AUTOMOBILE ASSOCIATION OF SINGAPORE

DEDICATION & COMMITMENT

ANNUAL REPORT 2021

CONTENTS

VISION

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

MISSION

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

VALUE

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

LOYAL

We believe in building loyal and trusted relationships.

ADVANCED

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

UNITED

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

ETHICAL

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

PRESIDENT'S MESSAGE

DEAR AA MEMBERS

KEEPING OUR COMMITMENT TO MEMBERS

2021 has been another year of pandemic, as the world continues to live with COVID-19. The emergence of the new Omicron variant in late 2021, undoubtedly prompted Singapore to make a series of major changes such as putting a pause on easing COVID-19 restrictions. With the tightening of COVID-19 restrictions in Singapore, it has impacted our daily lives and requiring us to continually adjust our ways of living and working. However, when the measures are tightened, our continual business operation is a sign that even during a pandemic, we keep our motorists' going and ensured the safety of our members during any vehicle breakdown service on road.

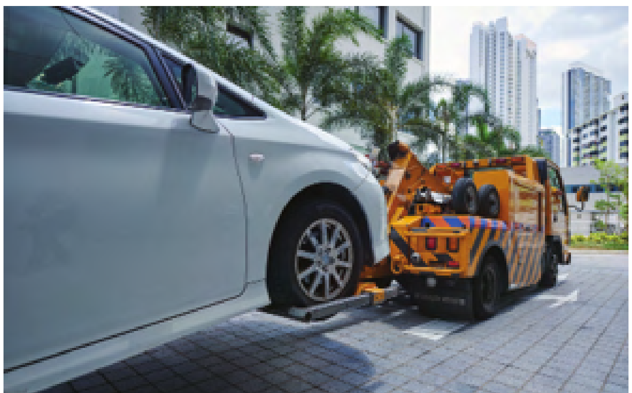
Notwithstanding the changes and restrictions imposed by the new wave of COVID-19, AA Singapore remain focused in our commitment to serving our Members better, and providing a sustainable mobility through safer road for the community.

I am happy of the Association's response despite the global pandemic and it is a reflection of our Association's strong values.

“AA SINGAPORE REMAIN FOCUSED IN OUR COMMITMENT TO SERVING OUR MEMBERS BETTER, AND PROVIDING A SUSTAINABLE MOBILITY THROUGH SAFER ROAD FOR THE COMMUNITY.”

PRESIDENT'S MESSAGE

The Association has stepped up on the cleaning measures at our office building premises and implemented precautionary measures such as mandatory SafeEntry check-ins before entry to AA premises, making sure that Members and AA employees have their masks on at all times within AA premises, as well as providing ART test kits to all AA employees for weekly ART testing. AA employees also took up courses such as Supervisory Training in ART Self-Swab to ensure all employees are performing the test correctly before entering the office premises. This is to ensure that Members and AA employees remain safe and well-protected. I am pleased to share that all our employees are fully vaccinated and we will continue to stay vigilant and resilient.



During the past year, our AA crew continued to put on their masks and maintained personal hygiene when responding to roadside assistance requests from Members. During this period, we discontinued the practice of allowing car owners into the cabin of our recovery trucks and ferrying them to their destination while their vehicle is on tow to limit the spread of COVID-19. We thank our Members for your understanding as we continue to take the necessary measures to keep COVID-19 at bay.

The Association will continue to take active steps to ensure our staff are safe and healthy to serve our Members during this period. I would also like to take this opportunity to thank our Members and AA staff for their continued support and trust in AA Singapore, especially during such precarious times.

BETTER MEMBERSHIP PRIVILEGES AND BENEFITS

2021 has been a year of changes and adjustments not only just for Singapore, but for the Association as well.

In light of the COVID-19 situation, the Association continues to focus on our journey of progress as we endeavour to enhance and provide better membership privileges and benefits for our Members, even in the midst of the pandemic.

As part of our efforts to enhance the service experience and better services to our Members, the Association conducted Membership surveys to get insights into our Members' perspectives. Through the surveys, we are able to gain a better understanding our Members and the areas for improvements on our suite of services, products and offerings.

We conduct surveys of random samples of our Members on a wide range of topics and making sure that accurate views of our Members are taken into consideration. Members can be assured that the Association has heard our Members' feedback and the Association will be looking into providing better motoring-related service options, benefits, privileges and motoring lifestyle content.

In 2021, we launched our Digital Racing service at our AA Centre and opened up an AA Digital Racing Circuit Corner at our Broadway Plaza outlet, for members to enjoy the thrill of racing through life-like racing simulations. Members are welcome to visit our premises or place a booking to test drive the circuits.

I am pleased to share that we have expanded our AAShop to online shopping platforms such as Lazada and Shopee, and the online AAShop sales performance have achieved an increase of 99% in 2021 as compared to 2020.

PRESIDENT'S MESSAGE

Last year, the Association secured a total of 175 privilege partners, providing Members with even greater year-long Member privileges, perks and deals, ranging from motoring privileges such as fuel discounts, to lifestyle promotion deals and monthly birthday treats.

In addition to local motoring privileges and deals, the Association partnered with a list of merchants for Members beyond Singapore – the latest being a partnership with The Bicester Village Shopping Collection where AA Members can get to enjoy 10% shopping savings at any of the Bicester Village Shopping Collection's villages in Europe and receive a complimentary refreshment voucher.

STAYING CONNECTED

Members would be excited to know that we have progressively resumed our ever-popular AUTOVENTURE™ trips in 2021. In November last year, with the opening of the Korea-Singapore Vaccinated Travel Lane (VTL), the Association organised an 8D7N AUTOVENTURE™ Eco-Drive to Jeju Island Trip with a convoy of 19 participants. With the AUTOVENTURE™ trip to Jeju Island being the first time we are organising a trip amidst the pandemic, the Association took extra care and precaution during our preparation for the trip as we ensured that all the necessary paperwork and polymerase chain reaction (PCR) tests required for the trip, as well as care packs for the tour members, were prepared accordingly. The custom procedures and PCR tests proceeded smoothly and the 19-member convoy were able to travel beyond Singapore safely and had an enjoyable trip.

I am pleased to share that with effect from 26 June 2021, the travel insurance plan provided by AAS Insurance Agency (AAS-IA) and AIG has been enhanced and the Travel Guard® plan will provide Members with coverage for COVID-19 situations such as medical and evacuation costs, trip cancellation and trip postponement.

Besides AUTOVENTURE™ trips, the Association organised a total of 54 motoring and lifestyle workshops and activities for Members throughout the year. In adjusting to the changing COVID-19 Regulations, the Association organised webinars such as *Lasting Power of Attorney*, *How to Enhance My Retirement* and *CPF Life Payout* and *Overseas Safe Driving Tips*, which have been well-received by Members. Other popular web classes like *HIIT & Conditioning and Yoga* also remained popular on our events and activities schedule.

PRESIDENT'S MESSAGE

As COVID-19 restrictions were gradually eased, the Association conducted physical workshop classes like bicycle maintenance workshop and violin class for AA Members and the public to sign up and join. In April last year, we had the opportunity to organise our AA Round Island Drive event with a convoy of 15 cars and 50 participants, as the participants and their families drove across Singapore in a hunt to locate treasure stations around the island and solve puzzles.

Apart from our AV trips and activities, another new initiative introduced for members in 2021 include providing online training sessions for our Safe Driving for Young or New Driver and Eco-driving Workshop training programmes, which are provided by the Association's training arm, AAS Academy. With the option of online training sessions, Members can now continue to benefit and learn from AAS Academy, while in the comfort and safety of their own premises.

Despite the COVID-19 situation in Singapore in 2021, I am glad that the Association is able to continue providing Members with interesting leisure, travel and learning experiences through our range of customised services from AUTOVENTURE™ trips, events and activities to AAS Academy training programmes. Together, with your continued support, we certainly look forward to organising more activities and events for Members in the coming year.

GREEN MOTORING INITIATIVES

As the leading motor association in Singapore, the Association is always ready to adapt and take on new initiatives and services that will be able to meet the needs of Members now as well as prepare for possible changes in the automotive industry for the future.

With the government's plan for a greener and more sustainable Singapore as well as the anticipation of the rise of electric vehicle (EV) adoption in Singapore, the Association has installed 2 EV Chargers at our AA Centre for Members' usage. The EV Chargers which are rated 30kW (kilo-watts) will be able to provide Members, a quick charge of 0 – 75% for their electric vehicles in 60 minutes.

As a start, the Association will be replacing 2 of our vans to EV vans and commence our pilot test of the EV vans in the 2nd quarter of 2022. The EV Vans are larger in capacity size, will enable our roadside assistance staff to transport larger equipment on trips and improving our ability to service Members better for roadside assistance and mechanic services requests – all while reducing our carbon dioxide emissions and doing our due diligence for the environment.

PRESIDENT'S MESSAGE

FOR THE COMMUNITY

Being a strong advocate of road safety, the Association has been actively participating and rolling out new road safety initiatives to educate Members and the public on the importance of road safety.

From the month of May to July 2021, the Association partnered with the Federation Internationale de l'Automobile (FIA) and participated in a two-month campaign for the #Love30 global campaign – a campaign that aims to advocate for speed limits on streets and areas where people and traffic usually mix, to be lowered to 30km/h - during the 6th UN Global Safety Week.

As a show of support for the #LOVE30 campaign, 'Low speed streets save lives', the Association conducted a survey on speeding in Singapore and your responses will go towards helping the Association understand the viewpoints of motorists better and to improve our future road safety advocacy and outreach efforts.

Following the survey, AA Singapore publicised road safety posters and social media quizzes on speeding concerns through the Association's social media platforms to promote the #LOVE30 campaign. A complimentary webinar on Speeding was organised to educate drivers on speeding as well as the severity and impact of injuries caused by speeding.

In September 2021, the Association partnered with the Federation Internationale de l'Automobile (FIA) and JCDecaux to launch #3500LIVES campaign visuals at the bus shelters in Singapore. We aim to raise awareness of the 'Share the Road' message to road users on the importance of sharing the road, and to call for more road users to do their part and make the roads safer for all to share and use.

As part of our efforts for the #3500LIVES - Share the Road campaign, AA Singapore launched an online social media campaign where we shared a series of road safety posters, focusing on different groups of road users and organised social media contest on our AA Singapore Facebook and Instagram platform. The Share the Road online campaign have since received positive responses from the community as the social media posts and media contest for Share the Road successfully garnered over 126,380 impressions on Facebook and over 36,871 impressions on Instagram.

In November 2021, as part of our efforts to further enhance the safety of cyclists' and drivers' while travelling on the road and to encourage safer behaviour by road users, the Association launched the Busby Road Safety App (now known as Flare Personal Safety App) – an app that intelligently monitors users' outdoor activities and raises an alert if the user is unresponsive and requires immediate assistance. To promote the launch of the Busby Road Safety App, a complimentary webinar was opened to AA Members and the public, where we introduced the benefits and usage of the Busby Road Safety App and advocated the importance of safe cycling behaviour.

In December, we concluded the #3500LIVES – Share the Road campaign where the AA Singapore and the Federation Internationale de l'Automobile (FIA) organised a hybrid seminar of the 'Share the Road', to highlight the importance of sharing the roads between road users and to educate participants on the dangers and blind spots of drivers and cyclists. We would like to extend our appreciation for our Guest-of-Honour Mr Baey Yam Keng, Senior Parliamentary Secretary for the Ministry of Transport and Deputy Chairman of the Active Mobility Advisory Panel for gracing the Share the Road seminar.

