useful life, as follows:

Freehold property	25 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.

2.10 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 where, in the opinion of the directors, no further future economic benefits are expected to arise.

Costs relating to computer software acquired, which are not an integral part of 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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments in Subsidiaries

(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 entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which 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 balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments in Subsidiaries (Continued)

(iii) Disposals

When a change in the Group ownership interest 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 are recognised within total funds attributable to members of the Association.

2.12 Inventories

Inventories, consisting of car products and accessories, travel guide books and maps, 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.

2.13 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 2.7.1.

2.14 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial Liabilities

Financial liabilities include trade and other payables and payables to related parties. 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.

2.16 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.

2.17 Leases

Operating Leases

Leases whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases.

When the Group is the lessor, assets leased out under operating leases are included in investment property/property, plant and equipment. Income arising from such operating lease is recognised on a straight line basis over the lease term.

When the Group is the lessee, operating lease payments are recognised as an expense on a straight line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 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.

2.19 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.

2.20 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 or of a parent 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 each other).
- (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 or to the parent of the Association.

3. FRUIT MACHINE NET TAKINGS

	Group and Association	
	2018	**2017**
	$	**$**
Income		
Fruit machine gross collections and related income	**19,361,644**	26,442,527
Operating lease income	**28,800**	62,383
	19,390,444	26,504,910
Less: Expenditure		
Fruit machine operating expenses	**17,118,835**	23,354,069
Allowance for doubtful debts – non-trade	**–**	25,407
Operating lease expense	**349,266**	333,098
	17,468,101	23,712,574
	1,922,343	2,792,336

4. INCOME FROM OTHER SERVICES

	Group		Association	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Insurance commission	**418,354**	397,027	**–**	–
Consignment sales commission	**456,853**	555,417	**456,853**	555,417
Service income from:				
– training	**67,229**	19,031	**–**	–
– provision of driving testers and instructors	**1,947,960**	2,597,280	**–**	–
International driving permit fees	**1,775,289**	1,566,090	**1,775,289**	1,566,090
Event income	**178,136**	140,905	**178,136**	140,905
Income from sales of accessories	**82,199**	80,431	**71,596**	80,431
Agency fees	**2,143**	2,344	**2,143**	2,344
Income from detailing services	**110,784**	23,295	**–**	–
Sales of goods	**4,485**	–	**–**	–
Sales of system codes and licence fees	**66,000**	71,500	**–**	–
Vehicle evaluation fees	**10,105**	20,175	**10,105**	20,175
Miscellaneous income	**166,537**	306,401	**119,552**	108,402
	5,286,074	5,779,896	**2,613,674**	2,473,764

5. INTEREST INCOME

	Group		Association	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Interest income from:				
– bank accounts	**42,464**	27,990	**9,226**	14,752
– fixed deposits	**447,556**	599,620	**201,041**	256,129
– bonds	**438,850**	462,910	**261,205**	344,410
– loans to subsidiary companies	**–**	–	**482,011**	450,000
	928,870	1,090,520	**953,483**	1,065,291

6. RENTAL INCOME

	Group 2018 $	Group 2017 $	Association 2018 $	Association 2017 $
Gross rental from				
– investment property	**1,171,952**	1,086,903	**–**	–
– leasehold property	**11,411**	–	**94,727**	69,516
	1,183,363	1,086,903	**94,727**	69,516
Less: Property related expenses				
– investment property	**247,822**	343,335	**–**	–
	247,822	343,335	**–**	–
	935,541	743,568	**94,727**	69,516

7. OTHER INCOME

	Group 2018 $	Group 2017 $	Association 2018 $	Association 2017 $
Administrative and service income	**–**	–	**1,457,824**	1,719,803
Compensation received from insurance company	**5,686**	32,524	**–**	–
Gain on disposal of property, plant and equipment	**84,946**	281,295	**–**	8,475
Government grants	**325,494**	467,673	**100,302**	132,711
Other income received from insurance company	**4,568**	2,689	**–**	–
Provisions written back (note 27)	**1,216,039**	–	**1,216,039**	–
Sundry income	**226,128**	72,828	**–**	–
	1,862,861	857,009	**2,774,165**	1,860,989

8. DEPRECIATION EXPENSE

	Group 2018 $	Group 2017 $	Association 2018 $	Association 2017 $
Depreciation on property, plant and equipment	**838,889**	1,682,507	**450,296**	830,254
Depreciation on investment property	**295,793**	295,793	**–**	–
	1,134,682	1,978,300	**450,296**	830,254

9. EMPLOYEE BENEFITS EXPENSE

	Group 2018 $	Group 2017 $	Association 2018 $	Association 2017 $
Salaries and other related costs	**6,999,822**	11,537,789	**3,090,286**	3,400,446
Employer's contributions to Central Provident Fund	**832,751**	1,095,686	**353,044**	418,401
Other benefits	**57,315**	96,960	**22,048**	29,662
	7,889,888	12,730,435	**3,465,378**	3,848,509

