

**SERANGOON GARDENS
COUNTRY CLUB**

**ANNUAL REPORT
2016 / 2017**





Vision

To be Singapore's best family club for recreational and social activities

Mission

Exceed members' expectations with a wide range of activities and excellent service, offering members and their families and guests a satisfying experience at the Club

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GENERAL COMMITTEE



Mr Randy Sng Yong Hoe
President
Chairperson – Facilities, Maintenance & Safety



Mr Lee Say Yeow
Vice-President
Chairperson – Project & Tender
Deputy Chairperson – Sports & Recreation



Dr Edmond Tan Chok Jueh
Honorary Secretary



Ms Wong Sook Yee
Honorary Treasurer
Chairperson - Finance & Purchasing



Mr Peter Chia Kwang Hai
Assistant Honorary Secretary
Chairperson – Security & Disciplinary



Mr Frederick Kang Hong Chee
Assistant Honorary Treasurer
Chairperson – Food & Beverage



Mr Terrence Fernandez
Chairperson – Membership & Service Excellence



Mr Joseph Koh Thuan Joo



Mr Gilbert Low Teck Hian
Chairperson – Sports & Recreation



Mr Ansband Tan Wah Hong
Deputy Chairperson – Sports & Recreation



Mr Christopher Tan Teow Hin



Mr James Tan Jee Hai
Chairperson – Human Resource



Mr Tan Yew Teong

PATRONS



Mr Goh Chok Tong
Patron-In-Chief
Emeritus Senior Minister



Mr George Yeo



Mrs Lim Hwee Hua



Ms Sylvia Lim

TRUSTEES



Mr Hendrick Koh
PPA PBM BBM



Mr Anthony Tan



Mr Pao Kiew Tee

CONVENORS

Mr David Lee
Billiard Convenor

Mr Edward Tan
Bowling Convenor

Mr Ronnie Ng
Chess Convenor

Mr Ramel Ang
Darts Convenor

Mr Eddie Ng
Fitness Convenor

Mr Aaron Lim
Golf Convenor

Mr Edwin Lee
Squash Convenor

Ms Lam Wai Leng
Swimming Convenor

Mr Steven Lee
Tennis Convenor

Dear Members

It has been an eventful year. I look back with satisfaction on a year that has been truly challenging but fulfilling nonetheless. The overall global markets were volatile, exacerbated by uncertainty in economic growth. Against this backdrop, the Club made good progress on its strategy and the financial performances revealed a healthy trend, especially in the Club's effort in extending assets' lifespan. I am also pleased to share with you that we have successfully carried out the Heliconia Wing's lift modernisation project earlier this year. The upgraded lift can now serve all levels of the Heliconia Wing. In the past year, we have been organising more events and activities to engage members and we will continue to do so to boost vibrancy in the Club. I look forward to your continued support in our endeavours.

Food & Beverage

The Food & Beverage team has been working on providing more attractive offerings to boost patronage at the outlets. New menus as well as food items were introduced at the Atrium Cafe and Garden Grill to entice diners. The team also managed to reduce the prices of some items in the Atrium Cafe menu due to a drop in cost of some key food ingredients following a tender exercise. At the Crossroads Lounge and Club Twenty-Two, we introduced more live band performances and noted an increase in patronage. Following the success of the *Elvis Presley Tribute Show*, we specially flew in impressionist artists for our first-ever *Tribute to The Beatles by the Fabfour* in June 2016, which was a sell-out event. In the coming months, we will be celebrating *Elvis Presley's 40th Anniversary* with a special concert put up by various impressionist artists from Asia. The team will continue to reinvent itself to provide better offerings to members.

Sports & Recreation

It is always a pleasure to share our sporting achievements with members. Our bowling team continues to do us proud at the inter-club level by clinching the championship title for the *Youth Inter-Club Bowling Mixed League*. Our swimmers had again defended its championship title at the *Annual Inter-Club Meet, Swimming (AIMS)* for the 8th consecutive year. Our golfers participated in the *Inter-Social Club Golf Tournament (ISCGT)* and came in first in the overall team standing while our Tennis fraternity bagged the championship medal at the *Singapore Tennis Association (STA) Inter-Club Doubles League Men's C Division*. I thank the various fraternities, convenors, athletes as well as coaches for their efforts in bringing glory to the Club. On the administrative side, our Sports & Recreation team reduced overall expenses through garnering sponsorship and spending prudently. The team also introduced new activities such as the *Exploring Singapore Series* targeting families and more fitness classes to better cater to the diverse needs of our members. I am truly heartened to see members enjoying these new activities.

Membership Relations

The Membership Relations team continues to plan popular activities such as bonding trips to Malacca and Bekok as well

as education and awareness talks on topics such as retirement planning and market investment. For the little ones, the team continues to organise educational workshops, baking workshops and handicraft workshops to keep them entertained. In our efforts to better engage our senior members, we have launched a *Senior Members' Survey* to find out the activities that would appeal to them and we aim to work on bringing about activities such as nature walks, health screenings and overseas trips. In connecting with the general membership, discussion sessions were organised for members to share their ideas and suggestions with the General Committee and the Management for the betterment of the Club. We will strive to organise more events and activities to entice members to frequent the Club as well as to attract prospective members with our wide array of offerings.

Security

Our main priority is ensuring our members' safety in the Club. We have doubled our efforts in enhancing security within the premises by conducting more patrols and checking of membership cards and vehicles. We have also stepped up surveillance efforts by adding new closed-circuit television (CCTV) cameras, monitoring CCTV footage in real-time as well as upgrading some of our existing CCTV cameras with better quality imaging. We are currently studying the feasibility of implementing card-based access control in the Club to further tighten security.

Facilities, Maintenance & Safety

We strive to maintain, upkeep and upgrade the Club's premises, facilities and equipment for members' enjoyment. This is not an easy feat for the Club as it looked at ways of containing the rising costs of maintaining its ageing facilities and equipment as well as providing a safe and comfortable environment for members. Key projects completed:

- To comply with Singapore Civil Defence Force (SCDF) and Building & Construction Authority (BCA) lift safety and operational requirements, the Heliconia Wing's lift modernisation works was carried out from February to May 2017. The upgraded lift now serves all levels of the Heliconia Wing;
- In line with the government's policy to phase out ozone depletion gas and to tap on latest energy conservation technology, air-conditioner replacement works were done to the 22-year-old air-conditioner unit at the Gardens Bowl as well as at the Gym, Aerobics Studio, Atrium Cafe, Garden Grill's kitchen and Lat Salon;
- Repair works were carried out on the surface of the Club's driveway to correct the unevenness, together with the replacement of some of the interlocking bricks and;
- To improve the visibility of the lightning alert notification around the swimming pool, more beacon lights were added.

Financial Highlights

Given the challenging operating environment, I am pleased to report that the Club has achieved a net surplus of \$2.151 million for the year ended 31 March 2017; this represents a year-on-year increase of \$263k. After factoring in the depreciation, gain/loss on disposal of property, plant, equipment and tax; the net surplus was \$701k compared to a surplus of \$360k in the previous year. Total income registered a modest year-on-year decrease of 0.66% to \$7.681 million, largely due to the decrease in F&B contribution, transfer fees and car park fees. This decrease was partially offset by the increase in subscription fees, entrance fees, interest income and fruit machine contribution. We managed to contain our expenditure through trimming operating and administrative expenses, water and electricity charges as well as repair and maintenance cost and witnessed a decrease by \$314k to \$5.530 million.

The Club has been working in accordance with the Treasury Safeguarding Framework (TSF). Financial reserve had accrued a year-on-year increase of \$0.781 million to \$4.993 million. The Minimum Financial Reserve threshold (MFR) set for financial year (FY) 2016/2017 was \$3.8 million. The Club's financial reserve as at 31 March 2017 was above the MFR threshold by more than \$500k, I am glad to announce that we are out of the "Transition Period".

The MFR threshold for the new FY 2017/2018 (starting from 1 April 2017) has been set at \$3.7 million. We will continue to find innovative ways to boost our income whilst continuing with our cost containment efforts.

Human Resource

Our people are our most important asset. We must provide a pleasant working environment to allow our valued staff to perform to the utmost of their abilities to serve our members. Upskilling our staff and raising their competencies are essential in building a learning culture to support training and development initiatives. In the coming financial year, I will be working closely with the Human Resource Management team and Sub-Committee to roll out a series of training programmes for staff.

Looking Ahead

The financial year 2017/2018 will not be easy. We have demonstrated our ability to navigate in an unpredictable environment and we will continue to do so to achieve our vision of making SGCC the best family club for recreational and social activities. Efforts will be put in place to boost food and beverage revenue by coming up with inventive ways to increase banquet sales as well as patronage at the F&B outlets. To attract more membership sign-ups, we need to be creative in our marketing campaigns to prospective members. We will continue to engage members through open discussions to gather views and suggestions for the betterment of the Club. More activities will also be introduced to attract members of all ages to the Club.



Note of Appreciation

I would like to place on record my thanks to the Club Trustees for their guidance and advice; my fellow General Committee members for their commitment and contributions; Sports Convenors and their Sub-Committee members for their passion in promoting sports in SGCC; the Management and staff of SGCC for their efforts in making the Club an enjoyable place for members; fellow members for their support and encouragement and the Club Patrons for their support in the Club's activities and initiatives.

60th Annual General Meeting (AGM)

At the upcoming AGM, we will be proposing 3 resolutions: Re-election eligibility for Honorary Treasurer and Assistant Honorary Treasurer; Trustees' term of office and Disciplinary investigation. The details of the above-mentioned resolutions are sent together with this Annual Report to all voting members. Please take some time to read through the details. This year's AGM will be held on Saturday, 24 June 2017, 1pm at the Kensington Ballroom. Lunch will be served from 11.30am. I would like to encourage all members with voting rights to attend this meeting. I look forward to seeing you.

Yours Sincerely

Randy Sng
President

FOOD & BEVERAGE



The last financial year marked yet another exciting year for our Food & Beverage (F&B) team. The team strives to offer members and their guests a great place to dine, bond, relax or be entertained. The team also ramps up its efforts to provide more entertainment as well as introduce more events.



The F&B team continues to innovate and come up with new dishes aimed at tantalising our members' discerning palates. The Atrium Cafe launched a new a la carte menu introducing many mouth-watering recipes such as *Prawn Paste Chicken*, *Steamed Cod Fish with Superior Soya Sauce* and *Hainanese Pork Chop*. More vegetarian dishes were also added to the new menu following feedback and suggestions given by members. In addition to launching a new menu, we reduced the prices of some items under the *All-Time Favourites* category. This is due to a drop in cost of some food ingredients following a food tender exercise. The F&B team is pleased to pass these savings back to members.

The Garden Grill regularly features themed set menus from around the globe, transporting diners on a gastronomic journey to places like the Mediterranean, Mexico, Germany, Italy and many others. Special set menus are also created for festive occasions such as Valentine's Day, Chinese New Year and Christmas. Wine dinner events continue to attract excellent response from members. In January, the Garden Grill launched a new a la carte menu with more vegetarian items such as *Mushroom Aglio Olio* and *Vegetarian Lasagna* to cater to members who are more health-conscious or have dietary needs. Promotions such as *Weekday Salad Bar Buffet Lunch*, *Tajine* and *Where to Throw Your Year-End Party* were also introduced to add on to the offerings to entice diners.

The Club's bar and lounge scene has been buzzing with activities. With the support from our talented members, we kicked off the *Members' Live Band* programme on Friday nights at Club Twenty-Two featuring bands such as *Sound Sensation*,



Wild Ginger, *Dragonfly*, *Band With No Name*, *D'Era* and *The Evergreens*. Festive-themed parties continue to be a regular feature to add on to the entertainment programme. In our efforts to contain operating cost, changes were made to the line-up of the evening entertainment programmes as well as to the guest cover charges.



Our popular watering hole, the Crossroads Lounge, receives good patronage from members seeking for a place to relax and gather with friends. To spice up the live band programmes at the lounge, we periodically introduce new bands to provide more music variety. Crowd-puller bands such as *SALT*, *Daphne & Johnz*, *Regine Han*, *Music Culture* and *Joe & Yanti* were brought in. We continue to screen major sporting programmes such as *Euro Cup 2016*, *Formula 1* and *Barclays Premier League* as well as organise special themed events such as *Sunset Beer Marathon*, *Christmas Eve and New Year's Eve Celebrations*. Over at the Beer Garden, the furniture was replaced and the area was spruced up to provide members with a more pleasant environment to enjoy drinks under the stars with friends.

Besides the activities and promotions at the F&B outlets, regular dance parties as well as festive-themed dinner events were held at the Kensington Ballroom. We specially flew in impressionist artists from Down Under for our first-ever *Tribute to The Beatles by The Fabfour* in June 2016. This sell-out event attracted over 400 members and guests,



who enjoyed a night of great entertainment. To connect with the French community in the Club, we partnered with the French Association to bring in *Festival of Brittany* and *Halloween Concert*.

Banquet

We focused on the MICE (Meetings, Incentives, Conferences, Exhibitions) segment to fill our ballroom and function rooms on the weekdays. To promote the Club's wedding packages, we participated actively in bridal shows and advertised in *Her World Bride*, *Blissful Bride* as well as *Vasantham*. We also constantly review our wedding packages to stay competitive and introduce attractive packages to appeal to wedding couples. We also offer referral incentives to members who recommend their friends to host events at the Club.

Overview of Food & Beverage Financial Results

Total F&B sales (including Banquet) for this financial year (FY 2016/2017) was \$5.470 million as compared to \$5.830 million the year before. With banquet sales being the main driving force behind F&B sales, any marginal decrease in banquet activities would affect overall F&B performance. Banquet activities face stiff challenges from competitors providing similar offerings at comparative prices as well as from the increase in cost of items such as wedding favours, decorations and external catering, resulting in lower profit margins. Banquet sales were also

further impacted by the Heliconia Wing's lift modernisation works where fewer banquet events were contracted during that period.

The F&B team managed to reduce its total operating cost by \$260k mainly due to cost containment of food and beverage items as well as overall overheads. On the whole, F&B registered a net loss of \$227K in FY 2016/2017 as compared to a net loss of \$128K the year before.

The Year Ahead

The F&B department will continue to offer a wide range of programmes and promotions to keep members coming back to the Club. The team will continue to step up its efforts to sustain and increase banquet business as well as to improve service level across the board. There are plans in the pipeline to upgrade the Garden Grill and Atrium Cafe's kitchens.

