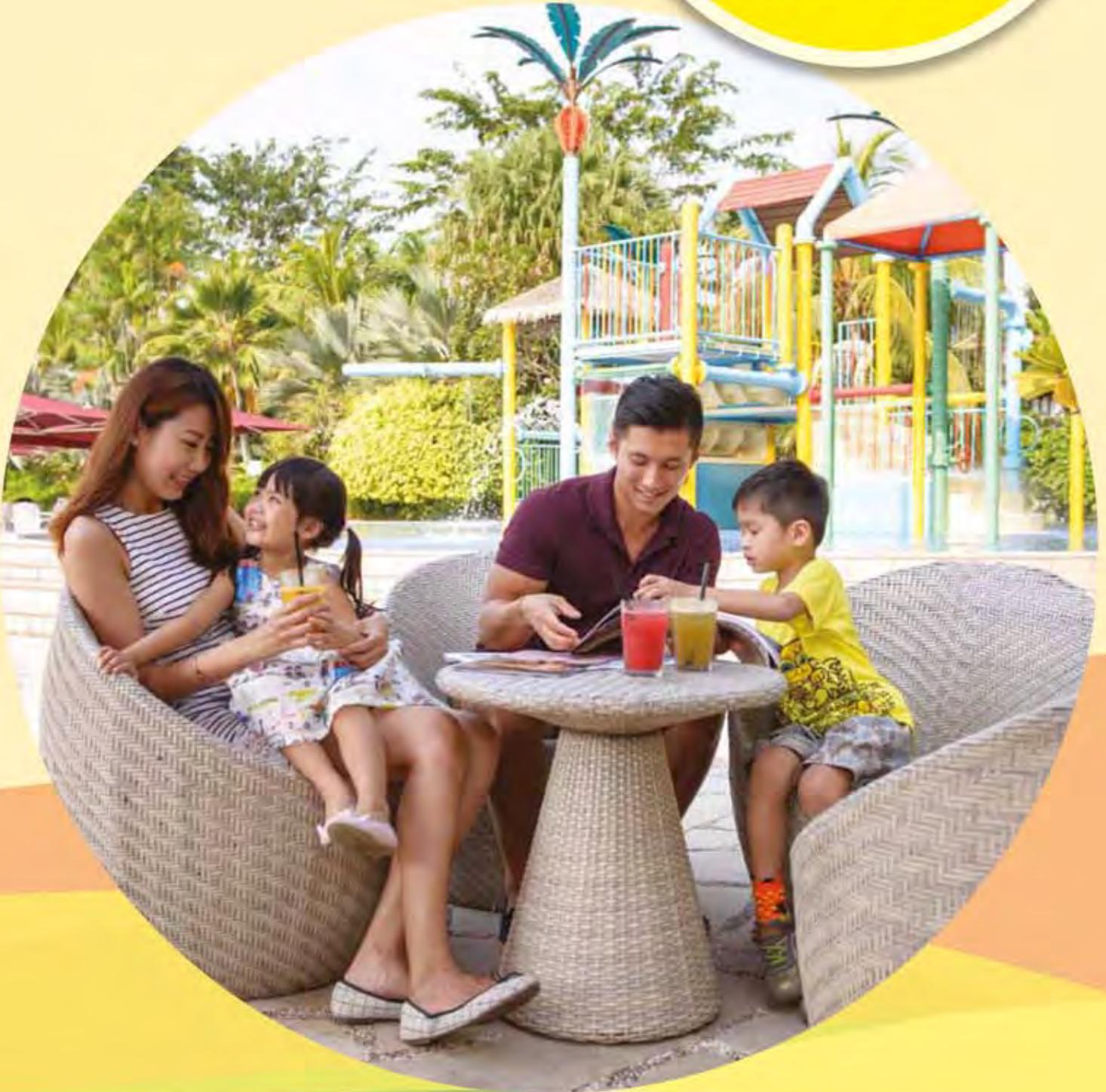


SERANGOON GARDENS COUNTRY CLUB

Annual Report
2015 - 2016



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 - Project & Tender
Chairperson - Facilities,
Maintenance & Safety



Mr Kevin Kwek Chok Yen
Vice-President
Chairperson - Sports & Recreation



Mr Bob Mong Tiang Seng
Honorary Secretary



Mr Koh Jin Kit
Honorary Treasurer
Chairperson - Finance & Purchasing



Dr Edmond Tan Chok Jueh
Assistant Honorary Secretary



Mr Peter Chia Kwang Hai
Assistant Honorary Treasurer
Chairperson - Security & Disciplinary