10. OTHER EXPENSES

	Group 2018 $	Group 2017 $	Association 2018 $	Association 2017 $
110th anniversary celebration expenses, net of recoveries	**–**	233,527	**–**	233,527
Audit fees	**66,100**	62,200	**31,400**	28,500
Bad debts written off	**8,626**	64,741	**–**	–
Donation and sponsorships	**167,712**	110,550	**142,712**	110,550
Highway magazine	**371,418**	563,824	**371,418**	563,824
Intangible assets written off	**2,079**	39,467	**–**	–
Maintenance of property, plant and equipment	**818,687**	1,463,364	**258,293**	239,403
Operating lease expense	**1,118,811**	1,173,368	**727,980**	719,523
Other administrative and operating expenses	**1,752,392**	2,548,020	**879,541**	961,868
Property, plant and equipment written off	**34,468**	16,109	**34,468**	6,527
Loss on disposal of available-for-sale financial assets	**–**	381,000	**–**	381,000
Loss on disposal of property, plant and equipment	**12,199**	–	**12,199**	–
Towing and vehicle recovery expenses	**123,794**	186,401	**2,355,676**	2,704,515
	4,476,286	6,842,571	**4,813,687**	5,949,237

11. INCOME TAX (BENEFITS)/EXPENSE

	Group 2018 $	Group 2017 $	Association 2018 $	Association 2017 $
Provision for current taxation	**256,202**	488,899	**101,900**	138,800
Over-provision of taxation in prior year	**(14,225)**	(9,926)	**(5)**	(2,020)
Provision for deferred taxation written back (note 25)	**(365,368)**	–	**–**	–
	(123,391)	478,973	**101,895**	136,780
Reconciliation of income tax (benefits)/ expense:				
Surplus/(deficit) before tax	**182,327**	1,443,503	**1,736,718**	(22,418)
Tax at statutory rate of 17%	**30,995**	245,396	**295,242**	(3,811)
Tax effects of:–				
Non-taxable income	**(1,879,927)**	(1,840,851)	**(1,779,898)**	(1,756,081)
Non-deductible expenses	**1,830,203**	2,087,888	**1,635,056**	1,958,931
Statutory stepped income exemption	**(64,359)**	(93,896)	**(25,925)**	(25,925)
Corporate tax rebate	**(37,676)**	(71,011)	**(21,994)**	(34,319)
Enhanced capital allowance	**–**	(8,246)	**–**	–
Deferred tax assets not recognised	**344,944**	169,878	**–**	–
Deferred tax (assets)/liabilities previously not recognised	**(320,250)**	9,614	**–**	–
Tax incentive	**(12,320)**	(8,211)	**–**	–
Over-provision of taxation in prior year	**(14,225)**	(9,926)	**(5)**	(2,020)
Others	**(776)**	(1,662)	**(581)**	5
	(123,391)	478,973	**101,895**	136,780

As at the balance sheet date, the Group has unutilised tax losses amounting to approximately $2,304,000 (2017: $364,000) and unutilised capital allowances of approximately $60,000 (2017: nil) 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 $401,000 (2017: $61,000) arising from the above tax losses are not recognised in the accounts due to the uncertainty of future taxable profits being available against which the tax losses can be utilised.

12. PROPERTY, PLANT AND EQUIPMENT

(a) Group	Leasehold property under construction $	Motor vehicles and equipment $	Tow trucks $	Furniture, fittings and office equipment $	Fruit machine $	Renovations $	Technical equipment $	Total $
Cost								
At 1 January 2017	7,293,728	692,182	6,437,939	3,230,300	2,153,495	2,604,755	–	22,412,399
Additions	6,990,381	–	53,271	215,185	24,000	101,981	6,435	7,391,253
Disposals/written off	–	(41,781)	(2,201,963)	(313,796)	–	(17,770)	–	(2,575,310)
At 31 December 2017 and 1 January 2018	14,284,109	650,401	4,289,247	3,131,689	2,177,495	2,688,966	6,435	27,228,342
Additions	9,115,477	163,374	22,117	44,980	88,452	24,304	7,649	9,466,353
Disposals/written off	–	(131,674)	(629,229)	(211,412)	(398,925)	(50,419)	(7,805)	(1,429,464)
At 31 December 2018	23,399,586	682,101	3,682,135	2,965,257	1,867,022	2,662,851	6,279	35,265,231
Accumulated depreciation								
At 1 January 2017	–	397,870	4,319,054	2,559,032	1,591,784	2,328,088	–	11,195,828
Charge for the year	–	63,626	713,824	349,333	341,728	213,442	554	1,682,507
Disposals/written off	–	(41,781)	(2,160,582)	(299,615)	–	(14,619)	–	(2,516,597)
At 31 December 2017 and 1 January 2018	–	419,715	2,872,296	2,608,750	1,933,512	2,526,911	554	10,361,738
Charge for the year	–	63,670	257,928	289,546	150,168	76,186	1,391	838,889
Disposals/written off	–	(21,515)	(678,848)	(202,015)	(365,725)	(26,116)	(1,526)	(1,295,745)
At 31 December 2018	–	461,870	2,451,376	2,696,281	1,717,955	2,576,981	419	9,904,882
Carrying amount								
At 31 December 2018	23,399,586	220,231	1,230,759	268,976	149,067	85,870	5,860	25,360,349
At 31 December 2017	14,284,109	230,686	1,416,951	522,939	243,983	162,055	5,881	16,866,604