Note from the Chairperson

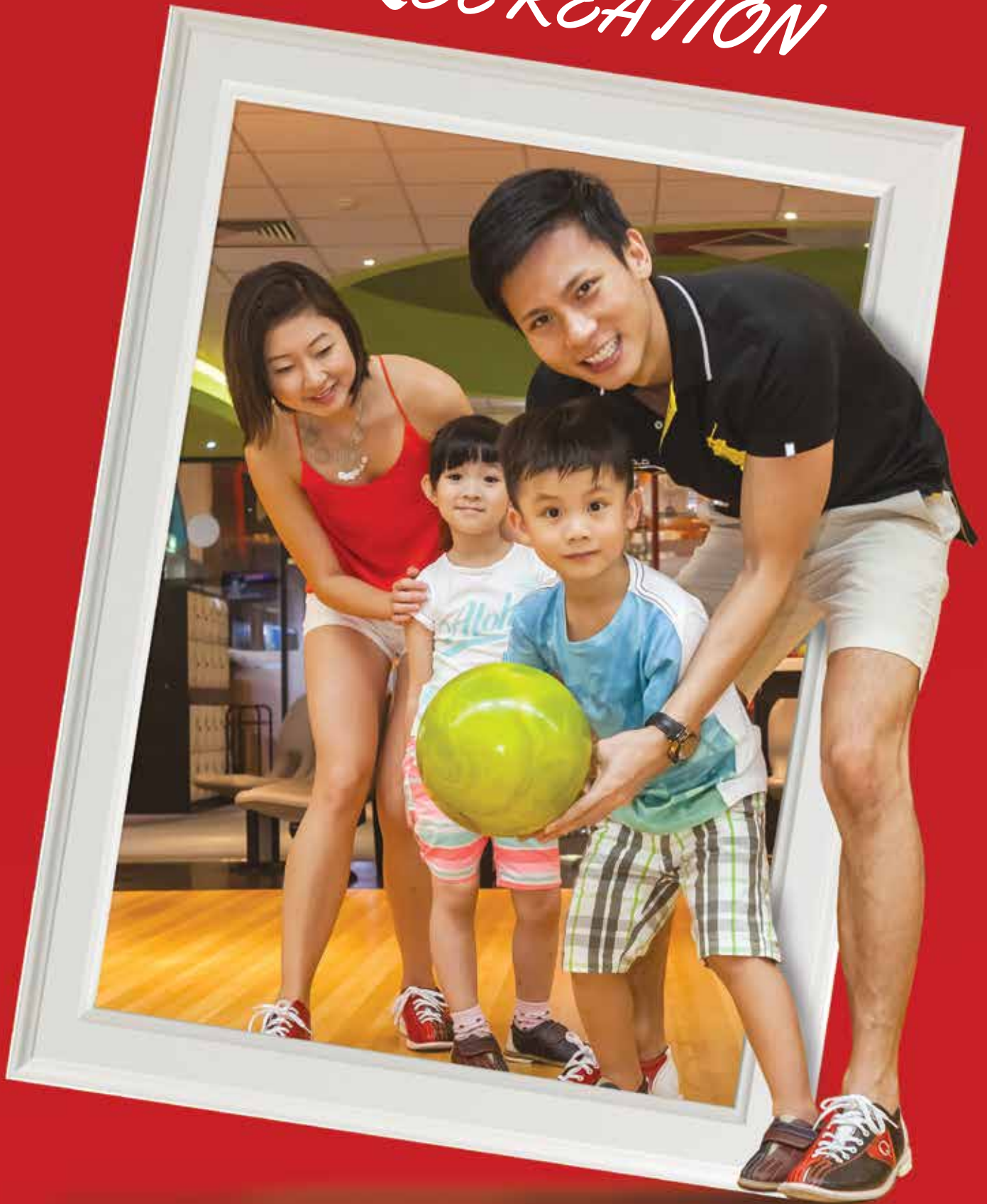
I would like to take this opportunity to thank our members for their continuous support and constructive feedback to improve our services and food quality. On behalf of the Club, I would like to congratulate the F&B team led by Senior Manager Adrian Chew for a job well done. Judging from the number of compliments received, our members surely are appreciative of the hard work and dedication the team has put to make the F&B scene an enjoyable one for members.

Frederick Kang
Chairperson, Food & Beverage



| Highlights of the F&B results for the past five years: | FY 16/17 \$ | FY 15/16 \$ | FY 14/15 \$ | FY 13/14 \$ | FY 12/13 \$ |
|--|----------------|----------------|----------------|----------------|----------------|
| Total Sales | 5,470,499 | 5,830,399 | 5,805,492 | 5,551,806 | 5,111,416 |
| Total F&B Costs | 2,171,759 | 2,358,489 | 2,175,632 | 2,221,171 | 2,070,196 |
| Ratio: Total F&B Cost per Sales \$ | 0.40 | 0.40 | 0.37 | 0.40 | 0.41 |
| Total Manpower Costs | 2,640,389 | 2,653,341 | 2,681,966 | 2,491,100 | 2,479,277 |
| Ratio: Total Sales per Manpower \$ | 2.07 | 2.20 | 2.16 | 2.23 | 2.06 |
| Ratio: Manpower Costs per Sales \$ | 0.48 | 0.46 | 0.46 | 0.45 | 0.49 |
| Other Overheads Costs | 884,916 | 946,140 | 1,001,635 | 972,184 | 935,327 |
| Ratio: Other Overheads per Sales \$ | 0.16 | 0.16 | 0.17 | 0.18 | 0.18 |
| Total Operating Costs | 5,697,063 | 5,957,970 | 5,859,233 | 5,684,455 | 5,484,800 |
| Ratio: Total Operating Costs per Sales \$ | 1.04 | 1.02 | 1.01 | 1.02 | 1.07 |
| Net Loss | (226,614) | (127,571) | (53,742) | (132,649) | (373,384) |
| Ratio: Net Loss per Sales \$ | (0.04) | (0.02) | (0.01) | (0.02) | (0.07) |

SPORTS & RECREATION



The Sports & Recreation (S&R) team is committed to provide unparalleled programmes, consultational services and facilities to promote health and wellness in members.

Team Glories

| Team | Position | Event |
|---------------------|---|---|
| Youth Bowling | Champion (2 nd year in a row) | 17 th Youth Inter-Club Bowling Mixed League |
| Golf | Champion | Inter-Social Club Golf Tournament |
| Tennis Men's C Team | Champion | Singapore Tennis Association (STA) Inter-Club Doubles League 2017 |
| Swimming | Champion (8 th year in a row) | Annual Inter-Club Meet, Swimming (AIMS) |

Sports & Games Highlights



Billiards

It has again been another active year for our billiard fraternity engaging in in-house snooker and pool events as well as friendly games with other clubs. The Billiard Room continues to be well-patronised by members of all ages and remains a gathering place for all aspiring cueists. Billiard Convenor David Lee and his Sub-Committee members are heartened to see more members participating in the game.

Bowling

The bowling fraternity enjoyed yet another colourful year bagging a few medals at the inter-club level. At the 22nd Adult Inter-Club Bowling Mixed League, bowlers Joshua Tan and Lee How Wang came in as Champion and in 4th position respectively in the Men's Masters event while Celestine Chng and Rachel Koh took the 4th and 5th positions respectively in the Ladies' Masters event. Our youth bowlers defended its championship title at the 17th Youth Inter-Club Bowling Mixed League. The youth team also did



well in the 17th MILO International Junior All Star Bowling Championship with 7 out of 10 bowlers making it into the finals. Chan Jing Wen grabbed the 3rd position for the Under 15 Girls' category while Arielle Tay came in champion for the Doubles event. Novelty events such as Junior 8 & 9-Pin Tap, Senior Bowling, Quarterly Bowl and Combination Bowl continue to be well-liked by our members. In January 2017, our Club upgraded the bowling lanes to meet competition standards as well as to enhance members' bowling experience. Bowling Convenor Edward Tan and his Sub-Committee members would like to thank members for their continued support and urge more members to join the fraternity.



Chess

The annual TCA Junior Chess Competition was the main highlight of the year, attracting 160 players from across the nation. In September 2016, we organised the Simultaneous Chess at the Club's Main Lobby, inviting Fédération Internationale des Échecs (FIDE) Master Nathan Alfred and this drew the attention of many young chess enthusiasts. In addition to in-house games, chess lessons were also conducted regularly to generate more interest and participation amongst members. Our Chess Convenor Ronnie Ng will continue to raise awareness of the game.

Darts

It has been an exciting year for the darts fraternity. The Darts Sub-Committee actively introduces new



programmes to induce more darters to participate and managed to grow the number of darters. Our darters participated in the national league and competed in more external events. At the inter-club level, the SGCC Crossbow 2 team competed in the *Inter-Club Darts League* hosted by Singapore Recreation Club (SRC), and finished in 3rd. Our team also participated in *Darts League SG* against many stronger and tougher opponents to improve their skills. In-house darts events such as *Christmas Challenge*, *Cricket*, *301* and *501 Blind Doubles* were well-supported by the regular darters. With the growing popularity of electronic darts (e-darts), we introduced 2 Rflags e-darts machines at the Darts Lounge. Darts Convenor Ramel Ang and his Sub-Committee members are pleased that more members are picking up the sport and look to recruit more youth members.



Fitness

The fitness fraternity organises various activities with a focus on engaging families. The *Exploring Singapore Series* brought members to less explored areas on our sunny island and we will continue to plan for more of such activities to foster family bonding. Our annual *Family Fun Walk* attracted over 200 participants who spent

the morning trekking Labrador Nature Reserve and learning the rich history behind this World War II fort.



In April 2016, a group of members went on a diving trip to Tioman, Malaysia and completed their Scuba Schools International (SSI) Open Water Course.

The Gym continues to be a popular facility with members of all ages, with an average of 200 users daily. New power rack and chest press machines will be installed to replace older equipment. There are plans in the pipeline to improve the flooring at the strength training area. To cater to members' fitness needs, new classes such as *Cardio Kickboxing*, *Burlesque* and *Jazz4U* were introduced to engage members in maintaining a healthy lifestyle. The Fitness Sub-Committee led by Convenor Eddie Ng strives to actively promote a fit and healthy lifestyle to members and plans to organise more events that cater to all members.



Golf

The golf calendar was loaded with activities for our golfing enthusiasts with in-house tournaments such as *Dr Lau Teik Soon Golf Challenge*, *Golf President Cup*, *Golf Recreation Chairman Cup* and *Golf Convenor Cup* as well as friendly matches with Singapore Recreation Club (SRC) and Singapore Swimming Club (SSC). Our golfers continue to

participate in the annual *Inter-Social Club Golf Tournament (ISCGT)* and for 2016, they achieved 1st place in the overall team standing. Golf Convenor Aaron Lim and his Sub-Committee members hope to build more interest in golf amongst all members in the Club.



Squash

The *SGCC-Prince Squash Tournament* organised for the 10th consecutive year, attracted over 170 participants. This yearly event received much positive feedback from the participants. To inject novelty into the Squash events calendar, an *One Day Squash* event was held in conjunction with World Squash Day. This event was introduced to promote the game in a way that encourages bonding instead of the usual competitiveness. We had 32 players participating in this initiative, a record high for *One Day Squash* events. Squash Convenor Edwin Lee seeks to organise more squash events for the coming year and garner more interest in the sport.

to our swimmers! The Club also played host to several swimming meets throughout the year, namely the *Age-Group Swimming Meet (AGSM)*, *Preparatory Swim Series* and *SGCC Invitational Swim Meet*. These events provide an opportunity for our budding talents to compete with other clubs and prepare them for future competitions. Swimming Convenor Lam Wai Leng and her Sub-Committee members are pleased to see an increase in members' participation in these swimming events.



Tennis

The tennis fraternity brought glory to the Club by capturing the championship title at the *Singapore Tennis Association (STA) Inter-Club Doubles League Men's C Division*. The fraternity also organised several friendly games and in-house tournaments for members to hone their skills. The annual *SGCC Tennis Grand Slam* held from May to June 2016 saw over 106 entries for various categories.



Swimming

The *Annual Inter-Club Meet, Swimming (AIMS)*, hosted by Warren Golf & Country Club, saw the SGCC swim team clinching the championship title once again for the 8th year in a row. Congratulations



In our bid to provide quality tennis coaching programmes to members, we held the *Tennis Open House* in October 2016 to provide members with an opportunity to interact with the newly-appointed coaches from ACES Tennis. Overall, the new tennis programme was well-liked by members as we saw an increase in terms of sign-

ups. The Tennis Sub-Committee led by Convenor Steven Lee is heartened to see more members picking up the sport and representing the Club in tournaments. He and his team will continue to seek improvement to inject fun and novelty into this sport.

Youth

The S&R team continues to connect with youth members through various sports and it is encouraging to see more youth participating in the events as well as making the Club proud at various sporting events. Apart from sports activities, a laser tag event organised in June 2016 drew encouraging response from our youth members. We recognise that youths form an integral part of the Club and hope to see more youth members stepping forward to contribute their talents.



Sports Appreciation Nite

Over 200 invitees attended the *Sports Appreciation Nite* held at the Kensington Ballroom on 3 March 2017. The theme for this year was “Feels Like Home”. It was a significant evening for the Club to recognise the efforts by the various sports fraternities in promoting sports as well as contributions from our athletes in bringing glory

to the Club. The highlight of the event was the laser tag game which created an opportunity for attendees to mingle and bond.

We presented 7 Sports Merit Awards to the following recipients:

| Award | Winner | Sport |
|-------------|----------------------|----------|
| Merit Award | Lee How Wang | Bowling |
| | Chan Jing Wen | Bowling |
| | Arienne Tay Kai Lin | Bowling |
| | Gareth Quek Keng Yee | Swimming |
| | Xavier Lim Jun Rui | Swimming |
| | Leroy Lock | Swimming |
| | Carol Rachmadi | Swimming |

The Year Ahead

The S&R team will continue to encourage more participation in sporting activities. The team will also strive to promote family bonding through organising exciting sports activities for members of all abilities and ages as well as launching family packages.

Note from the Chairperson

On behalf of the Club, I would like to register my appreciation to my two Deputies, Vice-President Lee Say Yeow and Committee Member Ansbang Tan as well as to our Convenors and their Sub-Committees for their continuous support and invaluable contributions towards their respective sport fraternities. I thank our athletes, their parents, coaches, seniors and the S&R department. My appreciation also goes to our valued sponsors and to everyone who have helped us in one way or another.

Gilbert Low
Chairperson, Sports & Recreation



MEMBERSHIP RELATIONS



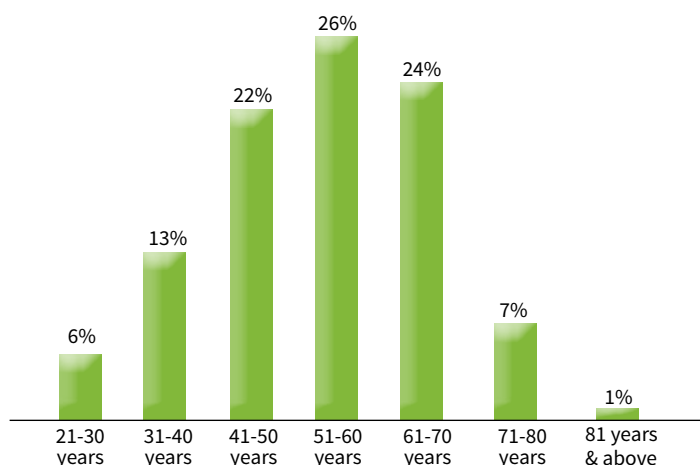
The Membership Relations (MR) team undertakes three primary roles, namely membership services, membership relations and communications. The team promotes the Club to prospective members as well as handles membership matters. To develop close relationships with members, the team also organises a wide range of social and kids' activities and maintains effective communications and feedback channels.

Membership Profile

| Type of Membership | No. of Members as at 31 March 2017 | No. of Members as at 31 March 2016 |
|---------------------------|------------------------------------|------------------------------------|
| Honorary | 6 | 6 |
| Life | 7 | 8 |
| Founder | 8 | 8 |
| Corporate | 43 | 44 |
| Ordinary | 3,358 | 3,338 |
| Term | 205 | 221 |
| Non-Transferable Ordinary | 382 | 403 |
| Grand | 126 | 118 |
| TOTAL | 4,135 | 4,146 |

This year, we observed a slight decrease in membership from 4,146 to 4,135 despite seeing an increase in Ordinary Membership take-up. Term Membership witnessed a drop in sign-up largely due to fewer renewals as many of our expatriate members were relocated back to their home countries. Voting members made up about 83% of the membership base. The age profile of the membership is similar to that of the last year, with the majority in the age group 51 – 60 (26%), followed by the age group 61 – 70 (24%).