PRESIDENT'S MESSAGE

Besides our road safety advocacy efforts, the Association has been exploring ways to better support and establish relationships with our Members and the wider community. In 2021, we continued to provide support for students from financially challenged families through the ITE College West Token Scheme, which provides the students with meal tokens that can be exchanged for meals at the college cafeterias in ITE. In October, AA Singapore also took part in the RHT Rajan Menon Foundation Charity Golf fundraiser event, to raise funds for the RHT Rajan Menon Foundation, where the funds raised from the event will go towards supporting RHT's beneficiaries in causes such as eldercare, environment sustainability and education.

DIGITALISATION

In support of the Association going digital, employees will continue to adapt and learn to use technology to improve processes and stay relevant. The Management is committed to develop employees internally and grow their capability in tandem with the digitalisation plan. Staff development programmes will focus on technology, in addition to health and safety. When staff welfare is taken care of, their passion for service and drive for excellence will make a difference in everything they do.

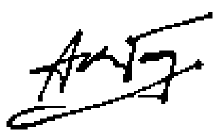
THE ROAD AHEAD

With Singapore significantly relaxing COVID-19 safety measures, the Association remains hopeful that we will see some semblance of life resuming back to normal and we continue to take a measured approach to opening up. Up to 75% of employees who can work from home will now be able to return to office from 29 March 2022. With the reopening of borders, we will continue to plan for more AUTOVENTURE trips and AA activities for our Members. The General Committee together with the Management, will continuously strive to pursue growth and progress for the Association as we navigate into 2022.

In the year ahead, the Association will continue to dedicate ourselves to developing and improving AA Singapore's current portfolio of products and services, so as to meet and serve the needs of our Members. At the same time, we will also continue to work towards bringing in more motoring-related services and products as well as develop new motoring content, events and activities that will best serve and benefit our Members in the coming years.

On behalf of the General Committee and Management, I would like to express my heartfelt gratitude to our Members, strategic partners and our staff for their unwavering commitment, and trust in the Association and I thank you for accompanying us in our journey. With your continued support, I am confident that the Association will continue to achieve greater heights in the years ahead.

Thank you.



Bernard Tay
President

GENERAL COMMITTEE

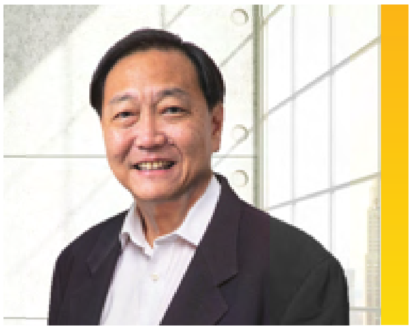
BERNARD TAY
President

LOW BENG TIN
Deputy President

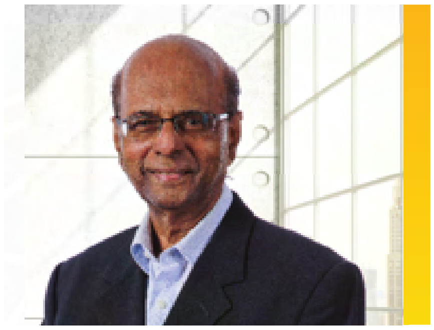
ALVIN PHUA
Secretary

RANKIN B. YEO
Treasurer

GENERAL COMMITTEE



CHIA HO CHOON
Committee Member



S CHANDRA MOHAN
Committee Member

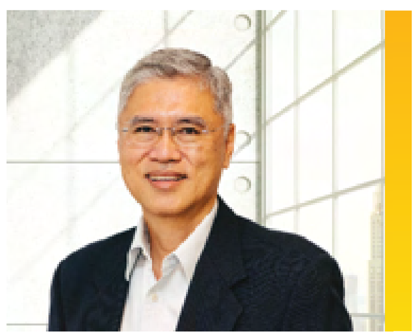
EDWIN TAN
Committee Member

TAY BOON KENG
Committee Member

DARRYL WEE
Committee Member

DAVID WONG
Committee Member

WONG SIEW HONG
Committee Member



THOMAS YEOH
Committee Member

RESOURCE PANEL

KOH ING CHIN

ONG CHEE BENG

TAN HUN TWANG

DAMIAN TAY

WOO YEW LOK

YEAR IN REVIEW

The year 2021 was a year of change– not only for the Association but for Singapore as well. In the past year, Singapore had undergone a series of major changes such as the tightening and easing of COVID-19 restrictions as well as the emergence of the new Omicron variant, which further disrupted and delayed plans for moving forward into Phase 3 of Re-Opening. The effects of Covid-19 will last for some time. Through our prudent management, we are prepared for a long road to recovery with continued adaption of our business to remain relevant and maintain our competitive edge.

SAFEGUARDING OUR MEMBERS AND THE COMMUNITY

AA Singapore integrated a series of health and safety measures to ensure clean and safe environment for our Members and the community. Cleaning procedures were stepped up and adjustments were made to high frequency touchpoints to minimise contact between staff, Members and the public. The Association ensures every Member enjoys a seamless journey at our premises. When the Government imposed mandatory work-from-home measures in Singapore, our employees adapted to the work arrangements swiftly while minimising disruptions to Members and the public. Some AA employees also took up courses such as Supervisory Training in ART Self-Swab to ensure all employees are performing the test correctly before entering the office premises when they are able to do so, while others attended upskilling and trainings to continue remaining relevant during this period.

MEMBERS' ENGAGEMENT & ACTIVITIES

As the Association strives for growth and progress in our journey as an integrated one-stop-service for motorists in Singapore, we will continue to enhance and improve our product and service offerings to better suit the needs and wants of our Members.

In 2021, the Association conducted a series of Membership surveys, reaching out to Members for their feedback and review on the services and offerings by the Association. Based on the responses gathered from the Membership surveys, Members prefer more motoring-related services, benefits and privileges. The Association have been actively looking out for opportunities to bring in more motoring-related services, benefits and privileges for our Members and we will continue to put in our best to deliver our service to you. Apart from the Membership surveys, Members have since expressed their wish to see more motoring-related content and the Association is looking into creating more interesting motoring-related content

With the growing popularity of online shopping, the Association continued to offer more online deals to members to provide greater convenience. Members enjoyed special deals through online marketplace such as Lazada and Shopee and the Association held sales campaigns on special occasions such as 10.10, 11.11 and 12.12. Our online AAShop sales has also seen an increase of 99% in 2021 as compared to the previous year.

The Association has partnered with a total of 175 merchants for the Partners' Privilege programme in 2021, allowing Members to enjoy an extensive array of exclusive benefits and privileges. Our extensive range of partners include Motoring merchants, Food and Beverage to home appliances merchants such as Molly Malone, Black & Decker, Wells Water Purifier, Bowers & Wilkins and BOSE. We have recently worked with the agency of the Bicester Village Shopping collection on bringing exclusive promotion at the various outlets across Europe in anticipation of the easing of the travel restrictions. We will continue to actively review and seek out new partnerships so as to secure more exclusive benefits and privileges that will cater to the different needs of our Members.

YEAR IN REVIEW

We collaborated with Sim Racing Association (Singapore) to set up our Digital Racing service for Members to experience the thrill of racing through race course simulations such as the Grand Prix, while in the safety and comfort of our AA Centre. In addition, AA Singapore has also set up the AA Digital Racing Circuit Corner for Members' usage at our Broadway Plaza outlet.

ENHANCED COVERAGE AND PROTECTION

At AA Singapore, we are always thinking of ways on how we can better provide services and products that will effectively cater to the needs and wants of our Members.

Singapore has slowly resumed its transition towards living with Covid-19 and with more Vaccinated Travel Lanes (VTLs) opening, AAS Insurance Agency (AAS-IA) is happy to inform Members that since 26 June 2021, the Travel Guard® plan by AIG has been enhanced with COVID-19 coverage and will cover situations pertaining to COVID-19, in addition to the usual plan.

Under the enhanced Travel Guard® plan, the insured will be covered for a sum up to S$300,000 for overseas COVID-19 related medical and evacuation costs incurred if the insured is diagnosed with COVID-19 while overseas during their trip, and up to S$7,500 for trip cancellation if the insured or their relative are diagnosed with COVID-19 prior to the trip's departure date. In addition, the plan will also cover the insured for any trip postponement for a sum up to S$1,500, in the event the insured or their relative are diagnosed with COVID-19 prior to the trip's departure date.

YEAR IN REVIEW

CONTINUOUS LEARNING

The Association has been in compliance with the COVID guidelines and measures imposed by the Government, and cautiously implementing our activities with Members and the community's safety in mind.

As Singapore gradually eased COVID-19 restrictions, more events and activities are also allowed to resume, with a limit on the number of participants. During this period, AA Singapore conducted a series of physical workshops such as *violin class* and *bicycle maintenance workshop*. With each physical workshop or event, the Association made sure to take the necessary steps to adhere to COVID-19 safety regulations by putting in place, safe distancing measures such as social distancing, SafeEntry check-ins and temperature-taking before classes and events, wearing of masks, as well as checking of vaccination status – to ensure a safe environment for Members to learn, experience and have fun.

In April 2021, the Association also organised the *AA Round Island Drive* event where a total of 15 cars and 50 participants, drove around Singapore in search of treasure stations to solve puzzles, while enjoying the scenic views and sights of Singapore.

The Association also welcomed the return of our ever-popular AUTOVENTURE™ Trip, after a hiatus of more than a year since the pandemic. In November 2021, the Association collaborated with the Jeju Tourism Organisation to organise an 8D7N AUTOVENTURE™ Eco Drive to Jeju Island trip with a total of 19 participants. As this is the first time an AUTOVENTURE™ trip has been organised during the pandemic, the Association took extra steps to ensure that the additional paperwork and polymerase chain reaction (PCR) tests required for the Korea-Singapore Vaccinated Travel Lane (VTL) process, are well taken care of. The 19 member AUTOVENTURE™ group safely arrived in Seoul on 24 November 2021 and went through a smooth customs clearance process that took less than 2 hours. In addition, participants of the trip were also provided with Care Packs that comes with pandemic essentials such as N95 masks, hand sanitiser and disinfectant spray.

YEAR IN REVIEW

AA Singapore continued to expand our efforts to organise interactive activities for Members. In total, the Association organised 54 motoring and lifestyle workshops and courses for our Members in 2021. The Association organised well-received webinar sessions for Members such as *Overseas Safe Driving Tips*, *Lasting Power of Attorney* and *How to Enhance My Retirement* and *CPF Life Payout*. Web classes such as *Yoga and HIIT & Conditioning* also remained a popular hit among members, with regular sessions being arranged for our Members, to keep them active and healthy during the pandemic period.

The Association's training arm, AAS Academy has made improvements to the current programme offerings, by providing and offering the option of online training sessions for AAS Academy training programmes such as the *Eco-driving Workshop* and *Safe Driving for Young or New Driver*, for participants who prefer to continue their learning journey in the comfort and safety of their own premises.

AAS Academy was also invited to organise a *Safe Driving webinar* workshop for companies during Singapore's Road Safety Month, to educate staff attendees on the different aspects to driving safely on the roads.

INITIATIVES TOWARDS A GREENER FUTURE

In line with the Singapore government's push for electric vehicles usage, which is part of the *Singapore Green Plan 2030*, for a greener and more sustainable Singapore, the Association is pleased to share that in 2021, we have introduced Electric Vehicle (EV) Charging services and have installed 2 EV Chargers at our AA Centre, for Members' and public usage in 2021. The EV Chargers which are now in operation at the AA Centre, are rated 30kW (kilo-watts) and will be able to provide a 0 – 75% quick charge in 60 minutes. With the usage of electric vehicles quickly gaining ground in Singapore, the Association is prepared to quickly adapt and come up with new services to meet and match Members' demands in the coming years ahead.