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Group (Continued)

Leasehold Property under Construction

In 2016, the Group demolished the building on leasehold land and commenced redevelopment of a new seven-storey building which is expected to be completed in 2019.

The carrying amount of leasehold property under construction consists of the following:

	Group	
	2018	**2017**
	$	**$**
Cost of leasehold land	**6,796,153**	6,796,153
Development expenditure	**16,603,433**	7,487,956
	23,399,586	14,284,109

(b) Association	Motor vehicles and equipment $	Furniture, fittings and office equipment $	Fruit machine $	Renovations $	Total $
Cost					
At 1 January 2017	289,636	2,466,564	2,153,495	2,462,300	7,371,995
Additions	–	189,598	24,000	18,241	231,839
Disposals/written off	(41,781)	(93,002)	–	–	(134,783)
At 31 December 2017 and 1 January 2018	247,855	2,563,160	2,177,495	2,480,541	7,469,051
Additions	163,374	29,948	88,452	–	281,774
Disposals/written off	(47,811)	(152,565)	(398,925)	–	(599,301)
At 31 December 2018	363,418	2,440,543	1,867,022	2,480,541	7,151,524
Accumulated depreciation					
At 1 January 2017	103,874	1,894,896	1,591,784	2,307,864	5,898,418
Charge for the year	49,172	281,075	341,728	158,279	830,254
Disposals/written off	(41,781)	(85,438)	–	–	(127,219)
At 31 December 2017 and 1 January 2018	111,265	2,090,533	1,933,512	2,466,143	6,601,453
Charge for the year	55,747	235,797	150,168	8,584	450,296
Disposals/written off	(21,515)	(151,298)	(365,725)	–	(538,538)
At 31 December 2018	145,497	2,175,032	1,717,955	2,474,727	6,513,211
Carrying amount					
At 31 December 2018	217,921	265,511	149,067	5,814	638,313
At 31 December 2017	136,590	472,627	243,983	14,398	867,598

13. INVESTMENT PROPERTY

	Group Freehold Property	
	2018 $	2017 $
Cost		
At 1 January and 31 December	**44,409,280**	44,409,280
Accumulated depreciation and impairment loss		
At 1 January	**4,705,073**	4,409,280
Depreciation charge for the year	**295,793**	295,793
At 31 December	**5,000,866**	4,705,073
Carrying amount		
At 31 December	**39,408,414**	39,704,207

(a) The fair value of the above investment property of the Group amounted to approximately $43 million (2017: $43 million) as at 31 December 2018. This is based on a valuation performed on 23 November 2018 (2017: 16 January 2018) by an independent appraiser, Jones Lang LaSalle, who holds a recognised and relevant professional qualification. The valuation is based on the investment method of valuation and cross-checked by direct comparisons with transactions of comparable properties within the vicinity and elsewhere.

(b) The investment property is leased to non-related parties under non-cancellable operating leases.

(c) Direct operating expenses arising from income generating investment property amounted to $206,519 (2017: $257,501).

Direct operating expenses arising from non-income generating investment property amounted to $41,303 (2017: $85,834).

14. INTANGIBLE ASSETS

	Group Computer Software	
	2018 $	2017 $
Cost		
At 1 January	**5,670**	64,870
Additions	**4,380**	–
Written off	**(5,670)**	(59,200)
	4,380	5,670
Accumulated depreciation and impairment loss		
At 1 January	**2,646**	14,338
Amortisation for the year	**1,164**	8,041
Written off	**(3,591)**	(19,733)
At 31 December	**219**	2,646
Carrying amount		
At 31 December	**4,161**	3,024

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Association	
	2018 **$**	2017 $	**2018** **$**	2017 $
At the beginning of the financial year	**10,789,575**	12,620,475	**7,659,885**	9,586,665
* Reclassification at 1 January 2018 (note 16)	**(10,789,575)**	–	**(7,659,885)**	–
Additions	**–**	6,258,500	**–**	6,258,500
Disposals	**–**	(8,381,000)	**–**	(8,381,000)
Fair value gains recognised in other comprehensive income	**–**	291,600	**–**	195,720
At the end of financial year	**–**	10,789,575	**–**	7,659,885

Available-for-sale financial assets held as non-current assets, are analysed as follows:

Quoted non-equity investments				
– Redeemable in 2021	**–**	3,129,690	**–**	–
– Redeemable in 2022	**–**	2,535,605	**–**	2,535,605
– Redeemable in 2025	**–**	2,003,700	**–**	2,003,700
– Redeemable in 2026	**–**	2,083,480	**–**	2,083,480
– Redeemable in 2027	**–**	1,037,100	**–**	1,037,100
	–	10,789,575	**–**	7,659,885

The above investments, consisting of quoted commercial bonds with interest yield ranging from 2.85% to 3.95% per annum, are measured at fair value based on quoted market prices as at 31 December 2017.