Membership Age Profile



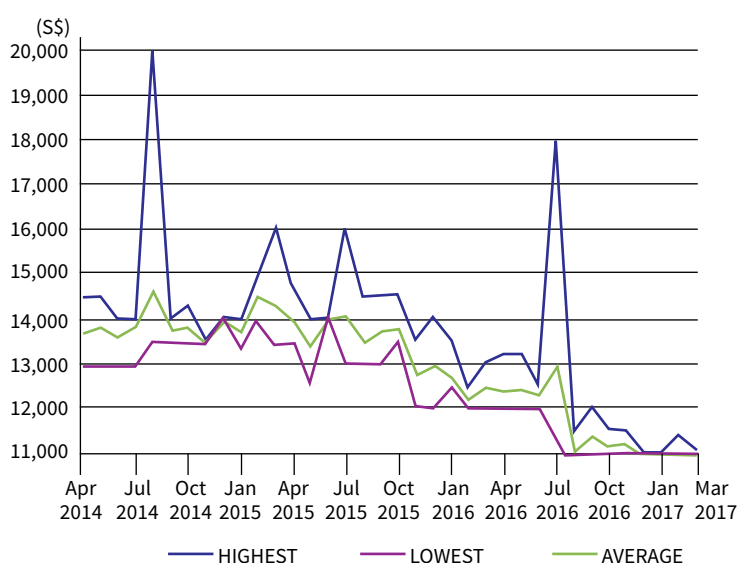
Total of 4,074 memberships, excluding Corporate Membership (43) and memberships held in abeyance (18)

Membership Drive Initiatives

We initiated a series of marketing campaigns to promote the Club to prospective members with emphasis placed on reaching out to the public through family-friendly events such as *Junior Gems Under the Sea Party* and *A Rainbow Christmas at SGCC* to showcase the Club's offerings. We continue to increase our presence on social media platforms to effectively reach out to the tech-savvy population of prospective members. We also aim to boost our marketing efforts targeting families with young children as well as people living in close proximity to the Club.

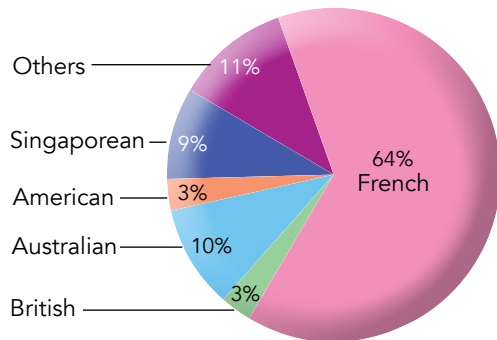
Ordinary Membership – A total of 16 Ordinary Memberships were sold in the year ended 31 March 2017 – an increase of 60% from 10 to 16 memberships. This increase is perhaps due to the special family scheme launched in November 2016. Under this scheme, members' family members were offered a special rate as well as sign-up incentives and 7 new members were recruited. Membership prices in the open market saw a slight dip with the average price dropping from \$12,250 to \$11,000. In total, there were 50 transactions in the open market versus 57 in the previous year. With the bleak economy, we noted that more potential buyers were cautious in their spending in the face of the volatility and unpredictability of the year ahead.

SGCC Open Market Transaction Prices April 2014 to March 2017 (3-Year Data)



Non-Transferable Ordinary Membership (NTOM) – In October 2016, we launched a special promotion to encourage NTOM Members to convert to Ordinary Membership and 8 members took up this offer. Under this conversion scheme, NTOM Members have to pay a conversion fee.

Term Membership – As at 31 March 2017, there were 205 Term Members as compared to 221 a year before, with foreigners making up about 91% of this category. As with the previous year, in terms of nationality, French members still form the majority (64%). To reach out to prospective Term Members, the Membership Relations (MR) team worked closely with expatriate communities to position the Club as their first choice through advertising in the French Association’s magazine as well as event collaborations. There is still a steady demand for our Term Membership, especially among the expatriate communities who live in the vicinity.



Grand Membership – We continue to see interest in our Grand Membership and we noted an increase from 118 to 126 members. Grand Membership is offered to Ordinary Members aged 70 and above and who have been members for at least 25 years.



Social Activities

Besides hosting the *New Members’ Gathering* three times a year for newly joined members to get acquainted with the Club, the MR team also organises workshops, talks, outings as well as dance classes to target members of all age groups.



Popular social activities included bonding trips to Malacca and Bekok, educational and awareness talks on topics such as retirement planning and market investment. In June 2016, we brought back the well-liked flea market event. Several new social dance classes such as *Rock ‘N’ Roll*, *Bachata* and *Street Cha-cha* were introduced.



Kids

We continue to organise more science workshops, LEGO Robotics as well as baking workshops to engage our little ones with activities all year long. Parent and child bonding workshops such as cupcake decorating and handicraft workshops were also organised to provide opportunities for relationship building in a fun environment, while encouraging learning and interaction. In creating a fun and exciting playroom for the kids, we constantly bring in new toys and play equipment to our Kiddieland.



Our *Junior Gems Club*, a kids’ club for members’ children aged 4 – 12 has a base of 273 children, which constitutes almost 24% of the total children population in that age group. *Junior Gems* members receive a bi-monthly newsletter, special birthday treats, Children’s Day special F&B offer when they order from the kids’ meal selection in the Atrium Cafe and Coffee Deli menu as well as free and discounted rates for workshops. The kids too were treated to the annual *Junior Gems Party*

held on 10 September 2016. The party, themed Under the Sea, attracted over 500 participants making it a hit amongst our *Junior Gems* members as well as their families and friends. Highlights included bouncy castles, games booths, photo frame making workshop, puppet show, balloon sculptures, airbrush tattoos and a shark mascot.

Youth

The Night Owl overnight study facility at the Study Room continues to be popular amongst the youth. This facility is offered yearly from August to December to provide a venue for our youth members to revise for their examinations. To make the facility more conducive for studying, we added more lights to brighten the room. Additionally, more power points were installed to cater to more users.



Senior Members

The monthly *Senior Members' Breakfast Gathering* held every first Saturday of the month continues to attract a good fellowship of 60 participants. This gathering serves as a great platform for our senior members to socialise. Every Tuesday afternoon, our seniors also get together for live band music by *Sound Sensation* as well as dancing at the Club Twenty-Two. On 15 October 2016, we held the *Senior Members' High Tea Party*, an annual event with the aim to encourage senior members to interact with each other and to make new friends. Our seniors were treated to an afternoon of entertainment, music, dancing and sumptuous food.

In our continuous efforts to further engage our seniors, we launched a *Senior Members' Survey* in August 2016 to find out the activities that would appeal to them. Our seniors expressed interest in activities related to health screenings, nature walks, cruises and overseas trips. We will strive to organise more of such activities for our senior members.

Major Social Events



National Day Fest – We celebrated SG51 with Guest of Honour and Club Patron Ms Sylvia Lim. We held a colouring and drawing contest for kids aged 4 – 12. There were also traditional games booths such as 5 stones, tikam-tikam and congkak as well as traditional snacks such as kacang puteh and ice popsicles for both the young and the young-at-heart. Cultural performances such as Chinese acrobatics, Indian Bhangra dance and Dikir Barat also added flavour to the celebrations.



Christmas Light-Up 2016 – This annual event which signifies the start of the Yuletide season was held on 26 November 2016. The theme, *A Rainbow Christmas*, saw the Main Lobby draped with colourful twinkling lights. Highlights of the event included the lighting up of our giant Christmas tree, dance performances, magic show with balloon sculpting and a visit from Santa Claus. As part of our effort to give back to society, we had a *Charity Bazaar* where we invited various social enterprises and charity organisations to set up shop to raise funds for their own causes. We also conducted a *DIY Christmas Snow Globe Workshop* using recyclables to teach children about the importance of recycling.

Countdown to 2017 – The spirit of *Saturday Night Fever* was brought back to life with over 300 attendees decked out in retro outfits. Attendees



enjoyed riveting performances by live band *The Thunderbirds*, dancers *Jeff and Lorencia* as well as emcee-singer *Alex Tan Sing*.



Chinese New Year Lion and Dragon Dance – A popular traditional event held annually on the second day of Chinese New Year, this year’s event attracted over 600 participants. We had a God of Fortune as well as chick mascots which provided plenty of photo opportunities. Other highlights included the customary “dotting of the dragon’s eye”, a drum performance, “Cai Qing”, “Mei Hua Zhuang” and distribution of good-luck oranges and ang baos.

Engaging and Reaching Out To Members

We continue to connect with members through various platforms, including our website, notice boards and digital signage within the Club, social media, Electronic Direct Mailer (EDM), *ClubSpirit* magazine and supplement. SMS remains an effective way to keep members informed on important club information as well as upcoming events, activities and promotions.

The bi-monthly *ClubSpirit* magazine is the primary source of communication and provides members with latest information about the Club and interesting reads. We also run quizzes and contests

to educate and engage members. There are plans in the pipeline to seek members’ contributions, feature youth-related articles to target our youth members as well as enhance the aesthetics of the magazine.

On the social media front, our Facebook page saw an increase of fans with 3,425 ‘likes’ as of March 2017 – an increase of 16% as compared to a year ago. Our Instagram account also saw an increase in followership with 204 ‘followers’ – an almost 2-fold increase from last year. We will continue to work on growing our social media platforms to further reach out to more members.

The Year Ahead

We aspire to grow our membership base realistically through innovative ways to attract more younger families to join us so that the Club can continue to flourish. We also need to remain relevant to our current members by keeping up with the times through embracing change and transformation. To achieve this aim, the team has plans to update the Club’s image and increase vibrancy through activities and programmes. The success of our endeavour will require courage, creativity, collaboration and clear communication with our members so that we are able to meet expectations. The Club’s continued success is a common responsibility that belongs to all of us.

Note from the Chairperson

I am truly humbled by the generosity and love our members have for their Club. Our sustainability journey and accomplishments this year was brought about by the dedication and commitment of our Membership Relations team – We couldn’t do any of this without you! We will continue to strive towards strengthening relationships and building our engagement, with stakeholders, premised on openness, accountability and integrity.

Terrence Fernandez
Chairperson,
Membership Relations
& Service Excellence



SECURITY



Our Security team plays a crucial role in keeping the Club safe and secure for our members and guests as well as in protecting the Club’s assets and property through patrolling and inspection of the Club’s premises, monitoring of closed-circuit televisions (CCTVs) and controlling access to the Club. The team is also responsible for enforcing the rules and regulations of the Club as well as managing car park operations.

In our continuous effort to uphold and tighten security in the Club, the Security team doubled up its efforts in enhancing security within the premises by conducting more regular patrols, 100% membership checks as well as vehicle checks. To enhance surveillance effort in the Club, activities at the Heliconia Wing can now be monitored via real-time CCTV footage and we also installed additional CCTV cameras at the basement car park of the Heliconia Wing. Some of the existing CCTV cameras in the Club were upgraded with better quality imaging to further improve surveillance efforts.

To improve on their work processes, the team shifted the Security counter to beside the Security Manager’s office to have better access control of all vehicles entering the Club.



Additionally, the team implemented the clocking system to ensure effective and efficient patrolling at regular intervals around the Club’s premises as well as reactive reporting throughout the day. Our Security team consistently reviews its standard operating procedures (SOPs) to further improve and tighten security in the Club. The team will also be focusing on counter-terrorism measures as this will be key in the future for security personnel to have the knowledge and skill sets to handle such crises given the current state of global security around the world.

Training

Training and upgrading are of paramount importance in ensuring that our Security officers are well-equipped with the necessary skills to perform and discharge their duties. Arrangements



were made for our Security officers to attend training at the Security Training Institute. We aim to continue sending our Security officers for relevant courses to improve their skills and knowledge so that they are able to provide the best security service to our members as well as protect the interests of the Club.

The Year Ahead

Aside from safeguarding the safety of our members and guests and the Club’s security through regular checks and patrols and enforcing the rules, the Security team introduced a few new initiatives to improve its work processes such as implementing the clocking system. The Security team is currently studying the possibility to further tighten security by implementing card-based access control in the Club. The team will also look into upgrading the electronic parking system (EPS) to be able to detect the new cash cards issued by Land Transport Authority (LTA) to local and foreign vehicles. The team will continue to study and evaluate feedback and suggestions from members in our bid to improve service standards and productivity.

Note from the Chairperson

I am pleased that the Security team has played its role well and I thank the team for their hard work and dedication in keeping the Club safe and secure for members’ enjoyment. I would also like to express my appreciation to members who have given us constructive comments. I seek your continued support and cooperation to the Security department in the discharge of its duties.

Peter Chia
Chairperson, Security



FACILITIES, MAINTENANCE & SAFETY



The ongoing challenge for the Facilities, Maintenance & Safety (FMS) team is to maintain and upkeep the Club's ageing equipment and assets so that we can extend their lifespan, thereby delaying spending on replacement. The team also strives to provide a clean and safe environment for members through regular maintenance and upgrading of the facilities.

Upgrading and Maintenance Work



The lift upgrading work at the Heliconia Wing was carried out from February to May 2017 to comply with the Singapore Civil Defence Force (SCDF) and Building & Construction Authority (BCA) lift safety and operational requirements. The upgraded lift can now serve all levels of the Heliconia Wing. This project involved changing the entire lift carriage and enhancing the lift lobby areas.



In line with the government's policy to phase out ozone depletion gas and to tap on the latest technology in energy conservation, we replaced the 22-year-old air-conditioner unit at the Gardens Bowl with a new and more energy-efficient unit. Other air-conditioner replacement works were also carried out at the Gym, Aerobics Studio, Atrium Cafe, Garden Grill's kitchen and Lat Salon.

The team also worked on improving safety in the Club. A pedestrian crossing leading to the Security Manager's office was constructed. At the Club's driveway, a plastic road hump was installed to slow down incoming traffic to the Club and repair works were carried out on the surface to correct the unevenness and some of the interlocking bricks were replaced.



More beacon lights were added to the lightning alert system to provide more visible notification to warn members of impending lightning at the swimming pool area. Anti-slip floor treatment was carried out on the walkway along the visitors' car park to improve safety during wet weather.

Trees are "green assets" of the Club and they require constant care and professional assessment to ensure that they are healthy and pose no danger to Club members and properties. Trees are removed or pruned according to the arborist's advice to address safety concerns.

To cater to increasing demand for bicycle parking space, we created a new bicycle parking area next to the Security Manager's office and added more bicycle racks at the existing bicycle kiosk opposite the Security Manager's office. For personal mobility devices such as skate-scooters, skateboards and rollerblades, racks were installed next to the Security Guardhouse for easy parking and securing of these devices.



In improving members' dining experience at the Coffee Deli, plastic strips and nettings were installed at the tray return station with the aim of tackling the bird nuisance. The Gym planter area was spruced up with brightly-coloured flowers to provide a nice view for members working out. The team was able to execute this improvement work, without incurring additional cost, through in-house propagation of plants.

Fire Safety and Emergency Response



A total of three fire drills and fire safety seminars were conducted to equip staff with the knowledge and skills to deal with fire emergencies. The FMS team also conducted training on the use of the fire suppression system for the kitchen staff in July 2016 as well as on the use of a portable fire extinguisher in March 2017.