In addition, our subsidiary, Autoswift Recovery, will be moving towards a greener environment and pilot with 2 EV vans in Q2 of 2022. The EV Vans, which are larger in capacity, will allow for larger or more relevant equipment to be transported in a single trip, thus improving the Association's ability to meet more service requests from Members for roadside assistance and mechanic services.

YEAR IN REVIEW

SAFER ROADS FOR ALL

Advocating for road safety remains a key focus area for the Association in 2021.

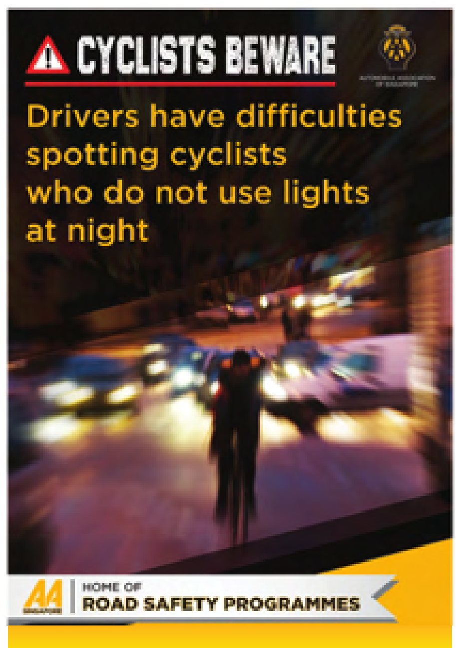
In support of the 6th UN Global Safety Week, #Love30 global campaign, AA Singapore launched a two-month media campaign 'Low Speed Streets Save Lives' with the Federation Internationale de l'Automobile (FIA). The #Love30 campaign aims to raise awareness and garner support the 30km/h speed limits and zones at specific areas.

To showcase our support for the #Love30 campaign, the Association conducted a survey with the motoring community to gather feedback and insights on their thoughts about speeding in Singapore, and we have since received over 300 survey entries. The Association organised a complimentary webinar for Members to better understand speed management and the severity of injuries incurred when speeding. During the campaign duration, AA Singapore also posted a social media quiz about speeding concerns and a series of road safety posters on our official AA social media platforms to promote the #Love30 campaign.

In the month of September 2021, the Association partnered with the Federation Internationale de l'Automobile (FIA) and JCDecaux to launch and display the #3500LIVES campaign visuals at bus shelters located around Singapore. The goal of the #3500LIVES campaign was to spread and maximise awareness on the importance of road-sharing amongst road users and to encourage road users to play their part in making the roads safer for all to share and use.

To further promote 2021's theme of the #3500LIVES campaign, 'Share the Road', the Association launched the Share the Road online campaign in Singapore and we released a series of road safety social media posts and sharing of roads posters focusing on the different groups of road users, as well as organising social media contests on AA Singapore's Facebook and Instagram account. The Share the Road online campaign achieved over 126,380 impressions on Facebook and over 36,871 impressions on Instagram and garnered 1,440 comments on the social media.

Following the online campaign, the Association organised the Share the Road hybrid seminar where participants are able to attend physically or online in December 2021. The hybrid event highlighted the importance of sharing the roads between road users and attendees were educated on the dangers and blind spots from the perspective of drivers and cyclists. We were honoured to have Mr Baey Yam Keng, Senior Parliamentary Secretary for the Ministry of Transport and Deputy Chairman of the Active Mobility Advisory Panel as our Guest of Honour for the Share the Road event.



YEAR IN REVIEW

Besides the Share the Road campaign, in November 2021, the Association also launched the Busby Road Safety App (now known as Flare Personal Safety App), an app that intelligently monitors a user's outdoor fitness activities and raises an alert if the user is unresponsive and require immediate assistance. Through the Busby Road Safety App launch, the Association aims to promote the usage of road safety apps like the Busby Road Safety App as a way for cyclists and drivers to ensure a safe journey for themselves as well as for other road users, while travelling on the road. As part of the Busby Road Safety App launch, the Association also organised a complimentary webinar to advocate the importance of safe cycling behaviour, along with the benefits and usage of the app.

SUPPORTING THE WIDER COMMUNITY – CSR

At AA Singapore, we believe in the value of building and maintaining meaningful relationships with the wider community, beyond our own Members.

In 2021, the Association continued our contribution towards the ITE College West Token Scheme, which supports students from financially challenged families by providing them with meal tokens that can be exchanged for meals at the ITE College cafeterias and sponsorship of their course medals.

In October 2021, AA Singapore also rendered our support towards RHT Rajan Menon Foundation's charity causes by taking part in the RHT Rajan Menon Foundation Charity Golf fundraiser event, to raise funds that will be used to support RHT's selected group beneficiaries in causes such as education, eldercare and environment sustainability.

THE ROAD AHEAD – CONCLUSION

Year 2021 was an eventful year for the Association as we continued to adapt to the changes brought forth by COVID-19 and to ensure that service delivery for our members remains undisrupted during this season. In the year ahead, the Association will continue to work towards improving services for our Members and we look forward to bringing in more motoring-related services, products and content as well as organising new events that will further benefit and interest our Members.

MINUTES OF THE ANNUAL GENERAL MEETING

Minutes of the Annual General Meeting (AGM) of Members of the Automobile Association of Singapore held by way of electronic means on Wednesday, 19 May 2021 at 6:30 pm.

PRESENT:
Bernard Tay, Chairman and President
Low Beng Tin

VIA LIVE WEBCAST:
Rankin B. Yeo
Alvin Phua
S Chandra Mohan
Chia Ho Choon
Edwin Tan
Tay Boon Keng
Darryl Wee
David Wong
Wong Siew Hong
Thomas Yeoh Eng Leong
Koh Ing Chin
Ong Chee Beng
Tan Hun Twang
Damian Tay
Woo Yew Lok

SCRUTINEER (IN PERSON)
Mr Raymond Lam, DrewCorp Services Pte Ltd

POLLING AGENT (ATTENDED VIA LIVE WEBCAST)
Ms Poh Yi Fang Ardent Business Advisory Pte Ltd

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

Mr Raymond Lam, the representative from the Scrutineer, DrewCorp Services Pte Ltd confirmed that at the close of 6.30pm, the total number of members present was 39. As there was a quorum, President called the Meeting to order.

1. PRESIDENT'S ADDRESS

The President highlighted the following points:

Thank you for taking time to join us at AA's virtual Annual General Meeting 2021 and it is my pleasure to welcome you to the AGM this evening.

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

This evening, we are presenting to you live from the AA Centre at 2 Kung Chong Road. This is the second consecutive year that we have organised the AGM online. It would have been a pleasure to welcome our Members personally at AA Centre; however, in view of the Phase 2 (Heightened Alert), we urge members to remain vigilant and continue with social distancing measures to minimise community spread of COVID-19.

Hence today, I have with me, Mr Low Beng Tin in attendance in person, and our fellow Members of the General Committee and other persons, in attendance by electronic means.

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

We also have in attendance our polling agent representatives from Ardent Business Advisory LLP; and in person, our independent Scrutineer from DrewCorp Services Pte Ltd, Mr Raymond Lam.

2020 has been a year of challenges for both AA Singapore and the world. Since the onset of COVID-19, the Association has been responding to the pandemic decisively as we navigate through the uncertainties. We have been adapting to the changes, and we remain focused on delivering our best services to our Members while putting Members at the heart of what we do.

Members' convenience and safety have always been our utmost priority. The Association continued to provide our essential service of roadside assistance amidst the COVID-19 pandemic, even during the Circuit Breaker period, to deliver our promise to our Members. We have also extended an appointment-based battery diagnostic for the motoring community, in view of delivering a holistic Membership experience. Members are offered the option to book an appointment and schedule for AA's battery specialist to run a check on their battery condition at the convenience of their home.

AA is also dedicated to providing continuous enhancements of our product offerings. With the motoring community's health and welfare in mind, Bactakleen, an anti-bacterial treatment for vehicles, has been extended to our Members to help protect them as well as their loved ones. In view of providing a safer environment for both the motoring community and our staff, our fleet of vehicles are sanitised with Bactakleen treatment regularly.

The Association remains committed to using technologies to enrich Members' experience, to improve and enhance our touchpoints. Initiatives such as a WhatsApp helpline was set up during the Circuit Breaker period for Members' convenience on Membership-related enquiries. Members can now reach us via WhatsApp at 97793028.

MINUTES OF THE ANNUAL GENERAL MEETING

The Association has successfully relocated its outlet 51@ AMK to AA @ Broadway Plaza, 4190 Ang Mo Kio Ave 6, Broadway Plaza. The outlet is now fully functioning and offering recreational amenities such as lounge area, relaxation corner, as well as a more spacious fruit machine room, with a refreshed look. With a refurbished outlet in the heartland, the Association hopes to better reach out to the community and bringing convenience to you.

With Singapore's SGUnited initiatives in mind, the Association supports the community. To support frontline healthcare staff battling the COVID-19 pandemic, AA delivered 1,000 cupcakes to the frontline staff of Singapore General Hospital as a form of encouragement to keep their spirits high. In addition, a large display banner saluting our frontline workers was placed at the building of AA Centre, as a form of support and unity as we combat the pandemic together.

As travel is at an enforced standstill around the world, the Association's Autoventure drives have been put on hold until travel restrictions are lifted. In view of helping Members and the community to occupy their time meaningfully amidst the Circuit Breaker, a total of 27 leisure and travel-related workshops were organised. Web classes such as HIIT & Conditioning, were regularly organised to keep our Members active. AA collaborated with Korea Tourism Organisation and Jeju Tourism Organisation to roll out a two-part Discover Korea YouTube Live Stream, to bring Korea closer to the community through electronic means. As Singapore entered the Safe Re-Opening phases, the Association organised a series of physical activities such as Bicycle Trail at Pulau Ubin and Art Jamming Sessions, to provide Members with an outlet to wind down with their loved ones. With the physical and mental wellbeing of our Members and community in mind, all participants were strongly advised to remain vigilant, and adhere to the safe management measures, whilst participating in such activities.

We are constantly looking at ways to better deliver improved services to our Members as well as the society. AAS Insurance Agency introduced Singapore's first Commercial Personal Mobility Devices Insurance coverage, an approved insurance policy by Land Transport Authority. We hope that with this policy, PMD users and the public will be protected from costs and expenses that they may incur due to third-party liabilities arising from the negligent use of PMD.

Further to our services, the Association's subsidiary, AAS Academy, has organised a string of exclusive online seminars, which were complimentary to all Members. Webinars such as Driving During COVID-19 Circuit Breaker were organised to share safe driving tips amongst the motoring community.

As a strong advocate of road safety, the Association is constantly designing new initiatives to shape a more holistic society for both motorists as well as pedestrians. From September to October 2020, together with the Fédération Internationale de l'Automobile, AA successfully organised the FIA-AA #Thisismystreet Campaign, where we aimed to promote a healthier environment and lessen the impact of road traffic on young people. We were honoured that the campaign achieved over 120,000 responses through online means. The Association also aims to organise more meaningful campaigns for the motoring community in the coming years, to advocate for healthier roads for our fellow members and commuters.

As the motoring leader in Singapore, AA has mapped its blueprint for digital transformation, ensuring that we are well-equipped to meet the needs of our Members. In this competitive environment, we understand that Members are exposed to a wide variety of options through myriad avenues. To stay abreast, the Association will constantly evolve to better elevate our Membership experience for you.

As I stated in my address last year the Association has also undertaken a major review of our AA Constitution, to keep pace with modern developments as well as the changes that we are experiencing. An amended Constitution and Bye-Laws have been introduced at this AGM and we seek your support on this matter.