16. FINANCIAL ASSETS, AT FVOCI

	Group		Association	
	2018 **$**	2017 $	**2018** **$**	2017 $
At the beginning of the financial year	**–**	–	**–**	–
* Reclassification at 1 January 2018 (note 15)	**10,789,575**	–	**7,659,885**	–
Additions	**3,523,500**	–	**3,523,500**	–
Fair value losses recognised in other comprehensive income	**(561,075)**	–	**(368,385)**	–
At the end of financial year	**13,752,000**	–	**10,815,000**	–

Financial assets, at FVOCI, held as non-current assets, are analysed as follows:

– Redeemable in 2021	**2,937,000**	–	**–**	–
– Redeemable in 2022	**2,467,500**	–	**2,467,500**	–
– Redeemable in 2024*	**2,928,000**	–	**2,928,000**	–
– Redeemable in 2025	**1,956,000**	–	**1,956,000**	–
– Redeemable in 2026	**2,001,000**	–	**2,001,000**	–
– Redeemable in 2027	**1,462,500**	–	**1,462,500**	–
	13,752,000	–	**10,815,000**	–

The above investments, consisting of quoted commercial bonds with interest yield ranging from 2.80% to 4.15% per annum, are measured at fair value based on quoted market prices as at the balance sheet date.

* These bonds, with carrying amount of $2,928,000 and maturing in July 2024, yield interest at 2.80% (2017: Nil) per annum. These investments are acquired by the Association on behalf of a subsidiary company, and the interest arising from these bonds are due and payable to the subsidiary. [Note 18(iii)]

17. INVESTMENTS IN SUBSIDIARY COMPANIES

		Association	
		2018	2017
		$	$
(a)	Unquoted shares, at cost	**6,450,002**	6,450,002
	Less: Impairment loss	**(2,063,500)**	(2,063,500)
		4,386,502	4,386,502

(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 interest		Cost of investments	
			2018	**2017**	**2018**	**2017**
			%	**%**	**$**	**$**
Autoswift Recovery 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
AA Vehicle Inspection Centre Pte Ltd	Investment holding	Singapore	**100**	100	**1,000,000**	1,000,000
A.A. Travel & Tours Pte. Ltd.	Dormant	Singapore	**100**	100	**450,000**	450,000
AAS @ 217 East Coast Road Pte. Ltd.	Investment in properties	Singapore	**100**	100	**2**	2
					6,450,002	6,450,002
Held by AA Vehicle Inspection Centre Pte Ltd						
AAS Academy Pte. Ltd.	Provision of professional and vocational training for drivers	Singapore	**100**	100		
AAS Surface Aesthetics Pte. Ltd.	Provision of detailing services	Singapore	**100**	100		
AA-SPCS Services Pte. Ltd.	Provision of driving testers and instructors	Singapore	**55**	70		

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

17. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Subsidiary with non-controlling interests (NCI)

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

	AA-SPCS Services Pte. Ltd.	
	2018 **$**	**2017** **$**
Summarised statement of comprehensive income		
Revenue	**1,947,960**	2,597,280
Profit for the year	**827,090**	957,904
Total comprehensive income	**827,090**	957,904
Attributable to NCI:		
Profit for the year	**372,191**	287,371
Total comprehensive income	**372,191**	287,371
Summarised statement of financial position		
Non-current assets	**–**	5,096
Current assets	**2,407,965**	2,444,610
Current liabilities	**(148,874)**	(517,705)
Net assets	**2,259,091**	1,932,001
Net assets attributable to NCI	**1,016,591**	579,600
Other summarised information		
Net cash inflow/(outflow) from:		
– operating activities	**675,496**	1,056,776
– investing activities	**878,120**	133,436
– financing activities	**(506,099)**	(243,901)
Net increase in cash and cash equivalents	**1,047,517**	946,311

18. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

	Association	
	2018 **$**	**2017** **$**
Due from subsidiary companies – Non trade		
After 12 months (i)	**53,600,000**	45,000,000
Within 12 months (ii)	**7,134,337**	22,171,469
	60,734,337	67,171,469
Due to subsidiary companies		
After 12 months – Non-trade (iii)	**(3,040,101)**	–
Within 12 months – non-trade (iv)	**(1,368,825)**	(673,153)
– trade	**(16,604)**	–
	(1,385,429)	(673,153)
	(4,425,530)	(673,153)

18. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES (CONTINUED)

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

These comprise unsecured loans to subsidiaries amounting to $53,600,000 (2017: $45,000,000) which bear interest at 1.00% (2017: 1.00%) per annum. These loans are not expected to be repaid within the next twelve months.