Mr Foo Maw Shen



Mr Frederick Kang Hong Chee
Deputy Chairperson - Sports & Recreation



Mr Gilbert Low Teck Hian
Deputy Chairperson - Sports & Recreation



Mr Lee Say Yeow
Chairperson - Food & Beverage
Chairperson - Membership & Service Excellence



Mr James Tan Jee Hai
Chairperson - Human Resource



Ms Wong Sook Yee



Ms Janet Yeong Mei Heng

PATRONS



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



Mr George Yeo



Mrs Lim Hwee Hua



Ms Sylvia Lim

TRUSTEES



Mr Michael Khor
PPA PBM BBM FIET FIES JP



Mr Hendrick Koh
PPA PBM BBM



Mr Anthony Tan

CONVENORS

Mr George Lim
Billiard Convenor

Mr Ramel Ang
Darts Convenor

Mr Raymond Tan
Squash Convenor

Mr Edward Tan
Bowling Convenor

Mr Eddie Ng
Fitness Convenor

Mr Lim Tow Boon
Swimming Convenor

Mr Ronnie Ng
Chess Convenor

Mr Philip Leow
Golf Convenor

Mr Steven Lee
Tennis Convenor

Dear Members

In 2015, we celebrated the Club's 60th Anniversary. I had the privilege to play a key role as President on this important occasion. We kick-started the celebrations in the second quarter of 2015, and embarked on a major fund-raising drive as one of the key initiatives to commemorate the occasion. With members' support, we managed to raise about \$82k to benefit 2 charities serving the children and the elderly. The occasion was made more significant as various SGCC fraternities and groups came together to participate actively in activities marking the Club's diamond jubilee. I thank everyone for their support and contribution in making SGCC's 60th Anniversary celebration a success.

Over the last year, our sports fraternities made significant progress. The bowling team continues to be strong, winning the adult and youth inter-club leagues, and clinched the championship title for the 1st Senior Inter-Club League. The swimming team once again retained the lead position 7th year in a row, in the Annual Inter-Club (Swimming) Meet. The billiard and golf fraternities also did well in the National Snooker League and Inter-Social Club Golf Tournament respectively. Beneath all the trophies and titles is something more significant and enduring - the strong bond and camaraderie amongst members, which I have personally experienced and witnessed when I attended events held by the various fraternities.

Besides sports, the Club also organises various activities to engage members. One of the new programmes introduced was the SGCC Toastmasters Club, which was chartered in January this year. A new Youth Committee was also set up to look into programmes for the youths. It is important that we continue to bring in new programmes to cater to different interests and age groups, and provides opportunities for members to bond and forge lasting friendships. I see this as an important building block to develop a strong sense of belonging to the Club. This is also what really differentiates SGCC from other clubs.

We also strive to ensure that our services and facilities meet or exceed members' expectations. Over the last year, the F&B Sub-Committee has been actively looking into various aspects of the operations for improvement. New menus and food items as well as promotions were regularly introduced to boost sales and patronage. This has resulted in higher outlet sales in Atrium Cafe and Garden Grill. We also brought in new entertainment programmes such as the Elvis Presley Tribute show in January 2016, which was a sell-out event.

Maintenance and upgrading of facilities were undertaken throughout the year. The tennis courts were resurfaced and the bowling alley's computerised scoring system was upgraded. The kids' water play area underwent

some minor repairs. As for the gym, we have successfully phased in new treadmill machines. The Jackpot Room was also given a facelift. We also did some minor renovations to the Reading Room - changed the seating arrangements, increased capacity and improved the lighting. The name was subsequently changed to Study Room to better reflect the usage of the room for study purposes, especially among the youths.

One of the most significant initiatives in my 2-year term was the review of the financial and treasury management practices of the Club. After an extensive period of review, in June 2015, the General Committee (GC) made the decision to increase the monthly subscription. This was a necessary move to ensure that the Club is able to fund all operating expenses with operating revenue. Along with that, we introduced the Treasury Safeguarding Framework (TSF) to ensure that the Club has a robust framework to manage its finances for long-term sustainability. I am glad that members were very supportive of the TSF which was passed during last year's Annual General Meeting (AGM).

FINANCIAL HIGHLIGHTS

I am pleased to inform members that the Club has been operating in accordance with the TSF. With the subscription increase, the Club is able to achieve a balanced budget where operating expenses were funded by operating revenue. In the financial year ended 31 March 2016, the Club registered a net surplus of \$1.887 million, which represents an improvement of about 22% (\$345k) as compared to the previous year. After factoring in the depreciation, gain/loss on disposal of property, plant, equipment and tax, the Club registered a net surplus of \$360k compared to a \$200k net deficit a year ago. 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 an increase of about \$709k in revenue for financial year (FY) 2015 / 2016. The jackpot operations registered an increase in contribution (\$52k) as we introduced more popular casino-type machines. 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 F&B operations had a higher deficit of \$128k, as compared to a deficit of \$53k a year ago. Total F&B sales saw a marginal increase, from \$5.805 million to \$5.830 million in FY 2015/2016. This was due to the lower than expected banquet sales, even though outlet sales did relatively better. However, higher cost of food ingredients due to the rising prices resulted in a lower profit margin, while manpower and other operating cost were well contained on the whole.