Moving into 2021, the Association will be enhancing our 24/7 on-demand roadside assistance app where Members are able to view the AA driver's location in real-time and the estimated time of arrival as well as tracking your vehicle while on tow. I would like to take this opportunity to announce that the Association is proud to introduce a new amenity, Digital Racing, right at the comfort zone of AA Centre. Both our esports fans as well as AA Members who are thrilled to take a ride on these racing simulators are welcomed to join us for a race at this newest form of competitive motorsport. With these enhancements, the Association aims to better our amenities to deliver a holistic and seamless Membership experience for you.

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

MINUTES OF THE ANNUAL GENERAL MEETING

2. TO CONFIRM THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 16 SEPTEMBER 2020

As there were no comments received as at 5pm on 10 May 2021, the President handed over to the Scrutineer to announce the results. Based on the proxy forms received at 5pm on 14 May 2021 on Agenda item 1, the result of the vote was as follows:

Votes For: 100%
Votes Against: 0%

On behalf of the Chairman, the Scrutineer declared that the Minutes of the Annual General Meeting held on 16 September 2020 had been approved by the Meeting.

3. TO RECEIVE AND, IF APPROVED, ADOPT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

As there were no comments received as at 5pm on 10 May 2021, the President handed over to the Scrutineer to announce the results. Based on the proxy forms received at 5pm 14 May 2021 on Agenda item 2, the result of the vote was as follows:

Votes For: 100%
Votes Against: 0%

On behalf of the Chairman, the Scrutineer declared that the Annual Report and Audited Financial Statements for the year ended 31 December 2020 had been received, approved and adopted by the Meeting.

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

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

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

The Scrutineer reported that 6 nominations were received as at 5pm on 3 May 2021, being the time and date set for nominations to be closed.

The 6 nominees were:
Mr Low Beng tin
Mr Chia Ho Choon
Mr David Wong
Dr Edwin Tan
Mr Rankin B. Yeo
Dr S Chandra Mohan

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

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

MINUTES OF THE ANNUAL GENERAL MEETING

5. TO APPOINT AUDITORS FOR THE ENSUING YEAR

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

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

Based on the proxy forms received as at 5pm on 14 May 2021 on Agenda item 4, the result of the vote was:

Votes For: 100%
Votes Against: 0%

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

6. TO CONSIDER AND, IF THOUGHT FIT, TO PASS PROPOSED AMENDMENTS TO THE CONSTITUTION OF AA AND THE BYE-LAWS OF AA

The copy of the Constitution was put before the meeting for discussion.

As there were no comments received as at 5pm on 10 May 2021, the President handed over to the Scrutineer to announce the results. Based on the proxy forms received at 5pm 14 May 2021 on Agenda item 5, the result of the vote was as follows:

Votes For: 100%
Votes Against: 0%

On behalf of the Chairman, the Scrutineer declared that the Constitution and the Bye-Laws of Automobile Association of Singapore has been approved by the Meeting.

7. TO TRANSACT ANY OTHER BUSINESS OF WHICH NOTICE IN WRITING HAS BEEN RECEIVED BY THE CHIEF EXECUTIVE OFFICER BY 5PM ON 10 MAY 2021

The President informed the Meeting that as at 5pm on 10 May 2021, there were no emails nor letters received from members.

The President thanked all members for attending the AGM. It was also conveyed to members that in light of the current Phase 2 (Heightened Alert), it is vital for everyone to remain vigilant and do your part in helping Singapore mitigate the virus spread. The Association encourages the community to get vaccinated, in view of keeping both yourself and your loved ones safe.

As there was no other business to be discussed, the President formally declared the Meeting closed at 6.48pm.

The President 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.

FINANCIAL CONTENTS

CORPORATE INFORMATION 2021

1. INSTRUMENT OF SETTING UP THE ASSOCIATION

Constitution of Automobile Association of Singapore

2. UNIQUE ENTITY NUMBER OF THE ASSOCIATION

S61SS0040C

3. REGISTERED ADDRESS

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

4. GENERAL COMMITTEE

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

5. MEMBERSHIP SUB-COMMITTEE

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

6. CONSTITUTION REVIEW SUB-COMMITTEE

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

7. AUDIT SUB-COMMITTEE

Mr. Alvin Phua
Dr. Edwin Tan
Mr. Thomas Yeoh
Mr. Bernard Tay (Ex-Officio)

CORPORATE INFORMATION 2021

8. FINANCE AND INVESTMENT SUB-COMMITTEE

Mr. Rankin B. Yeo
Mr. Koh Ing Chin
Mr. Thomas Yeoh
Mr. Bernard Tay (Ex-Officio)

9. HUMAN RESOURCE AND REMUNERATION SUB-COMMITTEE

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

10. KUNG CHONG REDEVELOPMENT SUB-COMMITTEE

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

11. JACKPOT SUB-COMMITTEE

Mr. Low Beng Tin
Mr. Darryl Wee
Mr. Chia Ho Choon
Mr. Bernard Tay (Ex-Officio)

12. DIGITAL REVIEW COMMITTEE

Mr. Darryl Wee
Mr. Wong Siew Hong
Mr. Damian Tay
Mr. Ong Chee Beng
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 28 to 68 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 2021 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, 20 April 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Automobile Association of Singapore

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Automobile Association of Singapore (the "Association") and its subsidiary companies (collectively the "Group") set out on pages 28 to 68, which comprise the statements of financial position (balance sheets) of the Group and of the Association as at 31 December 2021, the statements of comprehensive income and statements of changes in funds of the Group and of the Association, and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds of the Association are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Association as at 31 December 2021 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 Act and the provisions of the Singapore Companies Act 1967 to be kept by the Association and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept.

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

(i) any profits from the private lotteries were accrued to any individuals; or

(ii) any commission either in money or money's-worth, including by way of free tickets or chances, was paid in respect of the sales of tickets or chances.

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

Singapore, 20 April 2022

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	Group 2021 $	Group 2020 $	Association 2021 $	Association 2020 $
INCOME					
Membership subscriptions and entrance fees		**2,477,298**	2,598,262	**2,472,905**	2,593,726
Vehicle recovery and towing services		**939,485**	991,770	**19,227**	17,292
Fruit machine net takings	3	**1,092,910**	1,248,870	**1,092,910**	1,248,870
Income from other services	4	**1,260,278**	1,409,162	**776,681**	935,265
Interest income	5	**546,396**	780,340	**792,936**	952,994
Lease income (net)	6	**1,456,399**	1,479,694	**–**	–
Other income	7	**466,110**	1,909,130	**1,022,699**	1,448,071
Total income		**8,238,876**	10,417,228	**6,177,358**	7,196,218
LESS EXPENDITURE					
Depreciation expense	8	**2,458,148**	2,024,227	**626,421**	471,830
Amortisation of intangible assets	14	**58,766**	49,842	**45,110**	44,567
Employee benefits expense	9	**4,847,198**	5,436,896	**2,566,625**	2,786,000
Impairment losses on financial assets	20	**–**	1,284	**–**	–
Membership promotion, publicity and meetings		**372,914**	688,325	**373,423**	688,325
Finance costs	27	**73,292**	41,802	**73,292**	41,802
Other expenses	10	**3,335,416**	3,670,927	**4,249,914**	4,533,261
Total expenditure		**11,145,734**	11,913,303	**7,934,785**	8,565,785
Deficit before tax		**(2,906,858)**	(1,496,075)	**(1,757,427)**	(1,369,567)
Income tax expense	11	**(143,676)**	(148,069)	**(106,828)**	(135,304)
Deficit for the year		**(3,050,534)**	(1,644,144)	**(1,864,255)**	(1,504,871)
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Net fair value losses reclassified to profit or loss upon disposal of bonds	22	**67,625**	–	**88,895**	–
Fair value (losses)/gains on financial assets at FVOCI, recognised in other comprehensive income	22	**(321,663)**	209,985	**(321,663)**	211,905
Other comprehensive (loss)/income for the year, net of tax		**(254,038)**	209,985	**(232,768)**	211,905
Total comprehensive loss for the year		**(3,304,572)**	(1,434,159)	**(2,097,023)**	(1,292,966)

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Notes	Group 2021 $	Group 2020 $	Association 2021 $	Association 2020 $
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	**30,687,877**	32,258,233	**1,217,949**	1,535,644
Investment property	13	**38,758,531**	39,085,575	**–**	–
Intangible assets	14	**51,748**	164,727	**29,506**	74,616
Right-of-use assets	15	**2,447,622**	3,152,516	**2,447,622**	3,152,516
Financial assets, at FVOCI	16	**15,575,062**	12,147,205	**15,575,062**	12,147,205
Investments in subsidiary companies	17	**–**	–	**4,386,502**	4,386,502
Amount due from subsidiary companies	18	**–**	–	**62,400,000**	62,400,000
		87,520,840	86,808,256	**86,056,641**	83,696,483
Current Assets					
Financial assets, at FVOCI	16	**1,004,000**	3,066,270	**1,004,000**	–
Inventories	19	**66,488**	65,050	**59,900**	58,168
Trade and other receivables	20	**2,113,845**	1,421,465	**849,471**	617,521
Amount due from subsidiary companies	18	**–**	–	**2,212,345**	2,031,058
Cash and cash equivalents	21	**23,290,235**	27,927,552	**7,255,559**	10,444,792
		26,474,568	32,480,337	**11,381,275**	13,151,539
Total Assets		**113,995,408**	119,288,593	**97,437,916**	96,848,022
TOTAL FUNDS, RESERVES AND LIABILITIES					
FUNDS AND RESERVES					
Accumulated funds		**102,832,931**	105,970,529	**78,733,750**	80,685,069
Fair value reserve	22	**(176,063)**	77,975	**(176,063)**	56,705
Fruit machine replacement reserve	23	**570,363**	483,299	**570,363**	483,299
Total Funds and Reserves		**103,227,231**	106,531,803	**79,128,050**	81,225,073
LIABILITIES					
Non-Current Liabilities					
Subscriptions received in advance	24	**1,368,886**	1,763,504	**1,368,886**	1,763,504
Deferred tax liabilities	25	**3,000**	3,000	**–**	–
Trade and other payables	26	**276,419**	276,419	**276,419**	276,419
Lease liabilities	27	**1,840,555**	2,487,301	**1,840,555**	2,487,301
Amount due to subsidiary companies	18	**–**	–	**9,843,238**	5,182,326
		3,488,860	4,530,224	**13,329,098**	9,709,550
Current Liabilities					
Subscriptions received in advance	24	**1,579,459**	1,760,874	**1,538,807**	1,720,232
Trade and other payables	26	**4,910,305**	5,665,964	**1,721,143**	2,325,502
Lease liabilities	27	**642,268**	638,647	**642,268**	638,647
Amount due to subsidiary companies	18	**–**	–	**971,285**	1,093,594
Current tax liabilities		**147,285**	161,081	**107,265**	135,424
		7,279,317	8,226,566	**4,980,768**	5,913,399
Total Liabilities		**10,768,177**	12,756,790	**18,309,866**	15,622,949
Total Funds, Reserves and Liabilities		**113,995,408**	119,288,593	**97,437,916**	96,848,022

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

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

For the year ended 31 December 2021

	Notes	Accumulated funds $	Fair value reserve $	Fruit machine replacement reserve $	Total funds and reserves $
Group					
Balance as at 31 December 2019		107,584,753	(132,010)	513,219	107,965,962
Deficit for the year		(1,644,144)	–	–	(1,644,144)
Other comprehensive income for the year	22	–	209,985	–	209,985
Total comprehensive loss for the year		(1,644,144)	209,985	–	(1,434,159)
Transactions with owners, recognised directly in total funds and reserves					
Transfer to fruit machine replacement reserve, net of reserve utilised	23	29,920	–	(29,920)	–
		29,920	–	(29,920)	–
Balance as at 31 December 2020		105,970,529	77,975	483,299	106,531,803
Deficit for the year		(3,050,534)	–	–	(3,050,534)
Other comprehensive loss for the year	22	–	(254,038)	–	(254,038)
Total comprehensive loss for the year		(3,050,534)	(254,038)	–	(3,304,572)
Transactions with owners, recognised directly in total funds and reserves					
Transfer to fruit machine replacement reserve, net of reserve utilised	23	(87,064)	–	87,064	–
		(87,064)	–	87,064	–
Balance as at 31 December 2021		**102,832,931**	**(176,063)**	**570,363**	**103,227,231**