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

Included in these net current receivables are the following:

(a) Designated funds amounting to $6,844,789 (2017: $18,372,428) 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 rates ranging from 1.60% to 1.75% (2017: 1.13% to 1.50%) per annum which are due and payable to the Association upon maturity; and

(b) Designated funds amounting to $3,000,000 (2017: Nil) which the Association placed in fixed deposits on behalf of a subsidiary company as at the balance sheet date. These designated fixed deposits, with maturities within 12 months, yield interest at 1.95% per annum which is payable to the subsidiary company upon maturity. (Note 21)

(iii) Non-trade payables due to subsidiary company – Non-current

Included in these non-current payables is a sum of $3,021,000 (2017: Nil), being designated funds which a subsidiary company has placed with the Association for the purpose of investing in commercial bonds on the former's behalf. These investments, maturing in July 2024, yield interest at 2.80% (2017: Nil) per annum which is due and payable to the subsidiary. (Note 16)

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

Included in these current payables due to subsidiary companies is a sum of $1,400,000 (2017: Nil) representing designated funds which the Association placed in fixed deposit on behalf of a subsidiary company as at the balance sheet date. These designated fixed deposits, with maturity within 12 months, yield interest at 1.95% (2017: Nil) per annum which is due and payable to the subsidiary. (Note 21)

Other than as mentioned above, the amounts due to/from subsidiary companies are unsecured, interest-free and repayable on demand.

19. INVENTORIES

Group and Association

Inventories consist of car products and accessories, travel guide books and maps.

20. TRADE AND OTHER RECEIVABLES

	Group		Association	
	2018 **$**	2017 $	**2018** **$**	2017 $
Trade receivables (a)	**335,638**	207,306	**28,401**	15,589
Allowance for impairment				
Balance at beginning of the year	**–**	–	**–**	–
Current year allowance	**(100,955)**	–	**–**	–
	(100,955)	–	**–**	–
Balance at end of the year	**234,683**	207,306	**28,401**	15,589
Accrued receivables	**686,888**	1,015,286	**579,488**	655,530
Goods and services tax receivable	**182,783**	152,564	**–**	–
Non-trade receivables	**102,929**	155,072	**96,682**	132,019
Allowance for impairment				
Balance at beginning of the year	**(25,407)**	–	**(25,407)**	–
Current year allowance	**–**	(25,407)	**–**	(25,407)
Bad debt written off against allowance	**25,407**	–	**25,407**	–
	–	(25,407)	**–**	(25,407)
Balance at end of the year	**102,929**	129,665	**96,682**	106,612
Deposits	**410,656**	403,944	**288,595**	296,565
Interest receivable	**225,302**	294,759	**108,779**	40,004
Prepayments	**429,797**	219,466	**140,111**	152,956
Retention sum receivable (b)	**–**	1,200,000	**–**	1,200,000
	2,273,038	3,622,990	**1,242,056**	2,467,256

(a) Trade receivables are non-interest bearing and are generally on 30 days' (2017: 30 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Expected Credit Losses

The movements in allowance for expected credit losses (ECL) of trade receivables computed based on lifetime ECL are as follows:

	2018 **$**
Movements in allowance accounts:	
At 1 January 2018 under FRS 109*	**–**
Allowance made	**100,955**
At 31 December 2018	**100,955**

* There were no impaired trade receivables as at 31 December 2017, and the adoption of FRS 109 did not result in the recognition of any allowance for ECL at 1 January 2018.

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) This retention sum receivable represents part of the total sales proceeds of $61.8 million in respect of the Association's disposal of its two strata lots of the freehold property in 2013. Although the sales transaction was completed on 18 December 2013, the Association has agreed for the purchaser to retain the sum of $1,200,000 to be held by the purchaser's solicitors as stakeholders pending the resolution of certain items disputed with the Management Corporation Strata Title Plan No. 918 (MCST 918). In connection with this dispute, the Association has recorded a provision for rectification works and related costs of $1,200,000 to cover the estimated costs (note 27) since 2013. The dispute has been resolved with the purchaser and the Association has received the retention sum of $1,100,000, after deduction of related costs, in 2018.

(c) Other receivables are unsecured, interest-free and expected to be repayable on demand.