Pest Control



In our efforts to combat dengue and ZIKA virus, mosquito misting and larviciding treatment were carried out on a weekly basis. In addition, mosquito fogging was done fortnightly for the entire Club and weekly for the swimming pool planter areas. Monthly general pest control treatment for the Club and night fumigation for kitchen areas were carried out as well.

The Year Ahead

The FMS team will continue to work on maintaining and upgrading of the Club to ensure that members and their guests enjoy a pleasant and safe environment. In line with our efforts to replace ageing equipment, we will be commencing the replacement work of the 22-year-old air-conditioner system at Swatow Garden Seafood Restaurant.

Note from the Chairperson

I would like to extend my heartfelt appreciation to members for providing constructive feedback and suggestions on improving the Club's facilities. I would also like to thank FMS Manager Charles Ling and his team for their continuous effort in maintaining the Club's facilities beyond its useful lifespan.

Randy Sng
Chairperson, Facilities,
Maintenance & Safety



TREASURY & FINANCE

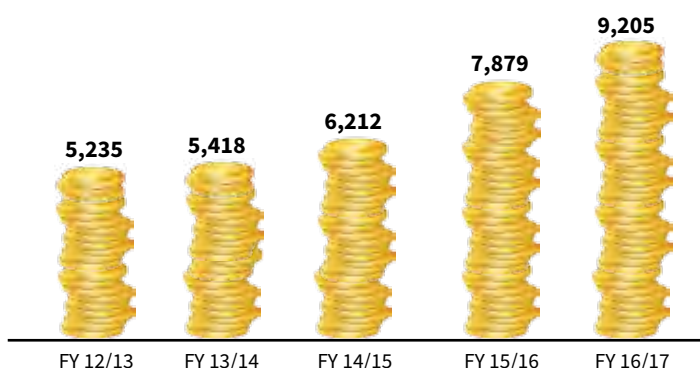


TREASURY SAFEGUARDING FRAMEWORK

One of the core features of the Treasury Safeguarding Framework (TSF), approved at the 2015 Annual General Meeting, was the Minimum Financial Reserve (MFR) threshold: if the Club's Financial Reserve falls below this threshold, it is said to be in the "Transition Period". The significance of this is that whilst in the Transition Period, the Club can incur capital expenditure on only critical and urgently needed items. To exit this Transition Period, the Financial Reserve would have to exceed the threshold by \$500k. At the end of the previous financial year (FY 2015/2016), the threshold for this financial year (FY 2016/2017) was determined to be \$3.8 million, i.e., the Financial Reserve would need to be at least \$4.3 million for the Club to be out of the Transition Period. As at 31 March 2017, our Financial Reserve stood at a relatively healthy \$4.993 million.

The TSF also serves to remind us of the need to maintain a healthy Cash Reserve (defined as the sum of the Financial Reserve and Working Capital). The following chart shows the Cash Reserve for the past five financial years:

Cash Reserve for Past 5 Years (\$'000)

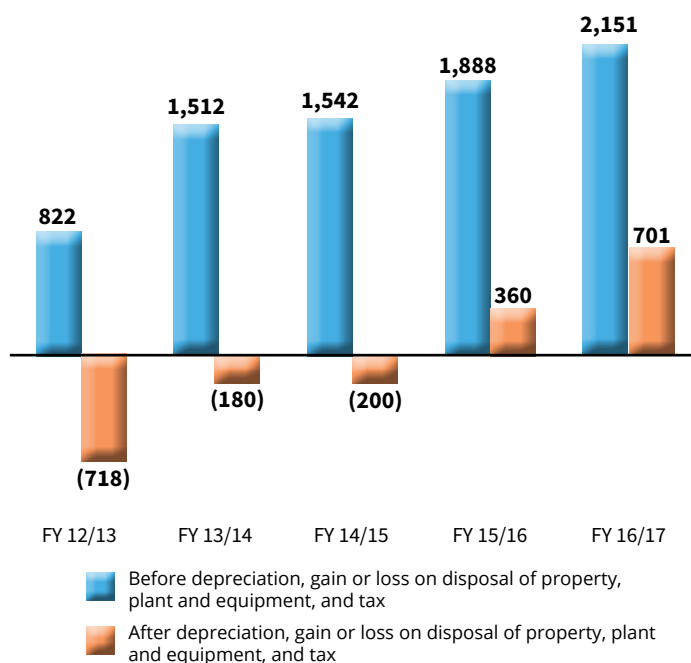


The MFR threshold for the new financial year FY 2017/2018 (starting from 1 April 2017) has been determined to be \$3.7 million. The Club's Financial Reserve at reporting time is above this MFR threshold by more than \$500k.

FY 2016/2017 FINANCIAL PERFORMANCE

The Club achieved a net surplus of \$2.151 million for the year ended 31 March 2017 (before depreciation, gain/loss on disposal of property, plant and equipment, and tax). This was \$263k higher than the previous year. After factoring in depreciation, gain/loss on disposal of property, plant and equipment, and tax, the net surplus was \$701k (FY 2015/2016: surplus \$360k). This surplus after tax increased the net assets of the Club to \$29.817 million from \$29.117 million of the previous year.

Net Surplus / (Deficit) for Years Ended 31 March (\$'000)



Total income registered a 0.66% decrease to \$7.681 million in FY 2016/2017; due largely to the decrease in F&B contribution (\$99k), transfer fees (\$61k) and electronic parking system (EPS) guest car park fees (\$13k), offset partially by the increase in subscription fees (\$119k), entrance fees (\$26k), interest income (\$6k) and fruit machine contribution (\$3k).

The F&B department's deficit of about \$227k (FY 2015/2016: deficit \$128k) was attributed to lower sales across all F&B outlets, except Atrium Café. The lift modernisation works at the Heliconia Wing, which took place from mid-February to the first week of May 2017, meant that the Club had to turn down banquet orders for this period. This decrease in banquet sales contributed to the overall deficit in the F&B department, despite cost-containment efforts of food items and overheads.

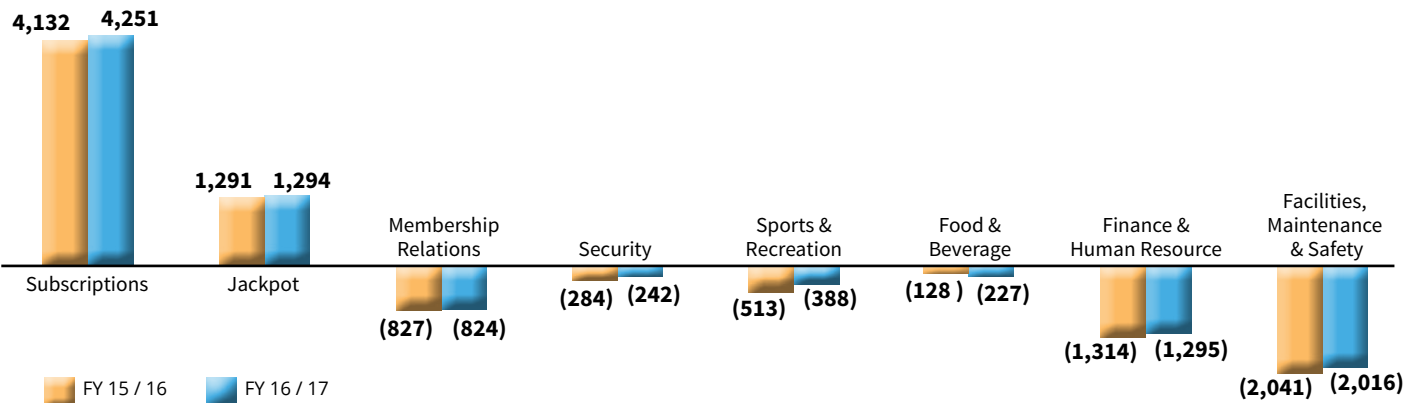
Contribution from fruit machines was stable, with an increase of about \$3k. The \$26k increase in membership entrance fees was due to conversions to Ordinary Membership (encouraged by the Club's promotional schemes for this purpose), as well as to an increase in Term Memberships. The decrease in transfer fees was due to fewer sales by members in the open market.

Total expenditure decreased by about \$314k to \$5.530 million (FY 2015/2016: \$5.844 million). The biggest drop was seen in manpower costs (\$145k) due to a lower headcount this year. Utilities cost savings of \$100k were made possible by better electricity rates negotiated with a new vendor.

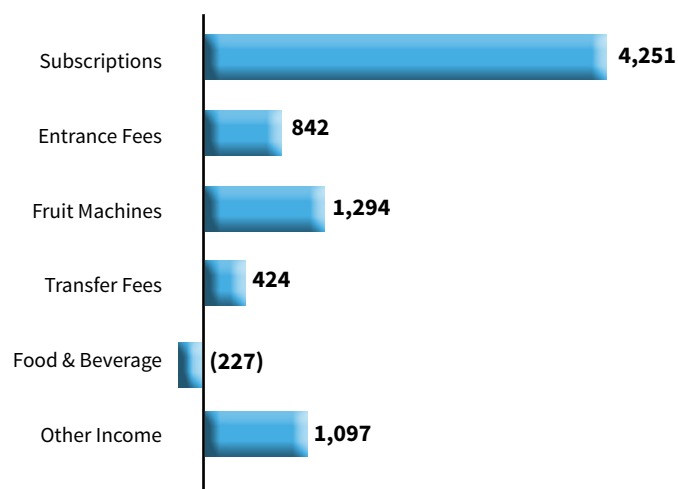
| HIGHLIGHTS OF FINANCIAL RESULTS BEFORE DEPRECIATION AND TAX FOR THE PAST FIVE YEARS: | FY 12/13 \$'000 | Reclassified FY 13/14 \$'000 | FY 14/15 \$'000 | FY 15/16 \$'000 | FY 16/17 \$'000 | Variance Fav/(Unfavourable) FY 16/17 vs FY 15/16 \$'000 |
|--|--------------------|------------------------------------|--------------------|--------------------|--------------------|--|
| Fruit Machines | | | | | | |
| Collections | 10,662 | 11,325 | 13,323 | 14,467 | 13,365 | (1,102) |
| Less: Payouts and Taxes | (9,147) | (10,185) | (11,705) | (12,792) | (11,690) | 1,102 |
| Gross Contribution | 1,515 | 1,140 | 1,618 | 1,675 | 1,675 | 0 |
| Less: Operating Expenses | (402) | (374) | (380) | (384) | (381) | 3 |
| Contribution from Fruit Machines (a) | 1,113 | 766 | 1,238 | 1,291 | 1,294 | 3 |
| Food & Beverage | | | | | | |
| Sales | 5,111 | 5,552 | 5,805 | 5,830 | 5,470 | (360) |
| Less: Cost of Sales | (2,070) | (2,221) | (2,176) | (2,358) | (2,172) | 186 |
| Gross Contribution | 3,041 | 3,331 | 3,629 | 3,472 | 3,298 | (174) |
| Less: Operating Expenses | (3,414) | (3,464) | (3,682) | (3,600) | (3,525) | 75 |
| Deficit from Food & Beverage (b) | (373) | (133) | (53) | (128) | (227) | (99) |
| Other Departments | | | | | | |
| Subscriptions | 3,214 | 3,351 | 3,423 | 4,132 | 4,251 | 119 |
| Transfer fees | 517 | 355 | 427 | 485 | 424 | (61) |
| Entrance fees | 1,713 | 1,732 | 1,219 | 816 | 842 | 26 |
| Interest income - Fixed Deposits | 9 | 10 | 11 | 22 | 28 | 6 |
| EPS fees | 117 | 126 | 155 | 141 | 128 | (13) |
| Miscellaneous income | 30 | 33 | 51 | 39 | 105 | 66 |
| Lease rental income | 471 | 484 | 479 | 483 | 524 | 41 |
| Others | 212 | 394* | 426 | 451 | 312 | (139) |
| Income from Other Departments (c) | 6,283 | 6,485 | 6,192 | 6,569 | 6,614 | 45 |
| Total Income (a+b+c) | 7,023 | 7,118 | 7,377 | 7,732 | 7,681 | (51) |
| Less: Expenditure | | | | | | |
| Operating and administrative | (4,760) | (4,012)* | (4,303) | (4,413) | (4,208) | 205 |
| Repairs, maintenance & housekeeping | (478) | (494)* | (551) | (605) | (596) | 9 |
| Water and electricity | (963) | (1,099)* | (980) | (826) | (726) | 100 |
| Total Expenditure | (6,201) | (5,606) | (5,834) | (5,844) | (5,530) | 314 |
| Net Surplus/(Deficit) before depreciation, gain or loss on disposal of property, plant and equipment, and tax | 822 | 1,512 | 1,542 | 1,888 | 2,151 | 263 |

*Adjustments are made to FY2013/2014 for comparability to FY2014/2015 as effective 1 January 2014 under FRS 1, Para 32, offsetting: an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by a FRS.

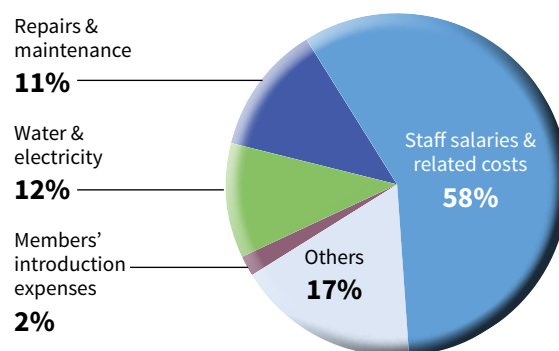
Net Operating Income (Expenses) By Department for FY 16/17 vs FY 15 / 16 (\$'000)



Income contribution for FY 16/17 (\$'000)



Expenditure Mix for FY 16/17



CAPITAL EXPENDITURE

During the financial year, the Club incurred capital expenditure amounting to \$797k. Major items include:

- Fruit machines and equipment \$98.5k
- Gardens Bowl lanes and system upgrade \$99.6k
- Gardens Bowl air-conditioning system \$99.5k
- Various Gym equipment and air-conditioners \$86.4k
- Squash Courts flooring \$11k
- Swimming and Spa Pools-related equipment \$65.1k
- Kitchen equipment \$68.5k
- Various F&B furniture and equipment \$28.3k
- IT servers \$38.4k
- Water-proofing works \$24.2k

THE YEAR AHEAD

While the Club has managed to achieve a net surplus (after depreciation and tax) in each of the last two financial years, this will not be easy to maintain in the long run. Operating expenses are expected to rise, e.g., manpower costs and utilities (due to increase in water tariff).

F&B continues to face challenges, and the F&B department, supported by the F&B Sub-Committee and the General Committee, will have to put their heads together and think of new ways to improve the department's performance. Hopefully, with the upgraded lift at the Heliconia Wing in operation, we can regain lost ground and banquet sales can return to, if not surpass, previous levels. Manpower shortage is another constant challenge. Across Singapore, hospitality and F&B establishments are facing a labour crunch and we are not exempted. The Government is urging companies to embrace technology and perhaps that is the way to go (robot waiters, anyone?).

Amid all these challenges, the Club will continue to manage costs and look for ways to increase revenue to not just cover daily expenses, but generate a surplus sufficient to maintain the Financial Reserve at a healthy level.

Note from the Chairperson

I have completed one year of my two-year term as Honorary Treasurer and this has been a very busy and enlightening time for me. I would like to thank my fellow Finance Sub-Committee members for their time and contributions during this past year.

I would also like to express my appreciation to the General Manager and the Finance Manager, and staff of the Finance Department, for their unflinching dedication and diligence in carrying out their duties.