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

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 December 2021

	Notes	Accumulated funds $	Fair value reserve $	Fruit machine replacement reserve $	Total funds and reserves $
Association					
Balance as at 31 December 2019		82,160,020	(155,200)	513,219	82,518,039
Deficit for the year		(1,504,871)	–	–	(1,504,871)
Other comprehensive income for the year	22	–	211,905	–	211,905
Total comprehensive loss for the year		(1,504,871)	211,905	–	(1,292,966)
Transactions with owners, recognised directly in total funds and reserves					
Transfer to fruit machine replacement reserve, net of reserve utilised	23	29,920	–	(29,920)	–
Balance as at 31 December 2020		80,685,069	56,705	483,299	81,225,073
Deficit for the year		(1,864,255)	–	–	(1,864,255)
Other comprehensive loss for the year	22	–	(232,768)	–	(232,768)
Total comprehensive loss for the year		(1,864,255)	(232,768)	–	(2,097,023)
Transactions with owners, recognised directly in total funds and reserves					
Transfer to fruit machine replacement reserve, net of reserve utilised	23	(87,064)	–	87,064	–
Balance as at 31 December 2021		**78,733,750**	**(176,063)**	**570,363**	**79,128,050**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Notes	Group 2021 $	Group 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Deficit before tax		**(2,906,858)**	(1,496,075)
Adjustments for:			
Depreciation expense	3, 8	**3,060,555**	2,462,296
Amortisation of intangible assets	14	**58,766**	49,842
Impairment losses on financial assets	20	**-**	1,284
Property, plant and equipment written off		**7,736**	–
Provisions written back	28	**(3,493)**	–
Interest income	5	**(546,396)**	(780,340)
Finance costs relating to lease liabilities	27	**138,150**	74,812
Loss on disposal of bonds		**75,816**	–
Intangible asset written off		**54,213**	–
Gain on disposal of property, plant and equipment		**-**	(16,580)
Operating (deficit)/surplus before working capital changes		**(61,511)**	295,239
Increase in inventories		**(1,438)**	(5,411)
Increase in receivables		**(132,768)**	78,041
Decrease in payables		**(752,166)**	(91,039)
Decrease in subscriptions received in advance		**(576,033)**	(118,484)
Cash (used in)/generated from operations		**(1,523,916)**	158,346
Interest received		**1,296**	13,702
Income tax paid		**(157,472)**	(140,283)
Net cash (used in)/from operating activities		**(1,680,092)**	31,765
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in fixed deposits pledged with banks and/or with maturities over 3 months		**1,881,487**	7,316,841
Interest received		**546,888**	800,871
Advances paid for acquiring additional investments	37	**(561,400)**	–
Additions to intangible assets	14	**-**	(133,906)
Additions to property, plant and equipment	12	**(460,965)**	(1,831,691)
Proceeds from disposal of property, plant and equipment		**3,482**	69,005
Purchase of bonds	16	**(8,278,625)**	(808,500)
Proceeds from disposal of bonds		**6,583,184**	–
Net cash (used in)/from investing activities		**(285,949)**	5,412,620
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities	27	**(651,639)**	(504,077)
Payment of interest on lease	27	**(138,150)**	(74,812)
Net cash used in financing activities		**(789,789)**	(578,889)
Net (decrease)/increase in cash and cash equivalents		**(2,755,830)**	4,865,496
Cash and cash equivalents at beginning of the year		**16,029,850**	11,164,354
Cash and cash equivalents at end of the year	21	**13,274,020**	16,029,850

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

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

1. GENERAL INFORMATION

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

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

The principal activities of the subsidiary companies are detailed in note 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 Financial Reporting Standards in Singapore ("FRSs"), including related Interpretations promulgated by the Accounting Standards Council, as required by the Companies Act 1967.

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

2.2 Significant Accounting Estimates and Judgments

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant Accounting Estimates and Judgments (Continued)

(A) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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

The costs of property, plant and equipment, investment property, intangible assets and right-of-use assets are depreciated/amortised on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment, investment property, intangible assets and right-of-use assets are disclosed in notes 2.9, 2.10, 2.11 and 2.18 respectively. Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation/amortisation charges could be revised. The carrying amounts of property, plant and equipment, investment property, intangible assets and right-of-use assets and their respective depreciation/amortisation charge for the year are disclosed in notes 12, 13, 14 and 15 to the financial statements.

(ii) 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 receivables, 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 receivables as at the balance sheet date are disclosed in note 20 to the financial statements.

(iii) Leases

Incremental Borrowing Rate

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant Accounting Estimates and Judgments (Continued)

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

(iii) *Leases* (Continued)

Estimation of Lease Term

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

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

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

(i) *Impairment of Investment Property*

The Group carries its investment property at cost less accumulated depreciation and impairment loss. The Group engaged real estate valuation experts to assess the fair value as at 31 December 2021. The fair value of investment property is determined by a firm of independent professional valuers using the key assumptions as disclosed in note 13(a) to the financial statements. Although the appraised fair value is in excess of the carrying amount of the investment property, the management has decided not to reverse the impairment loss on the investment property in view of the current uncertainties in the economy.

In determining the fair value of the investment property based on the income method and cross-checked by direct comparisons with transactions of comparable properties within the vicinity and elsewhere requires significant judgment. The Group evaluates, among other factors, whether the recoverable amount of the investment property is less than its carrying amount, and the near-term outlook for the real estate market, which have direct impact on the input into the valuation approach.

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

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

2.4 Revenue Recognition

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

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

(i) *Subscriptions and Fees Income*

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

Subscriptions received in advance

– Life membership subscriptions received in advance are recognised as income on a straight line basis over a period of 30 years.

– Ordinary, Family and Corporate membership subscriptions received in advance are recognised as income in the year in which the subscriptions fall due.

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

(ii) *Fruit Machine Takings*

Fruit machine takings are recognised as revenue upon receipt.

(iii) *Service Income*

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

(iv) *Interest Income*

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

(v) *Lease Income*

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Government Grants

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

2.6 Employee Benefits

(i) Defined Contribution Plans

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

(ii) Short Term Compensated Absences

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

2.7 Income Taxes

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Assets

A. Classification

Financial assets are classified into the following measurement categories:

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

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

B. At initial recognition

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

C. At subsequent measurement

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

The Group's financial assets are categorised as follows:

(i) Financial assets, at amortised cost

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

(ii) Financial assets, at FVOCI

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Assets (Continued)

D. Impairment of financial assets

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

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

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

2.9 Property, Plant and Equipment

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

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

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

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

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

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and shall be included in profit or loss when the item is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investment Property

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

Freehold land is not depreciated. The 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.

2.11 Intangible Assets

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

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

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

Computer software	5 years
Mobile application	5 years

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Investments in Subsidiaries (Continued)

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

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

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

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

(ii) *Acquisitions*

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

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

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

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

(iii) *Disposals*

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Investments in Subsidiaries (Continued)

(iv) Transactions with Non-Controlling Interests

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

2.13 Inventories

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

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

2.14 Trade and Other Receivables

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

2.15 Cash and Cash Equivalents

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

2.16 Financial Liabilities

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Impairment of Non-Financial Assets

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

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

2.18 Leases

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

(a) As lessee

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

Right-of-use assets

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

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

The Group's right-of-use assets are presented in note 15.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Leases (Continued)

(a) As lessee (Continued)

Lease liabilities

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

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

The Group's lease liabilities are presented in note 27.

Short-term leases and leases of low-value assets

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

(b) As lessor

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

2.19 Provisions

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

2.20 Financial Guarantee Contracts

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Related Parties

A related party is defined as follows:

(A) A person or a close member of that person's family is related to the Association if that person:

(i) Has control or joint control over the Association;

(ii) Has significant influence over the Association; or

(iii) Is a member of the key management personnel of the Association.

(B) An entity is related to the Association if any of the following conditions applies:

(i) The entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association. If the Association is itself such a plan, the sponsoring employers are also related to the Association.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Association.

3. FRUIT MACHINE NET TAKINGS

	Group and Association	
	2021	2020
	$	$
Income		
Fruit machine gross collections and related income	**16,286,842**	15,159,719
Lease income	**28,800**	28,800
	16,315,642	15,188,519
Less: Expenditure		
Depreciation of property, plant and equipment [note 12(c)]	**282,936**	161,406
Depreciation of right-of-use assets (note 15)	**319,471**	276,663
Fruit machine operating expenses	**14,555,467**	13,468,570
Interest on lease liabilities (note 27)	**64,858**	33,010
	15,222,732	13,939,649
	1,092,910	1,248,870

4. INCOME FROM OTHER SERVICES

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Insurance commission	**431,994**	427,354	**–**	–
Consignment sales commission	**333,325**	263,138	**333,325**	263,138
Service income from training	**4,000**	2,962	**–**	–
International driving permit fees	**308,606**	309,135	**308,606**	309,135
Event income	**32,986**	151,298	**32,986**	151,298
Income from sales of accessories	**4,741**	40,617	**4,741**	40,617
Agency fees	**1,378**	1,189	**1,378**	1,189
Sales of system codes and licence fees	**780**	2,236	**–**	–
Vehicle evaluation fees	**18,255**	7,231	**18,255**	7,231
Miscellaneous income	**124,213**	204,002	**77,390**	162,657
	1,260,278	1,409,162	**776,681**	935,265

5. INTEREST INCOME

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Interest income from:				
– bank accounts	**1,296**	13,544	**1,296**	12,388
– fixed deposits	**96,236**	296,083	**25,466**	60,717
– bonds	**448,864**	470,713	**142,174**	268,141
– loans to subsidiary companies	**–**	–	**624,000**	611,748
	546,396	780,340	**792,936**	952,994

6. LEASE INCOME

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Gross lease income from				
– investment property	**1,123,771**	1,096,607	**–**	–
– leasehold property	**568,171**	622,299	**–**	–
	1,691,942	1,718,906	**–**	–
Less: Property related expenses				
– investment property	**235,543**	239,212	**–**	–
	235,543	239,212	**–**	–
	1,456,399	1,479,694	**–**	–

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31 December 2021

7. OTHER INCOME

	Group		Association	
	2021 $	2020 $	2021 $	2020 $
Administrative and service income	**31,200**	30,200	**873,672**	809,907
Compensation received from insurance company	**53,314**	45,180	**–**	–
Gain on disposal of property, plant and equipment	**–**	16,580	**–**	–
Government grants				
– Jobs Support Scheme (a)	**200,629**	1,024,194	**113,678**	554,380
– Rent concessions	**3,200**	350,981	**–**	–
– Other grants	**72,116**	140,920	**35,349**	83,784
Sundry income	**105,651**	301,075	**–**	–
	466,110	1,909,130	**1,022,699**	1,448,071

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

8. DEPRECIATION EXPENSE

	Group		Association	
	2021 $	2020 $	2021 $	2020 $
Depreciation of				
– Property, plant and equipment [note 12(c)]	**1,737,167**	1,380,043	**232,484**	154,690
– Investment property (note 13)	**327,044**	327,044	**–**	–
– Right-of-use assets (note 15)	**393,937**	317,140	**393,937**	317,140
	2,458,148	2,024,227	**626,421**	471,830