21. CASH AND CASH EQUIVALENTS

	Group		Association	
	2018 $	**2017 $**	**2018 $**	**2017 $**
Fixed deposits	**26,564,884**	45,417,439	**9,004,369**	3,459,745
Cash and bank balances	**11,395,928**	5,386,646	**4,695,208**	2,591,035
Cash and cash equivalents (Statements of Financial Position)	**37,960,812**	50,804,085	**13,699,577**	6,050,780
Less:				
Fixed deposits with maturities over 3 months				
– Deposits pledged with banks*	**559,727**	258,821	**559,727**	258,821
– Unpledged deposits	**20,115,726**	37,776,521	**7,400,000**	3,200,924
	20,675,453	38,035,342	**7,959,727**	3,459,745
Cash and cash equivalents (Statement of Cash Flows)	**17,285,359**	12,768,743	**5,739,850**	2,591,035
Fixed deposits with maturities				
not more than 3 months	**5,889,431**	7,382,097	**1,044,642**	–
between 3 and 12 months	**20,675,453**	38,035,342	**7,959,727**	3,459,745
	26,564,884	45,417,439	**9,004,369**	3,459,745

The fixed deposits of the Group bear interest at rates ranging from 0.25% to 1.95% (2017: 0.25% to 1.50%) per annum.

Fixed deposits amounting to S$4,400,000 (2017: Nil) with maturities within 12 months (2017: Nil) are placed with financial institutions on behalf of certain subsidiary companies. Interest income in respect of these fixed deposits are due and payable to the respective subsidiary companies, and are not recognised as interest income of the Association [Note 18 (ii)(b) and (iv)].

* Fixed deposits of $559,727 (2017: $258,821) 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.

22. FRUIT MACHINE REPLACEMENT RESERVE

	Group and Association	
	2018	**2017**
	$	**$**
Balance at beginning of the year	**312,633**	96,633
Transfer from accumulated funds	**240,000**	240,000
Purchase of fruit machine	**(88,452)**	(24,000)
	151,548	216,000
Balance at end of the year	**464,181**	312,633

23. FAIR VALUE RESERVE

Group and Association

The fair value reserve comprises the cumulative net changes in the fair value of financial assets at FVOCI (2017: available-for-sale financial assets) until such assets are derecognised.

24. SUBSCRIPTIONS RECEIVED IN ADVANCE

	Group		Association	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Contract liabilities to be recognised as revenue:				
After 12 months				
Life membership subscriptions	**226,864**	253,186	**226,864**	253,186
Ordinary and other membership subscriptions	**2,129,531**	2,039,474	**2,128,597**	2,039,474
	2,356,395	2,292,660	**2,355,461**	2,292,660
Within 12 months				
Life membership subscriptions	**26,322**	26,580	**26,322**	26,580
Ordinary and other membership subscriptions	**1,925,886**	1,841,332	**1,924,953**	1,839,902
	1,952,208	[a]1,867,912	**1,951,275**	[a]1,866,482
Total subscriptions received in advance	**[b]4,308,603**	4,160,572	**[b]4,306,736**	4,159,142

(a) Subscriptions recognised as revenue of the Group and the Association in 2018 which were included in subscriptions received in advance as at 1 January 2018 amounted to $1,867,912 and $1,866,482 respectively.

(b) Total subscriptions received in advance as at 31 December 2018 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 2019 to 2037.

25. DEFERRED TAX LIABILITIES

On excess of carrying amount over tax written down value of property, plant and equipment:

	Group		Association	
	2018 $	**2017 $**	**2018 $**	**2017 $**
Deferred tax liabilities brought forward	**368,368**	368,368	**–**	–
Deferred tax provision written back (note 11)	**(365,368)**	–	**–**	–
Balance carried forward	**3,000**	368,368	**–**	–

26. TRADE AND OTHER PAYABLES

	Group		Association	
	2018 $	**2017 $**	**2018 $**	**2017 $**
Due after 12 months				
Provision (note 27)	**–**	356,300	**–**	356,300
Deferred operating lease	**–**	7,976	**–**	–
	–	364,276	**–**	356,300
Due within 12 months				
Trade payables	**51,785**	117,793	**–**	–
Accrued operating expenses	**2,523,416**	4,483,193	**907,743**	1,455,651
Deposits	**387,411**	306,928	**97,799**	54,448
Contract liabilities	**110,419**	34,252	**88,855**	34,252
Goods and services tax payable	**153,530**	191,420	**127,785**	124,280
Non-trade payables	**1,757,061**	908,149	**413,142**	843,994
Provisions (note 27)	**366,976**	1,325,639	**356,300**	1,325,639
Deferred operating lease	**7,205**	9,243	**–**	–
	5,357,803	7,376,617	**1,991,624**	3,838,264
Total trade and other payables	**5,357,803**	7,740,893	**1,991,624**	4,194,564

Trade and other payables due within 12 months are unsecured, non-interest bearing and are normally settled within 30 to 90 days (2017: 30 to 90 days) or on demand.

Contract liabilities relate to the Group's obligation to organise event, provide services and rental 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.