Amid the cost-cutting efforts that were introduced since I took office 2 years ago, the Club continues to face challenges due to escalating cost especially on food ingredients and manpower. 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 the lower electricity tariff. Cost for repairs, maintenance and housekeeping increased slightly as more resources were expended to upkeep old equipment and facilities in the Club. There was also an increase in operating and administrative cost.

On the capital expenditure, we have deferred most major spending in the last one year. This is in compliance with the TSF which mandates that the Club only spend on key priority items (critical and urgent) when the financial reserves is below the minimum financial reserve threshold which puts the Club in the transition period. I am pleased to announce that as at reporting time, the Club is out of the transition period. The Club has emerged financially stronger due to the various initiatives put in place over the last 2 years.

LOOKING AHEAD

One of the key areas currently under review is the F&B and banquet operations. Amid the challenging external environment, we need to find innovative ways to drive higher sales and better patronage while managing cost more efficiently. In the last quarter of this year, we will be embarking on a project to upgrade and modernise the Heliconia Wing lift – this will extend the life of the lift for at least 10 years and will also comply with the latest Building & Construction Authority (BCA) requirements. Membership sales will remain important – it is the key source of non-operating revenue to build up the Club's financial reserves for infrastructure and facility improvements. With the uncertain economic outlook ahead, there is a need to look at creative ways to market our membership and sustain membership revenue growth.

The Club continues to face manpower challenges in the current tight labour market, which is exacerbated by the restriction on foreign worker quota. The Club needs to continuously fine-tune and improve its human resource practices and policies to retain staff and improve productivity and performance.

NOTE OF APPRECIATION

I would like to thank the GC team for their contributions to bring about improvements to the Club. At times, we have differing opinions, but we always debate on issues objectively, and this has contributed to a more robust decision-making process.

My appreciation also goes to the Sports Convenors and their Sub-Committees who have been playing an instrumental role promoting their respective sports and

ensuring that sports continues to be a vital part of SGCC. To our Trustees, I thank them for their wise guidance and advice. They have been an important pillar of strength for the Club. Lastly, my appreciation goes to the staff and Management team for serving members with dedication and ensuring that the Club's operations run smoothly for members' enjoyment. Everyone has played a significant role in making SGCC the best family club in Singapore.

My term as President has been a fulfilling one, despite the challenges faced. I am heartened to say that collectively as a team, the GC has achieved more than what we had set out to do. However, there is still much to be done. With members' encouragement and support, I have decided to run another term as President to see through some of the initiatives that are in progress. Some of the current GC members will also seek re-election. I hope you will give me and my team your support.

To my fellow members and friends, thank you for the privilege and honour to serve you and the Club.

Yours Sincerely



Randy Sng
President



**FOOD &
BEVERAGE**



Our Food & Beverage (F&B) team strives to provide a warm and relaxing ambience for members to wine and dine with good quality food, entertaining programmes and excellent service. We aim to be the preferred venue for members' family gatherings, parties and important occasions.



To satisfy the palate of our members, our Chef regularly comes up with new items and menu. Weekend buffets and special set menus are offered at Atrium Cafe and Coffee Deli during special occasions such as Mother's Day and Father's Day. In December 2015, a new a la carte menu was launched at the Atrium Cafe. This new menu features a wider selection of vegetarian dishes and new items such as *Bacon, Lettuce and Tomato (BLT) Sesame Subway, Salted Egg Yolk Prawn* and *Prawn Noodle with Pork Ribs* amongst others. We also introduced monthly beverage promotions at the Coffee Deli.

The weekday set lunch at Atrium Cafe was updated regularly with greater choice of Asian and Western dishes at value-for-money prices. Over at the Garden Grill, the F&B team brought back the popular monthly themed set menus with different cuisines from around the world. Wine dinner events hosted by notable winemakers and wine ambassadors at the Garden Grill remained popular amongst members and their guests.



Besides the regular band performances, Club Twenty-Two also brings in guest bands such as *District XII, Tapas Sambal* and *Black Peppers* to add variety to the music and to appeal to a wider audience. Festive themed events were regularly organised to bring more excitement to the entertainment programmes. The most recent *Elvis Presley Tribute Show* and *Hong Kong Extravaganza Nite* were a big hit and a sell-out event.