9. EMPLOYEE BENEFITS EXPENSE

	Group		Association	
	2021 $	2020 $	2021 $	2020 $
Salaries and other related costs	**4,343,891**	4,874,368	**2,302,434**	2,491,105
Employer's contributions to Central Provident Fund	**470,909**	535,856	**249,286**	280,613
Other benefits	**32,398**	26,672	**14,905**	14,282
	4,847,198	5,436,896	**2,566,625**	2,786,000

10. OTHER EXPENSES

	Group		Association	
	2021 $	2020 $	2021 $	2020 $
Audit fees	**69,100**	63,523	**35,000**	33,000
Donations and sponsorships	**19,750**	27,610	**19,750**	27,610
Highway magazine	**304,603**	301,986	**304,603**	301,986
Intangible asset written off	**54,213**	–	**–**	–
Property, plant and equipment written off	**7,736**	–	**–**	–
Maintenance of property, plant and equipment	**672,136**	708,618	**261,537**	270,589
Lease expenses				
– short term lease	**–**	–	**1,384,162**	1,379,163
– variable lease	**–**	77,073	**–**	76,572
Other administrative and operating expenses	**1,884,052**	2,010,163	**776,696**	711,091
Loss on disposal of bonds	**75,816**	–	**30,816**	–
Loss on disposal of property, plant and equipment	**–**	–	**–**	16,675
Rental rebate	**–**	288,117	**–**	–
Towing and vehicle recovery expenses	**248,010**	193,837	**1,437,350**	1,716,575
	3,335,416	3,670,927	**4,249,914**	4,533,261

11. INCOME TAX EXPENSE

	Group		Association	
	2021 $	2020 $	2021 $	2020 $
Provision for current taxation	**146,849**	156,388	**106,828**	135,424
Over-provision of taxation in prior year	**(3,173)**	(8,319)	**–**	(120)
	143,676	148,069	**106,828**	135,304
Reconciliation of income tax expense:				
Deficit before tax	**(2,906,858)**	(1,496,075)	**(1,757,427)**	(1,369,567)
Tax at statutory rate of 17%	**(494,166)**	(254,333)	**(298,763)**	(232,826)
Tax effects of:				
Non-taxable income	**(1,042,861)**	(1,348,548)	**(1,026,748)**	(1,161,673)
Non-deductible expenses	**1,757,034**	1,889,030	**1,456,458**	1,558,655
Statutory stepped income exemption	**(35,883)**	(24,797)	**(17,425)**	(17,425)
Income tax at concessionary rate	**(5,029)**	–	**–**	–
Corporate tax rebate	**(11,575)**	(16,219)	**(6,694)**	(11,224)
Deferred tax assets not recognised	**35,425**	37,769	**–**	–
Utilisation of deferred tax assets previously not recognised	**(26,187)**	(109,325)	**–**	–
Tax incentive	**(13,667)**	(13,986)	**–**	–
Over-provision of taxation in prior year	**(3,173)**	(8,319)	**–**	(120)
Others	**(16,242)**	(3,203)	**–**	(83)
	143,676	148,069	**106,828**	135,304

As at the balance sheet date, the Group has unutilised tax losses amounting to approximately $2,859,000 (2020: $2,878,000) available for set-off against future taxable income, subject to compliance with the Income Tax Act and the approval of the Comptroller of Income Tax.

Deferred tax assets amounting to approximately $486,000 (2020: $489,000) arising from the above tax losses are not recognised in the accounts due to the uncertainty of future taxable profits being available against which the tax benefits can be utilised.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold property $	Motor vehicles and equipment $	Tow trucks $	Furniture, fittings, plant and equipment and office equipment $	Fruit machines $	Renovations $	Total $
(a) Group							
Cost							
At 1 January 2020	30,046,784	680,107	3,716,026	2,041,126	1,760,854	1,809,229	40,054,126
Additions	–	–	595,592	213,873	209,920	812,306	1,831,691
Disposals/written off	–	(61,994)	(813,464)	(19,168)	(192,100)	–	(1,086,726)
Reclassification	(3,132,354)	–	–	–	–	3,132,354	–
At 1 January 2021	**26,914,430**	**618,113**	**3,498,154**	**2,235,831**	**1,778,674**	**5,753,889**	**40,799,091**
Additions	**23,812**	**–**	**170,920**	**60,297**	**152,936**	**53,000**	**460,965**
Disposals/written off	**–**	**–**	**(264,560)**	**(7,710)**	**(94,300)**	**(216,760)**	**(583,330)**
At 31 December 2021	***26,938,242**	**618,113**	**3,404,514**	**2,288,418**	**1,837,310**	**5,590,129**	**40,676,726**
Accumulated depreciation							
At 1 January 2020	286,160	494,279	2,694,371	1,273,591	1,531,978	1,753,331	8,033,710
Charge for the year	741,079	23,840	266,725	249,152	111,685	148,968	1,541,449
Disposals/written off	–	(61,994)	(777,714)	(18,118)	(176,475)	–	(1,034,301)
At 1 January 2021	**1,027,239**	**456,125**	**2,183,382**	**1,504,625**	**1,467,188**	**1,902,299**	**8,540,858**
Charge for the year	**769,013**	**23,840**	**275,773**	**250,659**	**135,627**	**565,191**	**2,020,103**
Disposals/written off	**–**	**–**	**(254,786)**	**(6,266)**	**(94,300)**	**(216,760)**	**(572,112)**
At 31 December 2021	**1,796,252**	**479,965**	**2,204,369**	**1,749,018**	**1,508,515**	**2,250,730**	**9,988,849**
Carrying amount							
At 31 December 2021	**25,141,990**	**138,148**	**1,200,145**	**539,400**	**328,795**	**3,339,399**	**30,687,877**
At 31 December 2020	25,887,191	161,988	1,314,772	731,206	311,486	3,851,590	32,258,233

* Included in the cost of leasehold property is an amount of $1,451,081 (2020: $1,451,081) which represents unbilled redevelopment costs of the leasehold property which the Group has withheld payment to the main contractor since 2019, as explained in note 26(a).

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles and equipment $	Furniture, fittings and office equipment $	Fruit machines $	Renovations $	Total $
(b) Association					
Cost					
At 1 January 2020	361,424	1,213,817	1,760,854	1,775,909	5,112,004
Additions	–	146,073	209,920	685,426	1,041,419
Disposals/written off	–	(16,318)	(192,100)	–	(208,418)
At 1 January 2021	**361,424**	**1,343,572**	**1,778,674**	**2,461,335**	**5,945,005**
Additions	**–**	**44,789**	**152,936**	**–**	**197,725**
Disposals/written off	**–**	**(1,200)**	**(94,300)**	**(216,760)**	**(312,260)**
At 31 December 2021	**361,424**	**1,387,161**	**1,837,310**	**2,244,575**	**5,830,470**
Accumulated depreciation					
At 1 January 2020	177,906	830,079	1,531,978	1,745,045	4,285,008
Charge for the year	23,840	122,909	111,685	57,662	316,096
Disposals/written off	–	(15,268)	(176,475)	–	(191,743)
At 1 January 2021	**201,746**	**937,720**	**1,467,188**	**1,802,707**	**4,409,361**
Charge for the year	**23,840**	**125,274**	**135,627**	**230,679**	**515,420**
Disposals/written off	**–**	**(1,200)**	**(94,300)**	**(216,760)**	**(312,260)**
At 31 December 2021	**225,586**	**1,061,794**	**1,508,515**	**1,816,626**	**4,612,521**
Carrying amount					
At 31 December 2021	**135,838**	**325,367**	**328,795**	**427,949**	**1,217,949**
At 31 December 2020	159,678	405,852	311,486	658,628	1,535,644

(c) Depreciation of property, plant and equipment of the Group and the Association are charged to profit or loss and presented as follows:

	Group 2021 $	Group 2020 $	Association 2021 $	Association 2020 $
Fruit machine net takings – Expenditure (note 3)	**282,936**	161,406	**282,936**	161,406
Depreciation expense (note 8)	**1,737,167**	1,380,043	**232,484**	154,690
	2,020,103	1,541,449	**515,420**	316,096

13. INVESTMENT PROPERTY

	Freehold property $	Renovations $	Total $
Group			
Cost			
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	44,409,280	312,498	44,721,778
Accumulated depreciation and impairment loss			
At 1 January 2020	5,296,659	12,500	5,309,159
Charge for the year (note 8)	295,794	31,250	327,044
At 1 January 2021	**5,592,453**	**43,750**	**5,636,203**
Charge for the year (note 8)	**295,794**	**31,250**	**327,044**
At 31 December 2021	**5,888,247**	**75,000**	**5,963,247**
Carrying amount			
At 31 December 2021	**38,521,033**	**237,498**	**38,758,531**
At 31 December 2020	38,816,827	268,748	39,085,575

(a) The fair value of the above investment property of the Group as at 31 December 2021 is approximately $43 million (2020: $43 million). This is determined based on a desktop valuation performed on 31 December 2021 (2020: formal valuation performed on 31 December 2020) by an independent appraiser, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (2020: Colliers International Consultancy & Valuation (Singapore) Pte Ltd) who holds a recognised and relevant professional qualification. The valuation for both 2021 and 2020 were based on the income approach and cross-checked by direct comparisons with transactions of comparable properties within the vicinity and elsewhere.

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

(c) Direct operating expenses arising from income generating investment property amounted to $225,728 (2020: $229,244).

Direct operating expenses arising from non-income generating investment property amounted to $9,814 (2020: $9,968).

14. INTANGIBLE ASSETS

	Computer software $	Mobile application $	Total $
(a) Group			
Cost			
At 1 January 2020	995,301	–	995,301
Additions	68,850	65,056	133,906
At 31 December 2020 and 1 January 2021	1,064,151	65,056	1,129,207
Written off	–	(65,056)	(65,056)
At 31 December 2021	**1,064,151**	**–**	**1,064,151**
Accumulated amortisation			
At 1 January 2020	914,638	–	914,638
Amortisation for the year	46,589	3,253	49,842
At 31 December 2020 and 1 January 2021	961,227	3,253	964,480
Amortisation for the year	51,176	7,590	58,766
Written off	–	(10,843)	(10,843)
At 31 December 2021	**1,012,403**	**–**	**1,012,403**
Carrying amount			
At 31 December 2021	**51,748**	**–**	**51,748**
At 31 December 2020	102,924	61,803	164,727
(b) Association			
Cost			
At 1 January 2020	995,301	–	995,301
Additions	38,520	–	38,520
At 31 December 2020, 1 January 2021 and 31 December 2021	1,033,821	–	1,033,821
Accumulated amortisation			
At 1 January 2020	914,638	–	914,638
Amortisation for the year	44,567	–	44,567
At 31 December 2020 and 1 January 2021	959,205	–	959,205
Amortisation for the year	45,110	–	45,110
At 31 December 2021	**1,004,315**	**–**	**1,004,315**
Carrying amount			
At 31 December 2021	**29,506**	**–**	**29,506**
At 31 December 2020	74,616	–	74,616

15. RIGHT-OF-USE ASSETS

	Group and Association		
	Properties	Equipment	Total
	$	$	$
Cost			
At 1 January 2020	2,653,666	29,107	2,682,773
Additions	2,848,042	–	2,848,042
At 31 December 2020 and 1 January 2021	**5,501,708**	**29,107**	**5,530,815**
Additions	**–**	**8,514**	**8,514**
Disposal	**(1,201,296)**	**(11,015)**	**(1,212,311)**
At 31 December 2021	**4,300,412**	**26,606**	**4,327,018**
Accumulated depreciation			
At 1 January 2020	1,767,609	16,887	1,784,496
Charge for the year	587,981	5,822	593,803
At 31 December 2020 and 1 January 2021	2,355,590	22,709	2,378,299
Charge for the year	708,429	4,979	713,408
Disposal	(1,201,296)	(11,015)	(1,212,311)
At 31 December 2021	**1,862,723**	**16,673**	**1,879,396**
Carrying amount			
At 31 December 2021	**2,437,689**	**9,933**	**2,447,622**
At 31 December 2020	3,146,118	6,398	3,152,516

The Group and the Association lease properties and equipment over lease periods ranging from 1 to 6 years (2020: 1 to 6 years), with option for extension. Lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes.