27. PROVISIONS

	Group and Association	
	2018	**2017**
	$	**$**
Provision for rectification works [note 20(b)]		
At beginning of the financial year	**1,200,000**	1,200,000
Amount utilised	**(100,000)**	–
Amount written back	**(1,100,000)**	–
At end of the financial year	**–**	1,200,000
Provision for reinstatement costs (a)	**356,300**	356,300
Provision for capital expenditure (b)		
At beginning of the financial year	**125,639**	125,639
Amount utilised	**(9,600)**	–
Amount written back	**(116,039)**	–
At end of the financial year	**–**	125,639
Provision for warranty (c)		
Current year provision	**10,676**	–
At end of the financial year	**10,676**	–
	366,976	1,681,939
Represented by:		
Due after 12 months (note 26)	**–**	356,300
Due within 12 months (note 26)	**366,976**	1,325,639
	366,976	1,681,939

(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) The provision for capital expenditure represents the estimated costs of repairs and improvement works on common areas in the disposed freehold property [(note 20(b)] expected to be borne by the Association. Following the settlement of the dispute in 2018, the unutilised provision amounting to $116,039 was reversed.

(c) The Group gives product warranty on certain products used in their car detailing services. Warranty periods range from 3 to 7 years. The provision for warranty represents the estimated costs that may be incurred by the Group in the event of claims by customers.

28. 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	
		2018	**2017**
		$	**$**
(a)	With subsidiary companies		
	Administrative and service income	**1,457,824**	1,719,803
	Rental and facilities income	**83,316**	69,516
	Interest income	**482,011**	450,000
	Proceeds from disposal of property, plant and equipment	**–**	1,037
	Subscription income	**3,290**	–
	Towing and vehicle recovery service charges	**2,355,525**	2,704,435
	Services, supplies and call centre expenses	**100,211**	123,590
	Promotion expenses	**3,700**	12,439
	Other expenses	**8,593**	–
	Purchase of assets	**2,349**	–
	Purchase of stocks	**10,603**	–

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

	Group		Association	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Donations and sponsorship expenses	**46,245**	89,800	**46,245**	89,800
Purchase of services	**232,396**	6,960	**229,936**	4,800
Non-trade payables	**792**	407	**214**	214

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

29. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation are as follows:–

	Group and Association	
	2018 **$**	**2017** **$**
Salaries and other related costs	**1,008,150**	1,095,511
Employer's contributions to Central Provident Fund	**95,631**	102,539
Short-term employee benefits	**1,103,781**	1,198,050

30. OPERATING LEASE COMMITMENTS

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

The Group and the Association lease retail space and office premises from non-related parties under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. As at the balance sheet date, the Group and the Association have the following commitments under non-cancellable operating leases where the Group and the Association are the lessees:

	Group		Association	
	2018 **$**	**2017** **$**	**2018** **$**	**2017** **$**
Lease expense payable				
– within 1 year	**1,041,702**	1,450,770	**713,259**	1,061,526
– after 1 year but not later than 5 years	**–**	1,015,602	**–**	713,259
	1,041,702	2,466,372	**713,259**	1,774,785

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

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

The Group and the Association lease out the investment property and members' lounge and cafeteria to non-related parties 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	
	2018 **$**	**2017** **$**	**2018** **$**	**2017** **$**
Lease income receivable				
– within 1 year	**1,183,963**	1,134,460	**35,910**	28,800
– after 1 year but not later than 5 years	**975,586**	1,132,985	**–**	24,000
	2,159,549	2,267,445	**35,910**	52,800

The above operating leases do not provide for contingent rents.

31. CAPITAL COMMITMENTS

As at the balance sheet date, the Group has capital commitments amounting to $6,512,910 (2017: $12,371,052) in respect of contracted expenditure for the redevelopment of leasehold property and purchase of property, plant and equipment, which have not been recognised in the financial statements.

32. 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:

32.1 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, and loans to related companies. 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 18). The long term loans amounting to $53.6 million [note 18(i)], intended to fund the long term capital requirements of the relevant subsidiaries, are considered by the management to be in substance part of the Group's net investment in the said subsidiaries, and are accounted for in accordance with note 2.11. The short-term advances to subsidiary companies are part of the Group's funds management strategy. The Group's management is satisfied that there are sufficient financial assets and other committed credit lines to meet the cash flow needs of the Group.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.1 Credit risk (Continued)

(ii) Recognition of expected credit losses (ECL)

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

The Group assesses on forward looking basis the expected credit losses 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 and there is a low risk of default. Trade receivables are assessed on a collective basis to determine whether there are changes in credit risk. Lifetime expected credit losses are recognised for specific receivables for which credit risk is deemed to have increased significantly.

As at the balance sheet date, significant trade receivables for which lifetime ECLs were recognised amounted to $100,955, as disclosed in note 20 to the financial statements.

Impairment recognition in FY2017

Prior to 1 January 2018, the Group conducts ongoing credit evaluations on all lessees and, where necessary, maintains an allowance for doubtful receivables to provide for potential credit risks. When there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables, an impairment loss is recognised. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The amount of the loss is recognised in profit or loss.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group and the Association.