Wong Sook Yee
Honorary Treasurer



HUMAN RESOURCE



We take pride in our staff members who continue to perform with dedication and professionalism as well as the willingness to go the extra mile to provide excellent service to our members. These commendable attributes are key in realising our mission to offer members and their families and guests a satisfying experience at the Club.

Staff Strength

The number of staff employed by the Club as at 31 March 2017 was 130. We managed to maintain our staffing level through understanding operational requirements, projecting talent needs as well as deploying manpower for effective club operations.



Staff Communication

We continue to engage staff through our quarterly newsletter, *TeamSpirit*, which carries information on latest club developments, important policies as well as light-hearted columns featuring staff birthdays and announcements on new staff who join the Club. Briefings are also conducted regularly to communicate important policies such as the Personal Data Protection Act (PDPA).



Staff Appreciation Day

This year, our annual Staff Appreciation Day with the theme *Bollywood and Hollywood* was held at Carlton Hotel on 27 March 2017. It was an evening for the Management and General Committee to show their appreciation and support to staff for their hard work and dedication and for staff members to let down their hair and enjoy themselves. A total of 147 staff, including part-time employees, turned up for the event. Highlights of the event included our very own SGCC's *Got Talent* as well as *Best Dressed Competition*.

Staff Long Service Award

We would like to take this opportunity to thank our long-serving staff for their loyalty and commitment to the Club. In recognition of their service milestone, General Manager Goh Juak Kin presented all awardees with a certificate, a crystal plaque and cash.

| Length of Service | Name | Department |
|-------------------|-------------------------------------|----------------------------------|
| 5 years | Lee Jing Wenn Bertram | Sports & Recreation |
| | Tan Ting Ting | Food & Beverage |
| | Tan Chew Hoon | Food & Beverage |
| | Maricon Taburnal Legaspi | Food & Beverage |
| 10 years | Ng Swee Hock Simon | Food & Beverage |
| | Loy Kiong Fong Jaselyn | Finance - Jackpot |
| | Ismail Bin Abdullah @ Lee Hock Beng | Finance - Jackpot |
| | Tan Hock Soon | Facilities, Maintenance & Safety |
| | Chew Kuan Leong Adrian | Food & Beverage |
| | Tan Song Chew Patrick | Food & Beverage |
| | N Santra Segar Naranasamy | Food & Beverage |
| 20 years | Ong Bee Neo Iris | Membership Relations |



The Year Ahead

With the slow-growing economy which would adversely affect the Club's revenue streams, coupled by rising staff and medical cost as well as shortage of junior staff, it would be a challenge for the Club to contain staff expenses while striking a balance in attracting, retaining and rewarding talents. New human resource (HR) initiatives were introduced – enhancing staff productivity, holding staff headcount at optimum level through job re-design and multi-skill practices and improving work culture through teamwork and collaboration, with the aim of containing cost. We will continue to implement more of such initiatives as well as step up on training and development plans. With the support of Club President, Randy Sng, plans are in the pipeline to launch training programmes to upgrade the staff's skill sets and improve work culture. The holistic approach to this programme include training and development need assessments, 360-degree interviews with key staff and work culture surveys conducted by the President and the HR team. We plan to have these rolled out in the upcoming financial year.

Note from the Chairperson

I would like to thank the Management, SGCC staff and the HR team for their contribution in achieving the Club's objectives. The HR team will continue to enhance its role as a professional manager, leader and effective administrator – updating policies as well as systems and processes to stay relevant and effective. The key mission of the team is to align objectives and plans as a business partner for the betterment of the Club and to work towards achieving the Club's vision to be Singapore's best family club for recreational and social activities.

James Tan

Chairperson, Human Resource



Serangoon Gardens Country Club

MINUTES OF 59TH ANNUAL GENERAL MEETING HELD ON 26 JUNE 2016

GENERAL COMMITTEE (GC)

| | |
|-------------------------|--|
| President | Mr Randy Sng (Chairman) |
| Vice-President | Mr Kevin Kwek |
| Honorary Secretary | Mr Bob Mong |
| Honorary Treasurer | Mr Koh Jin Kit |
| Asst Honorary Secretary | Dr Edmond Tan |
| Asst Honorary Treasurer | Mr Peter Chia |
| Committee Members | Mr Foo Maw Shen Mr Frederick Kang Mr Gilbert Low Mr James Tan |

By Invitation

| | |
|--------------------------|------------------|
| Vice President-Elect | Mr Lee Say Yeow |
| Honorary Treasurer-Elect | Ms Wong Sook Yee |

Trustees

Mr Hendrick Koh
Mr Anthony Tan

Auditors

Mr John Chung
Ms Siow Hong
Mr Eric Tiu
HLB Atrede LLP
Certified Public Accountants

Legal Adviser

Mr Alvin Chia
Lee & Lee
Advocates & Solicitors

IN ATTENDANCE

| | |
|-----------------|-----------------|
| General Manager | Mr Goh Juak Kin |
|-----------------|-----------------|

Absent with Apologies

| | |
|------------------|----------------|
| Committee Member | Ms Janet Yeong |
|------------------|----------------|

Total Number of Voting Members Present: 139

1. PRELIMINARIES

With a quorum present as confirmed by the General Manager (GM), the President called the meeting to order at 1.00pm and thanked members for attending the 59th Annual General Meeting (AGM).

2. PRESENTATION OF TOKENS OF APPRECIATION

Before proceeding with agenda item one - Election of the General Committee (GC), the GM called upon Club Trustee, Mr Hendrick Koh, to present tokens of appreciation to the outgoing GC members who completed their terms of office from June 2014 to June 2016: -

| | |
|--------------------------|------------------------------|
| Mr Randy Sng | President |
| Mr Kevin Kwek | Vice-President |
| Mr Bob Mong | Honorary Secretary |
| Mr Koh Jin Kit | Honorary Treasurer |
| Dr Edmond Tan | Assistant Honorary Secretary |
| Mr Peter Chia | Assistant Honorary Treasurer |
| Mr Foo Maw Shen | Committee Member |
| Mr Frederick Kang | Committee Member |
| Mr Gilbert Low | Committee Member |
| Ms Janet Yeong | Committee Member (absent) |

3. PRESIDENT'S ADDRESS

Introduction

The President thanked members for their support during his two years at the helm. Looking back, it had been a good year of progress for him and the GC team, with the array of new initiatives undertaken and implemented.

Highlights of Last Year's Financial Results and Key Initiatives

Key Initiatives and Improvements

In his first presidential address in 2014, the President stated that his priority was to embark on two key projects - renovation of Atrium Cafe and new lift at Heliconia Wing.

Atrium Cafe's renovation was successfully carried out, while the Heliconia Wing's new lift project was put on hold considering the substantial capital investment required. This was also to conform to the Treasury Safeguarding Framework's (TSF) guidelines after a detailed study of the Club's ability to afford the project.

The TSF was the most significant initiative implemented, following members' endorsement at the last AGM. Along with the subscription increase last year, the Club was able to attain a balanced budget according to the framework. The President thanked Honorary Treasurer Koh Jin Kit, the Finance Sub-Committee as well as the Finance Team for a job well done.

Financial Overview

The Club fared well in the financial year (FY) ended 31 March 2016 (FY 2015/2016), with a net surplus of \$1.887 million, which saw an improvement of about 22% (\$345k) as compared to the previous year. After factoring in depreciation and tax, the Club registered a net surplus of \$360k compared to a \$200k net deficit a year ago. The Club's cash reserves (total of financial reserves and working capital) registered a year-on-year increase of \$1.667 million (about 27%) reaching \$7.879 million as at 31 March 2016.

Subscription contributed to about \$709k increase in revenue. Transfer fee income went up by \$58k, although entrance fees from direct sales of Ordinary Membership saw a drop as more new members purchased the membership from the open market. Entrance fees from Term Membership saw an increase resulting from more marketing and promotional efforts. The jackpot operations registered an increase in contribution of \$52k as more popular casino-type machines were introduced.

Overall total F&B sales saw a marginal increase from \$5.805million to \$5.830million. F&B ran a higher deficit of \$128k, as compared to a deficit of \$53k a year ago. This was due to higher cost of food ingredients as well as lower than expected banquet sales, despite an improvement in F&B outlet sales. Manpower and other operating costs were well-contained.

Amid the cost containment efforts introduced two years ago when he assumed office as President, the Club continued to face challenges due to escalating operating costs especially on food ingredients and overall manpower cost. For the financial year ended 31 March 2016, total expenditure increased marginally by \$10k on a year-on-year basis. The water and electricity cost saw a drop mainly due to lower tariffs. The cost of repair, maintenance and housekeeping increased slightly as more resources were expended to upkeep old equipment and facilities in the Club.

On the capital expenditure front, the Club deferred most major spending in the last one year. This was to conform to the Treasury Safeguarding Framework (TSF) which mandates that the Club only spend on key priority items (critical and urgent) when the financial reserves are below the minimum financial reserve threshold which put the Club in the transition period at that time. Over the last one year, the Club emerged financially stronger due to the various initiatives put in place. The President was pleased to announce that starting from the financial year 2016/2017, the Club was out of the transition period.

Sports & Recreation

Sports has traditionally been an important aspect of the Club, given that SGCC started as a sports club in the early years. The GC will continue to provide members with ample opportunities to engage in sports, whether on a social or competitive level. The President shared with members the recent achievements by the sports fraternities:

- The bowling team won the most recent adult and youth inter-club leagues, and clinched the championship title for the 1st Senior Inter-Club League; and
- The swimming team retained the lead position 7th year in a row, in the Annual Inter-Club, Swimming (AIMS).

Challenges Ahead

The President stresses on the importance of continuing to provide members a great Club experience, whether in the programmes offered or services rendered. The GC will continue to make improvements in the F&B operations to drive increased patronage, upgrade facilities and infrastructure, and introduce various activities and programmes to engage members.

Acknowledgement and Appreciation

Noting that the success of the Club is never one man's work but more of a collective effort, the President took the opportunity to acknowledge and thank the Trustees, GC members, including the outgoing committee members – Mr Kevin Kwek, Mr Bob Mong, Mr Koh Jin Kit, Mr Foo Maw Shen and Ms Janet Yeong, for their untiring contributions; Sports Convenors and their Sub-Committees, the Management and staff of SGCC, for playing a significant role in making SGCC the best family club in Singapore.

In his closing statement, the President said that the past one year was a fulfilling one, despite the challenges faced. As a team, they achieved more than they had set out to do, but there is still much to be done. With members' encouragement and support, he decided to stay on as President for another term. He thanked members for their trust and confidence in him. With the new GC team and General Manager, Mr Goh Juak Kin, who came on board in March 2016, and the Management team, the President said he looked forward to serving the Club for another two years.

4. TO ELECT MEMBERS OF THE GENERAL COMMITTEE

- 4.1 The President announced that 12 nominations had been received for election to the 12 seats at the close of nominations on 18 June 2016.

- 4.2 As all 12 nominations were received unopposed, the nominees were, therefore, duly elected to their respective offices:

President

Mr Randy Sng

Vice-President

Mr Lee Say Yeow

Honorary Secretary

Dr Edmond Tan

Assistant Honorary Secretary

Mr Peter Chia

Honorary Treasurer

Ms Wong Sook Yee

Assistant Honorary Treasurer

Mr Frederick Kang

Committee Members

Mr Terrence Fernandez

Mr Joseph Koh

Mr Gilbert Low

Mr Ansband Tan

Mr Christopher Tan

Mr Tan Yew Teong

- 4.3 Before calling upon the newly appointed Committee Members to introduce themselves, the President thanked Mr Lee Say Yeow and Ms Wong Sook Yee for graciously agreeing to first resign from the post of Committee Member, and then stand for election as Vice-President and Honorary Treasurer respectively for he found both of them invaluable to the Executive Committee (EXCO).

5. TO CONFIRM THE MINUTES OF THE 58TH ANNUAL GENERAL MEETING HELD ON 28 JUNE 2015

- 5.1 The minutes of the 58th Annual General Meeting held on 28 June 2015, which were circulated as part of the Annual Report, were duly confirmed as proposed by Mr Roger Yap and seconded by Dr Mark Leong.

6. TO RECEIVE THE ANNUAL REPORT AND ADOPT THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

- 6.1 Before seeking acceptance of the Annual Report and adoption of the accounts, Honorary Treasurer Koh Jin Kit presented the Treasury Report and how the Club fared for the year under review before and after adopting the Treasury Safeguarding Framework (TSF) following the last AGM. Mr Koh shared with the House the financial milestones, highlighting the key changes made to achieve a balanced budget through the TSF.

Key changes:

- Operating Income and Expenses (collectively termed Operating Budget) are separated from Non-Operating Income and Expenses (collectively termed Non-Operating Budget). The Operating Budget is required to be balanced i.e. the Operating Expenses cannot exceed the Operating Income;
- Non-operating Income would go into Financial Reserve meant for capital expenses only; while Operating Income would go into the Working Capital meant for operating expenses;
- The Minimum Financial Reserve (MFR) is computed annually. If the amount in the Financial Reserve account is below the threshold, then the Club would be in the Transition Period until the Financial Reserve exceeds the threshold by \$500k;
- Prudence and Control Measures – Capital Expense Prioritisation Matrix guides the prioritisation of all capital expenses requests based on mission critical or non-critical, urgent or non-urgent; and
- During a transitional period, expenditure would only be allowed for CAPEX items categorised under priority 1 (i.e. critical and urgently needed items).

The MFR threshold computed for FY 2015/2016 was \$3.7 million, and the level of financial reserve needed to exit the Transition Period was \$4.2 million (\$3.7 million plus \$500k).

Honorary Treasurer Koh Jin Kit was pleased to declare that through the Treasury Safeguarding Framework (TSF), the financial reserve increased from \$3.170 million in FY 2014/2015 to \$4.21 million in FY 2015/2016, putting the Club out of the Transition Period. Working capital increased from \$3.042million to \$3.667 million. Total cash reserves (which is the sum of the financial reserve and working capital) reached \$7.879 million, which was \$1.667 million higher than the \$6.212 million in the previous year.

Looking Forward

Mr Koh stated that the MFR threshold for new FY 2016/2017 was set to be \$3.8 million. Based on the current projection, the Operating Budget Surplus in FY 2015/2016 would sustain the Club through three financial years, until FY 2017/2018, without having to resort to subscription increases. Mr Koh envisaged that by FY 2016/2017, the cash reserves should be above \$8 million and that would be the highest in the past 13 years.

Mr Koh said another source of sustainable Non-Operating Income could be Term Membership as it would be able to provide long-term, recurring income without growing membership size infinitely. The quota of 500 Term Membership is recycled and maintained throughout as compared to Ordinary Membership or Non-Transferable Ordinary Membership. To the end of his presentation, Mr Koh shared that by year 2024, about 945 members will qualify for Grand Membership. If all of them were to convert, the number would swell and that should be a concern worth noting.