Depreciation of right-of-use assets is charged to profit or loss and presented as follows:

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Fruit machine net takings – Expenditure (note 3)	**319,471**	276,663	**319,471**	276,663
Depreciation expense (note 8)	**393,937**	317,140	**393,937**	317,140
	713,408	593,803	**713,408**	593,803

16. FINANCIAL ASSETS, AT FVOCI

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
At the beginning of the financial year	**15,213,475**	14,194,990	**12,147,205**	11,126,800
Additions	**8,278,625**	808,500	**8,278,625**	808,500
Redemption of bonds upon maturity	**(3,066,270)**	–	**–**	–
Disposal	**(3,525,105)**	–	**(3,525,105)**	–
Fair value (losses)/gains recognised in other comprehensive income (note 22)	**(321,663)**	209,985	**(321,663)**	211,905
At the end of financial year	**16,579,062**	15,213,475	**16,579,062**	12,147,205
Presented as:				
– Current Assets	**1,004,000**	3,066,270	**1,004,000**	–
– Non-current Assets	**15,575,062**	12,147,205	**15,575,062**	12,147,205
	16,579,062	15,213,475	**16,579,062**	12,147,205

The above investments, consisting of fixed income debt instruments with interest yield ranging from 2.80% to 4.15% (2020: 2.80% to 4.15%) per annum, are measured at fair value based on quoted market prices as at the balance sheet date. Their maturities are as follows:

		Group		Association	
		2021	2020	2021	2020
		$	$	$	$
	– Redeemable in 2021	**–**	3,066,270	**–**	–
	– Redeemable in 2022	**1,004,000**	2,521,395	**1,004,000**	2,521,395
*	– Redeemable in 2024	**3,063,000**	3,122,250	**3,063,000**	3,122,250
	– Redeemable in 2025	**2,048,000**	2,101,760	**2,048,000**	2,101,760
	– Redeemable in 2026	**5,269,500**	2,019,480	**5,269,500**	2,019,480
	– Redeemable in 2027	**1,581,000**	1,573,820	**1,581,000**	1,573,820
*	– Redeemable in 2028	**1,283,125**	–	**1,283,125**	–
*	– Redeemable in 2029	**2,330,437**	808,500	**2,330,437**	808,500
		16,579,062	15,213,475	**16,579,062**	12,147,205

* These bonds, with an aggregate carrying amount of $6,676,562 (2020: $3,930,750) maturing between July 2024 and February 2029, yield interest at 2.80% to 3.80% (2020: 2.80% to 3.50%) per annum. These investments are acquired by the Association on behalf of certain subsidiary companies, and the interest arising from these bonds are due and payable to the relevant subsidiary companies [note 18(c)].

17. INVESTMENTS IN SUBSIDIARY COMPANIES

		Association	
		2021	2020
		$	$
(a)	Unquoted shares, at cost	**6,450,002**	6,450,002
	Less: Impairment losses brought forward	**(2,063,500)**	(2,063,500)
		4,386,502	4,386,502

17. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

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

Name of subsidiary companies	Principal activities	Country of incorporation/ Principal place of business	Percentage of ownership interests		Cost of investments	
			2021	2020	2021	2020
			%	%	$	$
AAS @ 2KC Pte. Ltd. (f.k.a. 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
AAS Investment Holdings Pte. Ltd. (f.k.a. 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

Name of subsidiary companies	Principal activities	Country of incorporation/ Principal place of business	Percentage of ownership interests	
			2021	2020
			$	$
Held by AAS @ 2KC Pte. Ltd. ("AAS@2KC")				
Autoswift Recovery Pte Ltd (f.k.a. Res Q Me Pte. Ltd.) (i)	Provision of vehicle recovery and towing services	Singapore	**–**	100
Held by AAS Investment Holdings Pte. Ltd. ("AASIH")				
Autoswift Recovery Pte Ltd (f.k.a. Res Q Me Pte. Ltd.) (i)	Provision of vehicle recovery and towing services	Singapore	**100**	–
AAS Academy Pte. Ltd.	Provision of professional and vocational training for drivers	Singapore	**100**	100
AAS @ Midview Pte. Ltd.	Dormant	Singapore	**100**	–
AAS Surface Aesthetics Pte. Ltd. (ii)	Dissolved – Member's voluntary winding up	Singapore	**100**	100

17. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTINUED)

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

The financial statements of all subsidiary companies of the Association were audited by Lo Hock Ling & Co. except for the dormant subsidiary, AAS @ Midview Pte. Ltd., which was not required to be audited in financial year 2021.

(i) On 8 September 2021, AAS @ 2KC Pte. Ltd. disposed of its entire equity interests in Autoswift Recovery Pte Ltd to AAS Investment Holdings Pte. Ltd. at cost.

(ii) In 2020, AAS Surface Aesthetics Pte. Ltd. went into members' voluntary liquidation. Upon the completion of the liquidation on 9 October 2021, a final return of capital of $43,192 was received by its immediate holding company, AAS Investment Holdings Pte. Ltd.

18. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

	Association	
	2021	**2020**
	$	**$**
Due from subsidiary companies		
After 12 months – non-trade (a)	**62,400,000**	62,400,000
Within 12 months		
– trade	**13,285**	249
– non-trade (b)	**2,199,060**	2,030,809
	2,212,345	2,031,058
	64,612,345	64,431,058
Due to subsidiary companies		
After 12 months – non-trade (c)	**(9,843,238)**	(5,182,326)
Within 12 months		
– trade	**(922,952)**	(1,093,594)
– non-trade (d)	**(48,333)**	–
	(971,285)	(1,093,594)
	(10,814,523)	(6,275,920)

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

These comprise unsecured loans to subsidiary companies amounting to $62,400,000 (2020: $62,400,000) which bear interest at 1.00% (2020: 1.00%) per annum.

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

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

Included in these net current receivables are designated funds amounting to $2,018,600 (2020: $2,000,000) 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 0.45% (2020: 0.93%) per annum which are due and payable to the Association upon maturity.

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

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

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

These investments, maturing between July 2024 and February 2029, yield interest at 2.80% to 3.80% (2020: 2.80% to 3.50%) per annum which are due and payable to the subsidiary companies upon maturity (note 16).

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

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

19. INVENTORIES

	Group		Association	
	2021 $	2020 $	2021 $	2020 $
Inventories carried at cost	**66,488**	65,050	**59,900**	58,168

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

20. TRADE AND OTHER RECEIVABLES

	Group		Association	
	2021 $	2020 $	2021 $	2020 $
Trade receivables (a)	**196,253**	260,174	**7,411**	6,484
Allowance for expected credit losses				
Balance at beginning of the year	**–**	(121,218)	**–**	–
Bad debts written off against allowance	**–**	121,218	**–**	–
Balance at end of the year	**–**	–	**–**	–
	196,253	260,174	**7,411**	6,484
Accrued receivables	**61,481**	103,482	**15,098**	5,516
	257,734	363,656	**22,509**	12,000
Non-trade receivables (c)	**218,170**	74,371	**74,529**	43,569
Deposits	**286,677**	276,168	**224,878**	218,186
Down payment [note 37(c)]	**61,400**	–	**–**	–
Grant receivable [note 26(b)]	**–**	120,117	**–**	67,300
Interest receivable	**203,698**	205,486	**170,028**	117,165
Prepayments	**814,247**	125,984	**357,527**	159,301
Recoverable costs (b)	**271,919**	255,683	**–**	–
	1,856,111	1,057,809	**826,962**	605,521
	2,113,845	1,421,465	**849,471**	617,521

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables are unsecured, non-interest bearing and are generally on 30 days' (2020: 30 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

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

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Bad debt written off	**–**	1,284	**–**	–

(b) Recoverable costs amounting to $271,919 (2020: $255,683) represent related costs that the Group paid for the redevelopment of its leasehold property, as explained in note 26(a) to the financial statements.

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

21. CASH AND CASH EQUIVALENTS

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Fixed deposits	**13,751,717**	13,947,702	**926,403**	3,395,738
Cash and bank balances	**9,538,518**	13,979,850	**6,329,156**	7,049,054
Cash and cash equivalents (Statements of Financial Position)	**23,290,235**	27,927,552	**7,255,559**	10,444,792
Less:				
Fixed deposits with maturities over 3 months				
– Deposits pledged with banks*	**251,504**	251,253	**251,504**	251,253
– Unpledged deposits	**9,764,711**	11,646,449	**624,899**	3,094,485
	10,016,215	11,897,702	**876,403**	3,345,738
Cash and cash equivalents (Statement of Cash Flows)	**13,274,020**	16,029,850	**6,379,156**	7,099,054
Fixed deposits with maturities				
not more than 3 months	**3,735,502**	2,050,000	**50,000**	50,000
between 3 and 12 months	**10,016,215**	11,897,702	**876,403**	3,345,738
	13,751,717	13,947,702	**926,403**	3,395,738

The fixed deposits of the Group bear interest at rates ranging from 0.10% to 0.60% (2020: 0.10% to 1.78%) per annum.

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

22. FAIR VALUE RESERVE

	Group		Association	
	2021 $	2020 $	2021 $	2020 $
Balance at beginning of the year	**77,975**	(132,010)	**56,705**	(155,200)
Net fair value losses reclassified to profit or loss upon disposal of bonds	**67,625**	–	**88,895**	–
Fair value (losses)/gains on financial assets at FVOCI, recognised in other comprehensive income (note 16)	**(321,663)**	209,985	**(321,663)**	211,905
	(254,038)	209,985	**(232,768)**	211,905
Balance at end of the year	**(176,063)**	77,975	**(176,063)**	56,705

23. FRUIT MACHINE REPLACEMENT RESERVE

	Group and Association	
	2021 $	2020 $
Balance at beginning of the year	**483,299**	513,219
Transfer from accumulated funds	**240,000**	180,000
Purchase of fruit machines	**(152,936)**	(209,920)
	87,064	(29,920)
Balance at end of the year	**570,363**	483,299

24. SUBSCRIPTIONS RECEIVED IN ADVANCE

	Group		Association	
	2021 $	2020 $	2021 $	2020 $
Contract liabilities to be recognised as revenue:				
After 12 months				
Life membership subscriptions	**153,295**	177,013	**153,295**	177,013
Ordinary and other membership subscriptions	**1,215,591**	1,586,491	**1,215,591**	1,586,491
	1,368,886	1,763,504	**1,368,886**	1,763,504
Within 12 months				
Life membership subscriptions	**23,718**	24,709	**23,718**	24,709
Ordinary and other membership subscriptions	**1,555,741**	1,736,165	**1,515,089**	1,695,523
	1,579,459	1,760,874	**1,538,807**	1,720,232
Total subscriptions received in advance	**2,948,345**	3,524,378	**2,907,693**	3,483,736

Total subscriptions received in advance as at 31 December 2021 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 2022 to 2034 (2020: 2021 to 2034).