Financial assets that are past due but not impaired

The Group had trade receivables that were past due but not impaired as at 31 December 2017 and the analysis of their ageing are as follows:

	Group 2017 $
Trade receivables past due:	
0 to 3 months	101,900
4 to 6 months	19,778
	121,678

The Association did not have any receivables that were past due but not impaired as at 31 December 2017.

Financial assets that are impaired

The carrying amount of non-trade receivables individually determined to be impaired as at 31 December 2017 was $25,407. The movements in the related allowance for impairment are disclosed in note 20 to the financial statements.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 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.

All financial liabilities of the Group are repayable on demand or will mature within one year.

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

32.4 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 (FVOCI) (2017: Available-for-sale financial assets).

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		Association	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Fair value reserve	**687,600**	539,479	**540,750**	382,994

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

33. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair Value Hierarchy

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

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

(b) Fair Value of Non-Financial Assets

The Group does not apply fair value accounting in the measurement of its non-financial assets. The only non-financial asset of the Group for which fair value is required to be disclosed is the investment property. The basis of valuation of the investment property, as described in note 13(a), represents recurring fair value measurements under Level 3 of the fair value hierarchy.

(c) Fair Value of Financial Instruments

(i) Financial instruments Carried at Fair Value

The only financial assets of the Group measured at fair value are quoted commercial bonds classified as available-for-sale financial assets, as disclosed in note 16. 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 Carried at Fair Value

The carrying amounts of cash and cash equivalents, receivables and payables classified as current assets and liabilities are measured on amortised cost basis. Financial instruments with a short duration are not discounted.

The long term loans to subsidiary companies amounting to $53.6 million (2017: $45 million), disclosed in note 18(i), 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 2.11.

(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 process and is responsible for setting and documenting the Group's valuation policies and procedures.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The aggregate carrying amounts of financial instruments by category, as specified in FRS 109, as at 31 December 2018 are as follows:

	Group	Association
	2018	**2018**
	$	**$**
Financial assets at FVOCI	**13,752,000**	**10,815,000**
Financial assets at amortised cost	**39,621,270**	**75,535,859**
Financial liabilities at amortised cost	**4,719,673**	**5,844,214**

The aggregate carrying amounts of financial instruments by category, as specified in FRS 39, as at 31 December 2017 are as follows:

	Group	Association
	2017	2017
	$	$
Available-for-sale financial assets	10,789,575	7,659,885
Loans and receivables	54,055,045	75,536,549
Financial liabilities at amortised cost	5,816,063	3,027,246

35. 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.

36. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Association and consolidated financial statements of the Group for the year ended 31 December 2018 were authorised for issue by the General Committee on 2 April 2019.

NOTICE OF THE ANNUAL GENERAL MEETING

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

Date: Wednesday, 8 May 2019
Time: 6.30pm
Venue: Fort Canning Lodge (YWCA)
6 Fort Canning Road,
Level 2, Sophia Cooke Ballroom
Singapore 179494

AGENDA

1. President's Address
2. To confirm the Minutes of the Annual General Meeting held on 23 May 2018
3. To receive and, if approved, adopt the Annual Report and Audited Financial Statements for the year ended 31 December 2018
4. To elect six members to the Committee for the ensuing term
5. To appoint auditors for the ensuing year
6. To transact any other business of which notice in writing has been received by the Chief Executive Officer by 5pm on Tuesday, 30 April 2019

BY ORDER OF THE GENERAL COMMITTEE

CHIA HO CHOON
SECRETARY

17 April 2019

NOTES

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

b. To facilitate discussion, members are requested to notify AA Singapore in writing by 5pm on Tuesday, 30 April 2019, of any other business they wish to transact at the Meeting.

c. Members are reminded of Clause 11(g) of the Association's Constitution: "All members of less than three years' standing shall not be eligible to vote at an AGM or EGM."

d. Nominations for election to the posts in the Committee must be received by the Chief Executive Officer no later than 5pm on Friday, 26 April 2019. All envelopes must be clearly marked "**AA NOMINATIONS**". Nomination Forms may be collected upon verification of a valid AA membership card at 535 Kallang Bahru, #02-08 GB Point Singapore 339351 between 8.30am to 6.00pm, Mondays to Fridays or at 51 Ang Mo Kio Ave 3, #02-02 51@AMK, Singapore 569922 between 10am to 11pm, Mondays to Sundays.

e. Members may collect the 2018 Annual Report at 535 Kallang Bahru, #02-08 GB Point, Singapore 339351 or at 51 Ang Mo Kio Ave 3, #02-02 51@AMK, Singapore 569922 prior to the AGM or collect a copy at the AGM. A soft copy will also be available at www.aas.com.sg.

AUTOMOBILE ASSOCIATION
OF SINGAPORE

AUTOMOBILE ASSOCIATION OF SINGAPORE

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