- 6.2 Mr Tony Lim wanted to know whether the CAPEX Prioritisation Matrix (under the TSF) or safeguard measures implemented in the last 12 months helped the GC to better manage and improve the financial health of the Club, taking cognizance the increase in subscription contributed largely to the overall financial state of the Club. He asked if the GC had satisfactorily fulfilled its objective with the prudence measures being installed.
- 6.2.1 Mr Koh replied in the affirmative. He said the GC worked diligently on the major capital expense in accordance with the TSF's CAPEX Prioritised Principles. Expenses that had to be spent due to ageing infrastructure were limited to essentials termed as "mission critical" and "urgently needed within the next 12 months", without which the Club would not be able to function properly. As for the operating expenses and income, Mr Koh agreed with Mr Lim that due to the increased subscription, the operating budget had managed to turn profitable. Notwithstanding, the GC also did their best in containing the operating expenses as well. The excess gains from the operating income went into the working capital. Mr Koh projected that the subscription increase would keep the Club's operating budget balanced for three financial years.
- 6.3 Mr Teng Leng Hock referred the House to item 15, "Operating and Administrative Expenses" (page 70) and sought explanation for the following:
- (i) Increases under CPF contributions (by about \$44k) despite a drop in the salaries and wages, as compared to the previous year; and
 - (ii) Increases under "Salaries and related costs" for key management personnel (by about \$100k).
- 6.3.1 Finance Manager Jamie Lai explained that the increase in Central Provident Fund (CPF) contributions was due to the increase in CPF contribution rates set by the government.
- As for the increase under the payroll-related expenses for key management personnel, Ms Lai replied that the amount included the encashment of unconsumed leave due to resigned employees including former GM, Joseph Woon and the retired Deputy GM, Catherine Tan as well as accrued leave, that is, accumulated leave carried forward to the following year that is allowed under the Club standards (Staff Handbook).
- 6.3.2 The President stated that leave accrual is allowed in the industry practice. Staff can carry forward one year of accumulated leave into the following year if they were not able to take their leave due to exigencies of work, workload or for some reasons or another.

- 6.3.3 Mr Tony Lim wanted to know whether leave encashment is considered monetary compensation.
- 6.3.4 Mr Teng Leng Hock questioned how much was paid to the two key management personnel and how many weeks of unused leave were accumulated. Ms Helena Lin also requested for a breakdown of the information.
- 6.3.5 In response, Ms Jamie Lai reiterated that based on industry standards, accumulated leave of up to 21 days entitlement (for the GM and other key management positions) is allowed to be carried forward one year as accrued leave.
- 6.3.6 Vice President-Elect Lee Say Yeow affirmed that the unconsumed leave carried forward to the following year is not allowed to be encashed. However, leave earned during the current year can be encashed when the staff leaves the employment of the Club.
- 6.3.7 Mr Lim thanked Mr Lee for his clarification. To sum it up, Honorary Treasurer Koh Jin Kit stated that the amount in question included actual leave payout to the resigning staff as well as leave accrual.
- 6.3.8 Dr Mark Leong was of the view that when a person resigns, he should clear all his leave during the notice period as there is no reason to reward anybody with cash. He asked to consider a review of the HR polices.
- 6.3.9 The President explained that for critical position(s), sufficient notice must be given to allow the Management to find a suitable replacement in good time. If the Club is unable to get talented people for the replacement, they may even request for the resigning staff's notice period to be extended, until the position is filled.
- 6.3.10 Dr Leong, whilst concurring with the President's point that not all positions are equally important, he said that for critical positions, these should be treated differently. Citing his own workplace employment policy, he suggested that the Club consider a 6-month notice period in the employment contract, so as to allow the Club ample time to look for replacements.
- 6.4 Mr Teng then referred the House to item 13, "Other Activities" (page 69). He requested explanation for the continuing losses incurred by some of the sports fraternities, for instance, golf and darts which showed an increase in deficit by \$2k and \$2.5k respectively, despite the GC's assurance at the last AGM that expenses would be managed with prudence, particularly for those non-profit generating sports. He also pointed out that profit-generating sports showed a decrease in profit of about \$10k. Echoing Mr Teng's point, Mr Lim said there was no prudence on the part of the GC as the Club continued to incur further losses.
- 6.4.1 As the above matter is closely related to a subject which was to be raised under Any Other Business, the President then brought forward Agenda Item 6, an enquiry raised by Mr Teng.
- 6.4.2 Regarding the queries raised by Mr Teng as to what initiatives were put in place to manage sports subsidies, Vice-President and Chairperson for Sports & Recreation Kevin Kwek highlighted the following, which were implemented during the past 12 months:
- Fixing budgets for each sports event with a minimum number of participants. Actual spending is based on the number of participants, not exceeding the allocated budget;
 - Postponing or cancelling events if the minimum number of participants is not met;
 - Introducing Centre of Excellence (COE) Bowling programmes at the Club to generate additional revenue;
 - Soliciting for more sponsorships to defray some of the costs such as T-shirts for officials and door gifts for major events;
 - Sourcing for better pricing for trophies, prizes and team uniforms; and

- Using in-house staff as emcees for smaller-scale events instead of engaging professional emcees, who may charge an average of \$1k - \$2k per event.

Drawing the House's attention to a trend chart - showing bottom line figures of the sports sections' events/activities, particularly golf in question, Mr Kwek stated that over the last 5 years, despite the increasing level of participation, the Club continued to keep the losses or subsidies as low as possible. He recognised that SGCC is not a golf club, but a family club where most people joined the membership for its recreational and social activities.

- 6.4.3 Mr Teng Leng Hock clarified that he was not against golf. He merely wanted to point out that the subsidy could be way too high especially if it is a non-core sport with a small number of participants, and in view of the Club not having a golf course. He also queried the proportion of members participating in golf and how many post-event dinners were held at the Club. Mr Teng felt that such dinners should be held at the Club to support its F&B component in return for any subsidies the Club is giving to the sports events.
- 6.4.4 Mr Tony Lim stated that SGCC is not a golf club. Although the golf fraternity has been around for many years, it keeps losing money and it is not justifiable for the Club to continue to lose more money. Although a golfer himself, Mr Lim said he never joined the golf fraternity but he reckoned that the golf section maintains a sub-fund which they could use to help fund its golfing activities to reduce losses. Mr Roger Yap echoed his sentiments.
- 6.4.5 In response to Mr Lim's query, Mr Kwek stated that the golf fraternity indeed has a section fund that is contributed by the section members. It is used to fund lucky draw prizes and its annual golf tournament. As to the level of participation in golf, Mr Kwek said there was an increase of 25 percent over the years 2012 to 2016.
- 6.4.6 Referring to the chart on Net Profit/Loss for each sport as well as the trend chart projected to the House, Club Trustee Anthony Tan said he could not rationalise the basis of the comparison as certain sports require investment in infrastructure and its maintenance. For instance, although golf events involve much spending, there is no golf facility to be maintained, whereas for swimming activities which generated more income, there is a fair amount of CAPEX investment in maintaining the pool. Mr Kwek agreed to review the format of presentation.
- 6.4.7 Mr Teng said he raised this issue due to the GC's financial decision to increase the monthly subscription and to implement the TSF to address depleting financial reserves. He felt that since the Club was not in a good financial state, it should not continuously lose money on non-core sports. The Club should instead cut losses and reduce the level of subsidy.
- 6.4.8 Referring the House to the slide depicting the level of subsidy per participant on a yearly basis, Mr Kwek said that based on past trends, it revealed a general reduction in the subsidies for the various fraternities. Mr Kwek clarified that the participation was based on the events that the Club subsidised.
- 6.4.9 Mr Daryl Lock felt that the data analysis was not representative enough as it did not provide a complete picture of how many people are using the facility and participating in the sports that are being subsidised.
- 6.4.10 The President explained that the analysis was based on past trends from the years 2012 to 2016, and it showed that the subsidies had reduced over the years. He said that there is no "magic formula" in coming out with the amount of subsidies for each sport fraternity, but he would be glad to have input from Mr Teng Leng Hock, Mr Tony Lim and Mr Roger Yap on this matter for future improvement.
- 6.4.11 Mr Lim commented that the comparison of participation level would be irrelevant to him as what matters most is the bottom line. He emphasised that the House is not for closing any sports section; they merely want the GC to be prudent in reducing losses. Wrapping up the issue, Mr Lim said he would like the GC to come back to them within the next 60 days with their recommendations. Noting his points, President said he would like to call for a meeting in the course of next two weeks and to invite the participation of Mr Teng, Mr Lim and Mr Yap, aimed at seeking their views in developing that "magic formula".
- 6.4.12 There being no further comments or questions from the floor, the Annual Report and Accounts for the year

ended 31 March 2016 were received and passed as proposed by Dr Mark Leong and seconded by Ms Lily Goh.

7. TO APPOINT AUDITORS FOR THE ENSUING YEAR

- 7.1 Honorary Treasurer Koh Jin Kit reported that the GC was satisfied with the work of the present auditors, HLB Atrede LLP, and proposed that HLB Atrede LLP be appointed as the Club's auditors for the ensuing financial year. It was seconded by Mr Teng Leng Hock.

8. TO TRANSACT ANY OTHER BUSINESS (AOB) OF WHICH 7 CLEAR DAYS' NOTICE HAS BEEN GIVEN IN WRITING TO THE HONORARY SECRETARY

- 8.1 The President informed the House that a total of two letters were received. One of the letters was from Mr Teng pertaining to the level of subsidy for sports which was addressed earlier and the other letter was from Mr Tony Lim. Mr Lim queried about the former GM Mr N K Hazra's leave encashment and bonus payment which he brought up during last year's AGM. He wished to seek closure of the issue in the form of transparency for the betterment of the Club.
- 8.2 The President clarified that the findings were put up on the notice board on 21 January 2015 and assured members that a proper investigation was carried out. The leave encashment did not amount to \$70k - the amount based on the unconsumed leave beyond two years amounted to less than \$20k (out of the total amount of about \$39k in leave encashment) and the bonus paid to him was separate from the leave encashment.

To ensure good corporate governance, the GC also undertook the review of HR policies specifically applicable to the office of GM. Revisions were made to include the GM's leave accumulation and encashment in the HR policies, including the imposition of an additional layer of approval process by the Executive Committee.

The President added that the initial investigation involved him, Honorary Treasurer Koh Jin Kit and Honorary Secretary Bob Mong. They went through all the past records, including every leave application. In the interest of transparency, the Trustees were also roped in to assist with the investigation. Every single piece of document and material information were scrutinised thoroughly. The accrual as well as payroll processes were duly followed in accordance with procedures.

- 8.3 Mr Lim hoped that the GC could share with the House the sequence of events that took place to bring the matter to a close. As there was discretionary approval given and that the HR did not have a specific policy to regulate the situation, he hoped that the practice could be stopped.
- 8.4 The President acknowledged that there was no HR policy governing the leave accumulation covering the GM at that time. As the GM reports directly to the President, and although there was a discretionary decision given, there was no wrongdoing and the processes were not violated. Responding to Mr Lim's repeated requests for the disclosure of the information, the President said it would not be right to do so, for regulatory implications. Moreover, the issue should be regarded as an event that had passed and that things were made right since then. Nevertheless, the President recognised Mr Lim's good intentions for greater transparency, and asked to have the issues behind them. He concluded by appealing to the House to give the new GC team a chance. As elected GC members, he hoped that the members could continue to give them the confidence and support to serve the Club, to bring about better policies and procedures for the betterment of the Club.
- 8.5 Mr Lim reiterated that he would like to see HR and good governance policies being showed on paper to members, for greater transparency and for the benefit of future committees coming onboard.

9. TO ACCEPT THE RESIGNATION OF MICHAEL KHOR TEIK HEAN AS TRUSTEE WITH EFFECT FROM 15 APRIL 2016

- 9.1 The President informed the meeting that Mr Michael Khor tendered his resignation as Trustee due to medical reasons. The Club's lawyer from Lee & Lee, brought to the GC's attention that under the Club Constitution clause 27.1, it provides that the "Trustees shall hold office for life "unless some other period is determined in each case by a General Meeting". Hence, procedurally, the GC had to seek the general membership's acceptance of Mr Khor's resignation as Trustee of the Club.
- 9.2 The President then sought and received approval for the acceptance of Mr Michael Khor's resignation with effect from 15 April 2016.
- 9.3 As an aside, both Mr Teng Leng Hock and Mr Tony Lim sought clarification on the nomination and selection processes with respect to the Trustee's appointment. As provided under the Constitution, the President said the GC intended to appoint a new Trustee in replacement of Mr Michael Khor but the appointment was not effected due to the processing of legal requirements. On reviewing the potential Trustee candidates, the GC went through a rigorous background check and evaluation. It was then narrowed down to two nominees before the GC cast their votes.
- 9.4 Going forward, Mr Teng felt that there was a need to review the Constitution regarding the Trustee's appointment. Conceptually speaking, he found it peculiar to have the general membership accepting the resignation of a Trustee if the appointment lies with the GC. President said Mr Teng's points are pertinent, and stated that the GC would be considering refining the rules pertaining to Trustees.

10. ADJOURNMENT

- 10.1 Before the general meeting was drawn to a close, a short dialogue session which would not be part of the AGM was held with members.
- 10.2 There being no other matters, the President thanked members for their attendance and the meeting was adjourned at 3.37pm.

A CORRECT RECORD



Randy Sng
President

Serangoon Gardens Country Club

(Reg. No. UEN S55SS0010E)

GENERAL COMMITTEE'S STATEMENT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2017

General Committee Members

| | | |
|------------------------------|---|--------------------------|
| President | : | Randy Sng Yong Hoe |
| Vice President | : | Lee Say Yeow |
| Honorary Secretary | : | Edmond Tan Chok Jueh |
| Honorary Treasurer | : | Wong Sook Yee |
| Assistant Honorary Secretary | : | Peter Chia Kwang Hai |
| Assistant Honorary Treasurer | : | Frederick Kang Hong Chee |
| Committee Member | : | Terrence Fernandez |
| Committee Member | : | Joseph Koh Thuan Joo |
| Committee Member | : | Gilbert Low Teck Hian |
| Committee Member | : | Ansband Tan Wah Hong |
| Committee Member | : | Christopher Tan Teow Hin |
| Committee Member | : | James Tan Jee Hai |
| Committee Member | : | Tan Yew Teong |

Independent Auditor

HLB Atrede LLP

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Statement by General Committee

In the opinion of the General Committee,

- (a) the accompanying balance sheet, statement of comprehensive income, statement of changes in funds and cash flow statement together with notes thereto are drawn up in accordance with the provisions of the Societies Act, Chapter 311 and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Serangoon Gardens Country Club (the Club) as at 31 March 2017 and the results, changes in funds and cash flows of the Club for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

On behalf of the General Committee,



Randy Sng Yong Hoe
President



Wong Sook Yee
Honorary Treasurer

Singapore
26 May 2017

**Independent Auditor's Report
to the Members of Serangoon Gardens Country Club**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Serangoon Gardens Country Club (the Club), which comprise the balance sheet as at 31 March 2017, and the statement of comprehensive income, statement of changes in funds and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Club as at 31 March 2017 and of the financial performance, changes in funds and cash flows of the Club 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 Club in accordance with the Accounting and Corporate Regulatory Authority (ACRA) 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.

Responsibilities of General Committee for the Financial Statements

The committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and FRSs, and for such internal control as the committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Club'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 Club or to cease operations, or has no realistic alternative but to do so.

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

**Independent Auditor's Report
to the Members of Serangoon Gardens Country Club – continued**

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.

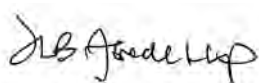
As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Club'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 Club'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 Club 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.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Societies Regulation enacted under the Act to be kept by the Club have been properly kept in accordance with those regulations.