Subscriptions recognised as revenue of the Group and the Association in 2021 which were included in subscriptions received in advance as at 1 January 2021 (2020: 1 January 2020) amounted to $1,760,874 and $1,720,232 (2020: $1,694,057 and $1,688,079) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

25. DEFERRED TAX LIABILITIES

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Deferred tax liabilities on excess of carrying amount over tax written down value of property, plant and equipment	**3,000**	3,000	**–**	–

26. TRADE AND OTHER PAYABLES

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Due after 12 months				
Provisions (note 28)	**276,419**	276,419	**276,419**	276,419
	276,419	276,419	**276,419**	276,419
Due within 12 months				
Trade payables	**57,955**	54,320	**–**	–
Accrued operating expenses	**2,481,041**	3,039,395	**1,476,063**	1,959,901
Accrued redevelopment costs of leasehold property (a)	**1,451,081**	1,451,081	**–**	–
Deposits	**336,448**	339,039	**48,955**	48,946
Deferred grant income (b)	**–**	120,117	**–**	67,300
Contract liabilities (c)	**8,203**	115,310	**960**	480
Goods and services tax payable	**129,555**	118,273	**58,530**	56,481
Non-trade payables	**446,022**	424,936	**136,635**	188,901
Provisions (note 28)	**–**	3,493	**–**	3,493
	4,910,305	5,665,964	**1,721,143**	2,325,502
Total trade and other payables	**5,186,724**	5,942,383	**1,997,562**	2,601,921

Trade and other payables due within 12 months are unsecured, non-interest bearing and are normally settled within 30 to 90 days (2020: 30 to 90 days) or on demand.

(a) Accrued redevelopment costs of leasehold property represent unbilled redevelopment costs of the redevelopment project which has been completed in 2019. The Group has withheld payment to the main contractor pending the settlement of certain disputes and claims related to the redevelopment project.

(b) Deferred grant income comprised JSS grant [note 7(a)] in respect of and receivable in the next financial year, for which the Group and the Association had fulfilled the grant requirements as at 31 December 2020.

(c) Contract liabilities relate to the Group's obligations to organise events, provide services and lease of office spaces to customers who have made advance service fee payments to the Group. Contract liabilities are recognised as revenue over the period when the services are provided. Revenue recognised in the current year that were included in contract liabilities at the beginning of the year amounted to $115,310 (2020: $159,904) and $480 (2020: 145,010) for the Group and the Association respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

27. LEASE LIABILITIES

	Group and Association			
	2021		2020	
	Minimum lease liabilities $	Present value of lease liabilities $	Minimum lease liabilities $	Present value of lease liabilities $
Lease payments due:				
Within 1 year	**751,766**	**642,268**	782,201	638,647
After 1 year but not later than 5 years	**1,999,824**	**1,840,555**	2,242,600	1,954,390
After 5 years	**–**	**–**	541,677	532,911
	1,999,824	**1,840,555**	2,784,277	2,487,301
	2,751,590	**2,482,823**	3,566,478	3,125,948
Less: Amounts representing interest	**(268,767)**	**–**	(440,530)	–
	2,482,823	**2,482,823**	3,125,948	3,125,948

The incremental borrowing rate of the above leases was 5.00% (2020: 5.00%) per annum.

Reconciliation of changes in liabilities arising from financing activities

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

	2021 $	2020 $
Lease liabilities as at 1 January	**3,125,498**	938,402
Non-cash movements:		
Add: Capitalisation of new lease liability	**8,154**	2,691,623
Add: Accretion of interest*	**138,150**	74,812
Cash movements:		
Less: Payment of lease liabilities during year		
– Principal portion	**(651,639)**	(504,077)
– Interest	**(138,150)**	(74,812)
Lease liabilities as at 31 December	**2,482,823**	3,125,498

* *Interest on lease liabilities*

Interest on lease liabilities for the year is charged to profit or loss and presented as follows:

	Group and Association	
	2021 $	2020 $
Fruit machine net takings – Expenditure (note 3)	**64,858**	33,010
Finance costs	**73,292**	41,802
Total interest on lease liabilities	**138,150**	74,812

28. PROVISIONS

	Group 2021 $	Group 2020 $	Association 2021 $	Association 2020 $
Provision for reinstatement costs				
At beginning of the financial year	**279,912**	216,760	**279,912**	216,760
Additions	**–**	156,419	**–**	156,419
Amount utilised	**–**	(93,267)	**–**	(93,267)
Amount written back	**(3,493)**	–	**(3,493)**	–
At end of the financial year	**276,419**	279,912	**276,419**	279,912
Presented as:				
Due after 12 months (note 26)	**276,419**	276,419	**276,419**	276,419
Due within 12 months (note 26)	**–**	3,493	**–**	3,493
	276,419	279,912	**276,419**	279,912

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.

29. RELATED PARTY DISCLOSURES

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

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

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

	Association 2021 $	Association 2020 $
(a) With subsidiary companies		
Administrative and service income	**873,672**	809,907
Interest income	**624,000**	611,748
Subscription income	**40**	364
Towing and vehicle recovery expenses	**1,437,350**	1,716,575
Lease expenses	**1,384,162**	1,378,662
Other expenses	**105,705**	62,884

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

	Group 2021 $	Group 2020 $	Association 2021 $	Association 2020 $
Donations and sponsorship expenses	**500**	15,000	**500**	15,000
Lease income	**131,550**	70,271	**–**	–
Purchase of services	**–**	95,004	**–**	15,667

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

30. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation are as follows:

	Group and Association	
	2021	2020
	$	$
Salaries and other related costs	**1,169,807**	1,103,218
Employer's contributions to Central Provident Fund	**119,337**	109,487
Short-term employee benefits	**1,289,144**	1,212,705

31. LEASE COMMITMENTS

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

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

As at 31 December 2021, the Association has an operating lease commitment amounting to approximately $1,384,000 (2020: $1,378,000) in respect of short-term lease of office premises from its subsidiary company.

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

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

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Lease income receivable				
– within 1 year	**1,688,136**	1,626,521	**24,000**	28,800
– after 1 year but not later than 5 years	**1,068,095**	1,519,458	**–**	24,000
	2,756,231	3,145,979	**24,000**	52,800

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Lease income receivable in respect of lease contracts with a corporation in which a General Committee member has interests/influence	**221,517**	370,450	**–**	–

The above operating leases do not provide for contingent rents.

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. 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 $62.4 million (2020: $62.4 million) [note 18(a)], intended to fund the long term capital requirements of the relevant subsidiaries, are considered by the management to be in substance part of the Association's net investment in the said subsidiaries, and are accounted for in accordance with note 2.12. The short-term advances to subsidiary companies are part of the Association's funds management strategy. The Association's management is satisfied that there are sufficient financial assets and other committed credit lines to meet the cash flow needs of the Association.

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

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

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

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

At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

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.

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Liquidity risk (Continued)

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

	Within 1 year $	Between 2 to 5 years $	After 5 years $	Total $
Group				
2021				
Trade and other payables	**4,772,547**	**–**	**–**	**4,772,547**
Lease liabilities	**751,766**	**1,999,824**	**–**	**2,751,590**
	5,524,313	**1,999,824**	**–**	**7,524,137**
2020				
Trade and other payables	5,308,771	–	–	5,308,771
Lease liabilities	782,201	2,242,600	541,677	3,566,478
	6,090,972	2,242,600	541,677	8,875,249
Association				
2021				
Trade and other payables	**1,661,653**	**–**	**–**	**1,661,653**
Lease liabilities	**751,766**	**1,999,824**	**–**	**2,751,590**
Amount due to subsidiary companies	**971,285**	**9,843,238**	**–**	**10,814,523**
	3,384,704	**11,843,062**	**–**	**15,227,766**
2020				
Trade and other payables	2,197,748	–	–	2,197,748
Lease liabilities	782,201	2,242,600	541,677	3,566,478
Amount due to subsidiary companies	1,093,594	5,182,326	–	6,275,920
	4,073,543	7,424,926	541,677	12,040,146

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 variable rate interest-bearing financial liabilities. Its only exposure to changes in interest rates relates primarily to interest-bearing bank deposits. The Group monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

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

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

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

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	
	2021 $	2020 $	2021 $	2020 $
Fair value reserve	**828,953**	760,674	**828,953**	607,360

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 Measured at Fair Value

The only financial assets of the Group measured at fair value are quoted commercial bonds classified as financial assets at FVOCI, 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.

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Fair Value of Financial Instruments (Continued)

(ii) Financial Instruments Not Measured at Fair Value

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

The long term loans to subsidiary companies amounting to $62.4 million (2020: $62.4 million), disclosed in note 18(a), which the management regards in substance to be part of the Association's net investment in the subsidiaries, are stated at cost less impairment loss, in accordance with note 2.12.

(d) Transfers Between Levels of Fair Value Hierarchy

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

(e) Valuation Policies and Procedures

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

34. FINANCIAL INSTRUMENTS BY CATEGORY

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

	Group		Association	
	2021 $	2020 $	2021 $	2020 $
Financial assets at FVOCI	**16,579,062**	15,213,745	**16,579,062**	12,147,205
Financial assets at amortised cost	**24,528,433**	29,102,916	**72,359,848**	75,266,770
Financial liabilities at amortised cost	**7,255,370**	8,434,719	**14,958,999**	11,599,616

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.

35. RESERVES MANAGEMENT (CONTINUED)

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

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

36. FINANCIAL GUARANTEE CONTRACTS

As at the balance sheet date, the Group and the Association have obtained letters of guarantee ("LOGs") issued by financial institutions in favour of various government authorities with maximum exposure amounting to approximately $95,000 and $50,000 (2020: $91,000 and $50,000) respectively. As at the reporting date, the management does not consider it probable that a claim will be made against the Group or the Association under these LOGs.

37. GROUP RESTRUCTURING AND SUBSEQUENT EVENT

(a) During the year, the subsidiary company, AASIH, entered into a Share Sale and Purchase Agreement for the acquisition of 75% equity interests in two Singapore-incorporated companies, BCC Automotive Pte. Ltd. and Four Wheels Auto Pte. Ltd.. The aggregate purchase consideration of $500,000 has been fully paid as at 31 December 2021 and included in "Other receivables – Prepayment" (note 20). The shares acquisition was completed on 3 January 2022.

(b) On 8 September 2021, the subsidiary company, AAS@2KC has disposed its subsidiary, ASR to a fellow subsidiary, AASIH as disclosed in note 17(b)(i). Following the disposal of its subsidiary, AAS@2KC entered into a Business Transfer Agreement with ASR on 3 December 2021 whereby AAS@2KC agreed to sell, assign and transfer its vehicle recovery service business ("the Business") as a going concern to ASR at a consideration of $928,652. This amount represents the net book value of the assets used for and liabilities arising from the Business as at 31 December 2021. The transfer of the Business was completed on 3 January 2022.

(c) During the year, the Group entered into a Sale and Purchase Agreement to purchase a commercial property for a consideration of $835,000 by exercising its option to purchase with a down payment of $61,400 (note 20). The remaining balance of $773,600 was paid after the balance sheet date and the transaction was completed on 26 January 2022.

38. IMPACT OF COVID-19

Since the outbreak of Corona Virus Disease 2019 ("COVID-19") in early 2020, the pandemic has significantly and adversely impacted various sectors of global economies. As the COVID-19 pandemic evolves, the global situation remains fluid. As at the date of issue of these financial statements, the management is unable to reasonably ascertain the full extent of the probable impact of the pandemic on the Group's operations and financial performance for the financial year ending 31 December 2022. Notwithstanding this, the management has assessed that the Group is able to maintain sufficient liquidity to continue operations as a going concern for at least the next 12 months from the end of the reporting period. The management will continue to monitor the developments and will take further actions as necessary in response to the economic disruption.

39. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Association and consolidated financial statements of the Group for the year ended 31 December 2021 were authorised for issue by the General Committee on 20 April 2022.

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