HLB Atrede LLP
Public Accountants and
Chartered Accountants

Singapore
26 May 2017

Balance Sheet as at 31 March 2017

| | Note | 2017 \$ | 2016 \$ |
|---|-------------|--------------------------|--------------------------|
| ASSETS | | | |
| Non-current | | | |
| Property, plant and equipment | 4 | 21,886,651 | 22,492,627 |
| Members' receivables | 5 | 217,465 | 323,562 |
| | | <u>22,104,116</u> | <u>22,816,189</u> |
| Current | | | |
| Inventories | 6 | 177,193 | 211,941 |
| Members' receivables | 5 | 1,114,522 | 1,248,014 |
| Sundry receivables, deposits and prepayment | 7 | 263,445 | 376,288 |
| Interest receivables | | 8,686 | 7,208 |
| Fixed deposits | 8 | 3,455,636 | 2,934,346 |
| Cash and cash equivalents | 8 | 5,749,371 | 4,945,613 |
| | | <u>10,768,853</u> | <u>9,723,410</u> |
| TOTAL ASSETS | | <u><u>32,872,969</u></u> | <u><u>32,539,599</u></u> |
| FUNDS | | | |
| Accumulated funds | 9 | 29,817,349 | 29,116,715 |
| | | <u>29,817,349</u> | <u>29,116,715</u> |
| LIABILITIES | | | |
| Current | | | |
| Creditors and accruals | 10 | 1,872,322 | 2,247,892 |
| Subscriptions charged in advance | | 348,360 | 353,330 |
| Members' credit balances and deposits | | 784,983 | 779,486 |
| Income tax payable | | 49,955 | 42,176 |
| | | <u>3,055,620</u> | <u>3,422,884</u> |
| TOTAL FUNDS AND LIABILITIES | | <u><u>32,872,969</u></u> | <u><u>32,539,599</u></u> |

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Statement of Comprehensive Income for the financial year ended 31 March 2017

| | Note | 2017 \$ | 2016 \$ |
|---|-------------|-----------------------|-----------------------|
| INCOME | | | |
| Subscriptions | | 4,251,294 | 4,132,016 |
| Transfer fees | | 424,260 | 484,830 |
| Entrance fees | | 841,675 | 816,125 |
| Interest income – fixed deposits | | 28,135 | 22,056 |
| Miscellaneous income | 11 | 232,622 | 363,778 |
| Lease rental income | | 523,767 | 482,587 |
| Contributions/(deficits) from: | | | |
| Fruit machines | 12 | 1,294,047 | 1,290,647 |
| Facilities booking | 13 | 219,056 | 219,621 |
| Other activities | 14 | 92,408 | 47,935 |
| Food and beverage | 15 | (226,614) | (127,571) |
| | | <u>7,680,650</u> | <u>7,732,024</u> |
| Less: | | | |
| EXPENDITURE | | | |
| Operating and administrative | 16 | 4,207,672 | 4,412,573 |
| Repairs, maintenance and housekeeping | 17 | 596,609 | 605,148 |
| Water and electricity | | 725,601 | 826,329 |
| | | <u>5,529,882</u> | <u>5,844,050</u> |
| NET SURPLUS BEFORE DEPRECIATION | | 2,150,768 | 1,887,974 |
| Depreciation of property, plant and equipment | 4 | (1,397,331) | (1,490,391) |
| Loss on disposal of property, plant and equipment | | (2,848) | (52) |
| NET SURPLUS BEFORE TAX | | <u>750,589</u> | <u>397,531</u> |
| Income tax expense | 18 | (49,955) | (37,646) |
| NET SURPLUS AFTER TAX | | 700,634 | 359,885 |
| Other comprehensive income | | – | – |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u><u>700,634</u></u> | <u><u>359,885</u></u> |

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Statement of Changes in Funds for the financial year ended 31 March 2017

| | Accumulated funds \$ |
|---|-------------------------------------|
| Balance at 1 April 2015 | 28,756,830 |
| Total comprehensive income for the year | 359,885 |
| Balance at 31 March 2016 | <u>29,116,715</u> |
| Total comprehensive income for the year | 700,634 |
| Balance at 31 March 2017 | <u><u>29,817,349</u></u> |

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Cash Flow Statement for the financial year ended 31 March 2017

| | 2017 | 2016 |
|---|--------------------|------------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net surplus before tax | 750,589 | 397,531 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 1,397,331 | 1,490,391 |
| Loss on disposal of property, plant and equipment | 2,848 | 52 |
| Interest income | (28,135) | (22,056) |
| Bad debts written off | 12,544 | 1,617 |
| Operating cash flow before working capital changes | <u>2,135,177</u> | <u>1,867,535</u> |
| Decrease/(increase) in inventories | 34,748 | (75,042) |
| Decrease in operating receivables | 339,888 | 244,389 |
| (Decrease)/increase in operating payables | (375,043) | 142,876 |
| Cash generated from operations | <u>2,134,770</u> | <u>2,179,758</u> |
| Income tax paid | (42,176) | (40,437) |
| Net cash flows from operating activities | <u>2,092,594</u> | <u>2,139,321</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (797,353) | (491,619) |
| Proceeds from disposal of property, plant and equipment | 3,150 | - |
| Increase in fixed deposits | (521,290) | (265,849) |
| Interest received | 26,657 | 19,725 |
| Net cash flows used in investing activities | <u>(1,288,836)</u> | <u>(737,743)</u> |
| Net increase in cash and cash equivalents | 803,758 | 1,401,578 |
| Cash and cash equivalents at beginning of year | <u>4,945,613</u> | <u>3,544,035</u> |
| Cash and cash equivalents at end of year (Note 8) | <u>5,749,371</u> | <u>4,945,613</u> |

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Notes to the Financial Statements - 31 March 2017

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

The Club is registered under the Societies Act Chapter 311 and domiciled in Singapore.

The registered office and principal place of activities of the Club is located at 22, Kensington Park Road, Singapore 557271.

The principal activities of the Club are to promote the interest of the Club members, provide recreational activities and other activities for the welfare and well-being of its members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

The financial statements have been prepared in accordance with the Societies Act and Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest one-dollar unless otherwise stated.

The accounting policies adopted are consistent with those used in the previous financial year except in the current financial year, the Club has adopted all applicable new and revised FRS and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS and INT FRS did not result in any changes to the Club's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Standards issued but not yet effective

The Club has not adopted the following standards and interpretations which are potentially relevant to the Club that has been issued but not yet effective:

| | Effective date (Annual periods beginning on or after) |
|---|---|
| Amendments to FRS 7: <i>Disclosure Initiative</i> | 1 January 2017 |
| FRS 109 Financial Instruments | 1 January 2018 |
| FRS 115 Revenue from Contracts with Customers | 1 January 2018 |
| FRS 116 Leases | 1 January 2019 |

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Except for FRS 116, the General Committee expects that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

FRS 116 Leases

FRS 116 reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on balance sheet date to reflect the rights to use leased assets (a “right-of-use” asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items.

The lease liability is initially measured as the present value of future lease payments with adjustments for any prepaid rents, lease incentives received and initial direct costs incurred. In subsequent periods, the lease liability is accounted for similarly to a financial liability using the effective interest method. The right-of-use asset is accounted for similarly to a purchased asset and depreciated or amortised.

FRS 116 is effective for annual periods beginning on or after 1 January 2019. The Club is currently assessing the impact of FRS 116 and plans to adopt the standard on the required effective date.

(b) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. 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 Club and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Club recognises such parts as individual assets with specific useful lives and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

| | | |
|--|---|----------|
| Clubhouse buildings and underpass | – | 50 years |
| Furniture, fittings and office equipment | – | 5 years |
| Pool, gymnasium and electrical equipment | – | 5 years |
| Amusement equipment | – | 3 years |
| Renovation | – | 5 years |
| Computers | – | 3 years |
| Motor vehicles | – | 5 years |
| Container | – | 5 years |
| Bowling equipment | – | 10 years |
| Kitchenware, crockery and utensils | – | 5 years |

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

Building improvements in progress are not depreciated as these assets are not yet available for use.

For acquisition and disposals of property, plant and equipment, depreciation is provided in the month of acquisition and no depreciation is provided in the month of disposal.

Property, plant and equipment with individual cost of \$500 and below are expensed off in the profit or loss in the year of purchase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Property, plant and equipment (continued)*

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(c) *Impairment of non-financial assets*

The Club assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

(d) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Club becomes a party to the contractual provision of the financial instrument. The Club determines the classification of its financial assets at initial recognition.

When a financial asset is recognised initially, the Club shall measure it 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 or issue of the financial asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) *Held-to-maturity investment*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Club has the positive intention and ability to hold the investments to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(ii) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial assets (continued)

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Club commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(e) Impairment of financial assets

The Club assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Club first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Club determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amount charged to the allowance account is written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Club considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss on a financial asset carried at cost has been incurred (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) the impairment loss is recognised and the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Club becomes a party to the contractual provisions of the financial instrument. The Club determines the classification of its financial liabilities at initial recognition.

When a financial liability is recognised initially, the Club shall measure it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial liability.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Club has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) *Financial liabilities at amortised cost*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

Consumable stocks and stores – weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised.

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

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and fixed deposits with maturity not more than three months.

(i) Trade and other payables

Trade and other payables are non-interest bearing and trade payables are normally settled on 30 to 60 days' terms while other payables have varied payment terms depending on the nature of the payables.

(j) Provisions

Provisions are recognised when the Club has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Club pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

In particular, the Club makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(l) Leases

(i) As lessee

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Leases (continued)

(ii) As lessor

Leases where the Club retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes. The following specific recognition criteria must also be met before revenue is recognised:

(i) Revenue from food and beverage

Revenue from food and beverage operations is recognised upon the point of sale of food and beverage to members and customers. Revenue represents the value of food and beverage, net of discounts and goods and services tax.

(ii) Rental income

Rental income arising from the Club's property is recognised on a straight-line basis over the lease term on ongoing leases.

(iii) Interest income

Interest income is recognised using the effective interest method.

(iv) Subscription fees

Subscription fees are recognised when they are due for payment.

(v) Entrance and transfer fees

The entrance and transfer fees are recognised in full in the financial year in which new members are admitted or transferred.

(vi) Fruit machines income

Fruit machines income is recognised on receipt basis.

(n) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Club will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Taxes

(i) Current income tax

The Club's income tax is subject to the provision of section 11(1) of the Singapore Income Tax Act. It is deemed not to carry on business if at least half of its gross receipts in the revenue account are from its members, and such revenue is not subject to tax.

Any other sources of income derived from dealing with non-members are taxable.

The income tax rate applicable is on the effective rate in Part B of the Second Schedule of the Act, which is limited to the corporate income tax rate of 17%.

(ii) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- Where the goods and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Club's financial statements requires the General Committee to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosure of contingent liabilities at the end of each reporting period. Although these estimates are based on the General Committee's best knowledge of current events and actions, actual results may differ from those estimates.

(i) Judgement made in applying accounting policies

There were no material judgements made by Management in the process of applying the Club's accounting policies that had a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Club. Such changes are reflected in the assumptions when they occur.

- *Useful lives of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the property, plant and equipment at the end of the reporting period is disclosed in Note 4 to the financial statements. A 1% difference in the expected useful lives of these assets from Management's estimates would result in approximately 2% (2016: 3%) variance in the surplus or deficit before tax.

4. PROPERTY, PLANT AND EQUIPMENT

| | Clubhouse buildings and underpass \$ | Furniture, fittings and office equipment \$ | Pool, gymnasium and electrical equipment \$ | Amusement equipment \$ | Renovation \$ | Computers \$ |
|--------------------------------------|---|--|--|---------------------------------------|--------------------------|-------------------------|
| Cost: | | | | | | |
| At 1 April 2015 | 34,192,187 | 2,528,359 | 4,364,116 | 819,343 | 5,066,719 | 1,125,261 |
| Additions | – | 87,099 | 132,578 | 123,980 | 13,200 | 64,288 |
| Disposal/written off | – | (54,614) | (418,902) | (90,400) | (5,900) | (404,818) |
| Reclassification | 33,548 | – | – | – | – | – |
| At 31 March 2016 and 1 April 2016 | 34,225,735 | 2,560,844 | 4,077,792 | 852,923 | 5,074,019 | 784,731 |
| Additions | 24,160 | 56,357 | 379,259 | 92,738 | 15,850 | 42,380 |
| Disposal/written off | – | (313,164) | (470,752) | (57,700) | (283,193) | (11,114) |
| At 31 March 2017 | 34,249,895 | 2,304,037 | 3,986,299 | 887,961 | 4,806,676 | 815,997 |
| Accumulated depreciation: | | | | | | |
| At 1 April 2015 | 12,580,267 | 2,184,262 | 3,767,325 | 680,803 | 4,428,508 | 1,072,670 |
| Charge for the year | 711,564 | 133,613 | 194,782 | 90,210 | 270,536 | 50,295 |
| Disposal/written off | – | (54,562) | (418,902) | (90,400) | (5,900) | (404,818) |
| At 31 March 2016 and 1 April 2016 | 13,291,831 | 2,263,313 | 3,543,205 | 680,613 | 4,693,144 | 718,147 |
| Charge for the year | 714,805 | 118,928 | 219,650 | 110,021 | 169,641 | 32,389 |
| Disposal/written off | – | (312,720) | (467,531) | (57,700) | (283,193) | (11,114) |
| At 31 March 2017 | 14,006,636 | 2,069,521 | 3,295,324 | 732,934 | 4,579,592 | 739,422 |
| Net carrying amount: | | | | | | |
| At 31 March 2016 | 20,933,904 | 297,531 | 534,587 | 172,310 | 380,875 | 66,584 |
| At 31 March 2017 | 20,243,259 | 234,516 | 690,975 | 155,027 | 227,084 | 76,575 |

4. PROPERTY, PLANT AND EQUIPMENT (continued)

| | Kitchenware, crocery and utensils \$ | Motor vehicles \$ | Container \$ | Bowling equipment \$ | Building improvements in progress \$ | Total \$ |
|--------------------------------------|---|-------------------------|-----------------|----------------------------|---|-------------|
| Cost: | | | | | | |
| At 1 April 2015 | 164,682 | 60,396 | 27,304 | 1,033,465 | 22,312 | 49,404,144 |
| Additions | - | 27,967 | - | 31,271 | 11,236 | 491,619 |
| Disposal/written off | - | - | - | - | - | (974,634) |
| Reclassification | - | - | - | - | (33,548) | - |
| At 31 March 2016 and 1 April 2016 | 164,682 | 88,363 | 27,304 | 1,064,736 | - | 48,921,129 |
| Additions | - | - | - | 99,562 | 87,047 | 797,353 |
| Disposal/written off | - | - | - | (70,000) | - | (1,205,923) |
| At 31 March 2017 | 164,682 | 88,363 | 27,304 | 1,094,298 | 87,047 | 48,512,559 |
| Accumulated depreciation: | | | | | | |
| At 1 April 2015 | 129,387 | 57,192 | 27,304 | 984,975 | - | 25,912,693 |
| Charge for the year | 18,538 | 7,873 | - | 12,980 | - | 1,490,391 |
| Disposal/written off | - | - | - | - | - | (974,582) |
| At 31 March 2016 and 1 April 2016 | 147,925 | 65,065 | 27,304 | 997,955 | - | 26,428,502 |
| Charge for the year | 10,818 | 6,051 | - | 15,028 | - | 1,397,331 |
| Disposal/written off | - | - | - | (67,667) | - | (1,199,925) |
| At 31 March 2017 | 158,743 | 71,116 | 27,304 | 945,316 | - | 26,625,908 |
| Net carrying amount: | | | | | | |
| At 31 March 2016 | 16,757 | 23,298 | - | 66,781 | - | 22,492,627 |
| At 31 March 2017 | 5,939 | 17,247 | - | 148,982 | 87,047 | 21,886,651 |

4. PROPERTY, PLANT AND EQUIPMENT (continued)

The Club properties are constructed on leasehold land with tenure of 999 years (commencing 1 January 1955) registered in the name of the trustees of the Club.

5. MEMBERS' RECEIVABLES

| | 2017 | 2016 |
|--------------------------|------------------|------------------|
| | \$ | \$ |
| Entrance fee receivables | 457,333 | 682,469 |
| Members' receivables | 874,654 | 889,107 |
| | <u>1,331,987</u> | <u>1,571,576</u> |
| Current: | | |
| Entrance fee receivables | 239,868 | 358,907 |
| Members' receivables | 874,654 | 889,107 |
| | <u>1,114,522</u> | <u>1,248,014</u> |
| Non-current: | | |
| Entrance fee receivables | <u>217,465</u> | <u>323,562</u> |

The amount for non-current portion of entrance fee receivables approximates to the amortised costs.

Members' receivables are non-interest bearing and are generally on 30-day payment terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

The Club assesses at the end of the reporting period whether there is objective evidence that the member's receivables are impaired. There were no members' receivables that were impaired at the end of the reporting period.

Receivables that are past due but not impaired

The Club has members' receivables amounting to \$101,820 (2016: \$127,770) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

| | 2017 | 2016 |
|---|----------------|----------------|
| | \$ | \$ |
| Members' receivables past due but not impaired: | | |
| Not more than 60 days | 86,894 | 104,143 |
| 61 to 90 days | 14,926 | 20,226 |
| 91 to 120 days | - | 3,401 |
| | <u>101,820</u> | <u>127,770</u> |

6. INVENTORIES

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| Consumable stocks and stores | <u>177,193</u> | <u>211,941</u> |
| Statement of comprehensive income: | | |
| Inventories recognised as an expense in cost of sales | <u>2,171,759</u> | <u>2,358,489</u> |

7. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENT

| | 2017 \$ | 2016 \$ |
|--------------------------------|----------------|----------------|
| Prepayment | 73,915 | 84,184 |
| Rental receivables | 21,304 | 21,607 |
| Staff advances – interest free | 2,990 | 2,359 |
| Sundry receivables | 79,451 | 91,398 |
| Sundry refundable deposits | 85,785 | 176,740 |
| | <u>263,445</u> | <u>376,288</u> |

8. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

| | 2017 \$ | 2016 \$ |
|--|------------------|------------------|
| Cash and bank balances | 4,740,984 | 4,190,869 |
| Fixed deposits | 4,464,023 | 3,689,090 |
| | <u>9,205,007</u> | <u>7,879,959</u> |
| Less: fixed deposits with maturity more than 3 months | (3,455,636) | (2,934,346) |
| Cash and cash equivalents as stated in cash flow statement | <u>5,749,371</u> | <u>4,945,613</u> |

Short-term deposits are made for varying periods of between 3 months and 12 months (2016: between 3 months and 12 months) depending on the immediate cash requirements of the Club, and earn interests at the prevailing short term deposit rates. The interest rates of short-term deposits range from 0.20% to 1.13% (2016: 0.25% to 1.02%) per annum.

9. ACCUMULATED FUNDS

Pursuant to Rule 39.2 of the Club's Constitution, the accumulated funds derived from the operations of the Club's fruit machines and tombola after the settlement of Club's debts and liabilities must be distributed to the approved charities in Singapore in the event of dissolution of the Club.

As at 31 March 2017, included within accumulated funds is an amount totalling \$51,148,715 (2016: \$49,964,690), which represents accumulated fruit machines and tombola income net of related expenditure and depreciation.

10. CREDITORS AND ACCRUALS

| | 2017 \$ | 2016 \$ |
|------------------------------|------------------|------------------|
| Trade payables and accruals | 1,127,070 | 1,293,050 |
| Unconsumed leave entitlement | 169,689 | 148,807 |
| Deferred revenue | 54,994 | 110,242 |
| GST payable | 197,190 | 224,624 |
| Deposits received | 323,379 | 471,169 |
| | <u>1,872,322</u> | <u>2,247,892</u> |

11. MISCELLANEOUS INCOME

| | 2017 | 2016 |
|----------------------------|----------------|----------------|
| | \$ | \$ |
| Electronic parking systems | 128,174 | 141,470 |
| Sundry income | 33,336 | 28,033 |
| Advertisement | 4,640 | 10,562 |
| Reimbursement income | 66,472 | 83,311 |
| Income from Charity Dinner | - | 100,402 |
| | <u>232,622</u> | <u>363,778</u> |

12. FRUIT MACHINES

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| Collections | 13,364,806 | 14,466,764 |
| Deductions: | | |
| Payment to winners | (8,906,337) | (9,805,980) |
| Government tax [including goods and services tax of \$291,406 (2016: \$303,344)] | (2,784,561) | (2,986,303) |
| Maintenance of machines | (27,322) | (25,450) |
| General supplies | (13,757) | (10,090) |
| Direct staff costs | | |
| – Salaries and wages | (185,193) | (183,328) |
| – Central Provident Fund contributions | (19,630) | (18,570) |
| Other operating expenses | (133,959) | (146,396) |
| Contribution from fruit machines | <u>1,294,047</u> | <u>1,290,647</u> |

13. FACILITIES BOOKING

This relates mainly to the facilities booking of bowling lanes and lockers, swimming pool, lockers and towels, billiard tables and lockers, mahjong tables, squash and tennis courts.

14. OTHER ACTIVITIES

| | 2017 | 2016 |
|---|---------------|---------------|
| | \$ | \$ |
| Aerobics and fitness | 78,289 | 71,339 |
| Billiards | (3,613) | (5,537) |
| Bowling | (19,556) | (13,730) |
| Darts | (13,356) | (11,387) |
| Chess | (254) | 3,591 |
| Golf | (21,841) | (26,517) |
| Mahjong | (3,909) | (5,642) |
| Membership relations activities and classes | (13,084) | (35,801) |
| Squash/table-tennis | (673) | 1,107 |
| Swimming | 77,404 | 70,543 |
| Tennis | 16,241 | 7,916 |
| Youth/video games | 10,114 | 4,737 |
| Miscellaneous | (13,354) | (12,684) |
| Net surplus from other activities | <u>92,408</u> | <u>47,935</u> |

15. FOOD AND BEVERAGE

| | 2017 | 2016 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Sales | 5,470,449 | 5,830,655 |
| Less: | | |
| Cost of sales | (2,171,759) | (2,358,489) |
| Gross contribution | <u>3,298,690</u> | <u>3,472,166</u> |
| Less: | | |
| Direct staff costs – Salaries and wages | (2,337,261) | (2,343,605) |
| – Central Provident Fund contributions | (187,119) | (200,104) |
| Other operating expenses | <u>(1,000,924)</u> | <u>(1,056,028)</u> |
| Deficit from food and beverage | <u>(226,614)</u> | <u>(127,571)</u> |

16. OPERATING AND ADMINISTRATIVE EXPENSES

| | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| Auditors' remuneration | 9,600 | 7,120 |
| Bad debts | 12,544 | 1,617 |
| Charity dinner expenses | – | 23,779 |
| Decoration | 15,910 | 16,704 |
| Donations | – | 76,623 |
| General expenses | 67,278 | 73,005 |
| Insurance | 50,659 | 48,072 |
| Laundry | 3,315 | 2,883 |
| License fees | 8,538 | 13,034 |
| Medical | 31,627 | 25,714 |
| Meeting expenses | 26,468 | 26,520 |
| Members' introduction expenses | 57,546 | 52,496 |
| Membership launch expenses | 31,839 | 38,568 |
| New members' gathering expenses | 6,949 | 8,053 |
| Newsletter | 73,929 | 78,549 |
| Nets/cashcard commission | 2,433 | 2,725 |
| Payroll – Salaries and wages | 2,662,157 | 2,830,648 |
| – Central Provident Fund contributions | 350,296 | 325,978 |
| – Employee leave entitlements | 33,516 | (2,449) |
| Postage | 22,865 | 24,769 |
| Printing, stationery and magazines | 52,037 | 43,795 |
| Professional and legal fees | 11,471 | 18,590 |
| Promotional materials | 99,589 | 108,364 |
| Property tax | 298,800 | 307,609 |
| Recruitment | 13,702 | 11,517 |
| Refreshment | 1,623 | 2,786 |
| Staff benefits | 162,309 | 143,736 |
| Staff incentive | 39,268 | 42,933 |
| Staff training | 13,485 | 12,451 |
| Telephone | 30,079 | 28,530 |
| Transport | 17,840 | 17,854 |
| | <u>4,207,672</u> | <u>4,412,573</u> |

Included in payroll expenses are key management personnel costs as follows:

| | 2017 | 2016 |
|----------------------------|----------------|------------------|
| | \$ | \$ |
| Salaries and related costs | 808,453 | 1,007,198 |
| Central Provident Fund | 109,758 | 113,115 |
| | <u>918,211</u> | <u>1,120,313</u> |

Key management personnel of the Club are those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Club. The general manager and top executives of the Club are considered as key management personnel of the Club.

17. REPAIRS/MAINTENANCE AND HOUSEKEEPING

| | 2017 \$ | 2016 \$ |
|------------------------------|-------------------|-------------------|
| Housekeeping and landscaping | 228,836 | 234,310 |
| Repairs and maintenance | | |
| – building | 98,318 | 104,152 |
| – equipment/furniture | 245,856 | 237,882 |
| – motor vehicle | 7,415 | 6,543 |
| – bowling alley | 16,184 | 22,261 |
| | <u>596,609</u> | <u>605,148</u> |

18. INCOME TAX EXPENSE*(i) Major components of income tax expense*

The major components of income tax expense for the years ended 31 March 2017 and 2016 are:

| | 2017 \$ | 2016 \$ |
|-------------------------------|-------------------|-------------------|
| Current tax | 49,955 | 42,176 |
| Over provision in prior years | – | (4,530) |
| | <u>49,955</u> | <u>37,646</u> |

(ii) Relationship between tax expense and accounting surplus

The reconciliation between the tax expense and the product of accounting surplus multiplied by the applicable tax rate for the years ended 31 March 2017 and 2016 are as follows:

| | 2017 \$ | 2016 \$ |
|--|-------------------|-------------------|
| Surplus before tax | <u>750,589</u> | <u>397,531</u> |
| Tax expense on surplus before tax at 17% | 127,600 | 67,580 |
| Adjustments: | | |
| Tax effect of: | | |
| Non-deductible expenses | 4,141,983 | 4,420,279 |
| Tax exempt income | (4,219,628) | (4,445,683) |
| Over provision in prior years | – | (4,530) |
| Total tax expense | <u>49,955</u> | <u>37,646</u> |

Revenue from members for the financial year is exempted from tax under Section 11(1) of the Singapore Income Tax Act. The income tax expenses in 2017 and 2016 relate to the income tax payable on rental and interest income received from non-members.

The current income tax is determined by applying the statutory rate of income tax to all rental and interest income for the financial year.

19. COMMITMENTS*(i) Operating lease commitment**As lessee*

The Club has entered into residential property leases. These leases have a tenure of 1.5 years with no renewal option or contingent rent provision included in the contracts. There is no restriction placed upon the Club by entering into these leases.

Future minimum rental payable under non-cancellable lease as at the end of reporting period are as follows:

| | 2017 \$ | 2016 \$ |
|-------------------------|-------------------|-------------------|
| Not later than one year | 25,100 | - |

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2017 amounted to \$24,654 (2016: \$Nil).

As lessor

The Club has entered into commercial property leases. These non-cancellable leases have remaining non-cancellable lease terms of 1 to 5 years (2016: 1 to 7 years) at the end of reporting period. All leases include suitable clauses to enable appropriate revision of the rental charges either upon renewal or based on pre-agreed rates stated in the lease terms.

Future minimum rental receivable under non-cancellable operating leases as at the end of reporting period are as follows:

| | 2017 \$ | 2016 \$ |
|---|-------------------|-------------------|
| Not later than one year | 369,502 | 432,367 |
| Later than one year but not later than five years | 1,007,702 | 1,167,347 |
| Later than five years | - | 186,057 |
| | <u>1,377,204</u> | <u>1,785,771</u> |

The leases on the Club's leasehold properties on which rentals are receivable will expire earliest on 30 November 2017 (2016: 31 January 2017) and latest on 1 December 2021.

(ii) Capital commitment

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements in respect of property, plant and equipment amounted to \$32,595 (2016: \$Nil).

20. EMPLOYEE BENEFITS

| | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| Salaries and bonus | 5,113,852 | 5,285,810 |
| Central Provident Fund [net of Special employment credit of \$113,102 (2016:\$106,888) and Wages credit scheme of \$97,964 (2016:\$104,000)] | 345,980 | 333,764 |
| Others | 268,461 | 253,893 |
| | <u>5,728,293</u> | <u>5,873,467</u> |

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Club is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk. The Club's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Club. The Committee reviews and agrees on policies and procedures for the management of these risks in accordance with the Club's Constitution guidelines. There has been no change to the Club's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Club's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) Interest rate risk

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

The Club may only invest in fixed deposits with banks licensed under the Singapore Banking Act or any other financial institutions approved by the Monetary Authority of Singapore.

The Club's exposures to changes in interest rate relate primarily to the short term fixed deposits with banks. However, the interest rate risk exposure to the Club is considered minimal.

Sensitivity analysis for interest rate risk

Movements in interest rates will have an impact on the Club's fixed deposit interest income. A change of 50 (2016: 50) basis points in interest rates at the reporting date would change fund and surplus before tax by \$22,320 (2016: \$18,445). This analysis assumes that all other variables remain constant.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument may fail to discharge an obligation and cause the other party to incur a financial loss. The Club's exposure to credit risk arises primarily from its receivables from members and other financial assets. The cash and fixed deposits are placed with banks and financial institutions, which are regulated.

The Club has no significant concentration of credit risk. The maximum exposure to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial asset as indicated in the balance sheet.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**(iii) Liquidity risk**

Liquidity risk is the risk that the Club will encounter difficulty in meeting financial obligations due to shortage of funds. The Club's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities.

To manage liquidity risk, the Club monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents. Management believes that liquidity risk is minimal as the Club is able to fund its operations from its accumulated surplus.

The maturity profile of the Club's financial liabilities based on contractual undiscounted cash flows is less than one year.

22. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amount of financial assets and liabilities are reasonable approximation of their fair values due to their short-term nature.

The Club does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

At the end of the reporting period, the Club did not have any other asset or liability carried at fair value.

23. FUND MANAGEMENT

The primary objective of the Club's fund management is to ensure that it maintains a strong credit rating and healthy working ratios in order to support its activities. The Club manages its funds by regularly monitoring its current and expected liquidity requirements. The Club is not subjected to either internally or externally imposed capital requirements.

24. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting period by FRS 39 categories.

| | 2017 \$ | 2016 \$ |
|--|-------------------|------------------|
| <i>Loans and receivables</i> | | |
| Members' receivables | 1,331,987 | 1,571,576 |
| Sundry receivables and deposits | 189,530 | 292,104 |
| Interest receivables | 8,686 | 7,208 |
| Fixed deposits | 3,455,636 | 2,934,346 |
| Cash and cash equivalents | 5,749,371 | 4,945,613 |
| | <u>10,735,210</u> | <u>9,750,847</u> |
| <i>Financial liabilities at amortised cost</i> | | |
| Creditors and accruals | 1,620,138 | 1,913,026 |
| Members' credit balances and deposits | 784,983 | 779,486 |
| | <u>2,405,121</u> | <u>2,692,512</u> |

25. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Club for the financial year ended 31 March 2017 were authorised for issuance by the Club's General Committee on 26 May 2017.



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