The Crossroads Lounge, most popular with the drinking crowd, offers live band music every Friday night, screens popular sports matches such as the *Southeast Asian SEA Games* and *Barclays Premier League* and hosts themed

NOTE FROM THE CHAIRMAN

I would like to express my appreciation to the F&B team led by Senior Manager Adrian Chew and Executive Chef Derrick Sia for their continuous efforts in making sure our F&B standards meet and exceed our members' expectations. I would like to thank members for their continued support and constructive feedback to improve food quality and service.

Lee Say Yeow
Chairman - Food & Beverage



events occasionally such as the recent *Arabian Night* and *Oriental Night*. Since March 2016, Crossroads Lounge also offers live Mandarin music once a month on a Tuesday evening.



Dance events are organised regularly at the Kensington Ballroom for dance enthusiasts. Special events catering to whisky lovers jointly hosted with our partners, Suntory and Johnnie Walker were organised as well. To commemorate the Club's 60th Anniversary, a special edition SGCC 60th Anniversary red wine set was launched in 2015. The set includes a specially selected Italian red wine with 2 matching wine glasses. Part of the proceeds from the sale of the special edition wine sets or wine bottles were donated to our adopted charities, *All Saints Home* and *Arc Children's Centre*.

BANQUET

To promote the Club's wedding packages, a variety of marketing initiatives were undertaken, from advertisements in bridal magazines *Her World Bride* and *Blissful Brides* to radio advertisements with *OLI 96.8FM* and *RIA 89.7FM* to promote Indian and Muslim weddings respectively, as well as participation in various bridal shows. To reach out to the MICE (Meetings, Incentives, Conferencing, Exhibitions) markets, advertisements were placed with the *Human Resource Magazine* and also with the *Association of Small and Medium Enterprises (ASME)*. To stay competitive, the Banquet team constantly reviews and revises its banquet packages.

OVERVIEW OF F&B FINANCIAL RESULTS

Total F&B sales (including banquet) for financial year (FY) 2015/2016 was \$5.83 million, just marginally higher than the previous year (\$5.8 million). Food and beverage costs went up by a whopping 8% mainly due to price increase on key food items. Manpower and other overhead costs went down slightly year-on-year. Overall, the F&B operations registered a net loss of \$127,571 in FY 2015/2016 as compared to a net loss of \$53,742 the year before.

THE YEAR AHEAD

The F&B operating environment will continue to be challenging especially due to external factors such as increased competition for banquet business and rising food cost. There is a need to come up with innovative plans to drive sales and manage costs. We will continue to focus on improving food quality and service level across all outlets to improve patronage.

HIGHLIGHTS OF FOOD & BEVERAGE (F&B) PERFORMANCE FOR THE PAST 5 YEARS	FY 15/16	FY 14/15	FY 13/14	FY 12/13	FY 11/12
	\$	\$	\$	\$	\$
Total Sales	5,830,399	5,805,492	5,551,806	5,111,416	4,148,104
Total F&B Cost	2,358,489	2,175,632	2,221,171	2,070,196	1,541,495
Ratio: Total F&B Cost per Sales \$	0.40	0.37	0.40	0.41	0.37
Total Manpower Costs	2,653,341	2,681,966	2,491,100	2,479,277	2,270,535
Ratio: Total Sales per Manpower \$	2.20	2.16	2.23	2.06	1.83
Ratio: Manpower Cost per Sales \$	0.46	0.46	0.45	0.49	0.55
Other Overhead Costs	946,140	1,001,635	972,184	935,327	776,155
Ratio: Other Overhead per Sales \$	0.16	0.17	0.18	0.18	0.19
Total Operating Costs	5,957,970	5,859,233	5,684,455	5,484,800	4,588,185
Ratio: Total Operating Costs per Sales \$	1.02	1.01	1.02	1.07	1.11
Net Loss	(127,571)	(53,742)	(132,649)	(373,384)	(440,081)
Ratio: Net Loss per Sales \$	(0.02)	(0.01)	(0.02)	(0.07)	(0.11)

SPORTS & RECREATION



As a family club that actively promotes sports, the Convenors, Sub-Committees and coaches work closely with the Sports & Recreation (S&R) team to organise sporting activities and programmes for members and provide young budding talents opportunities to hone their skills in competitive sports.

TEAM GLORIES

Sport	Event	Position
Bowling	21 st Adult Inter-Club Bowling Mixed League	Champion (4 th year in a row)
	16 th Youth Inter-Club Bowling Mixed League	Champion
	1 st Senior Inter-Club Bowling Mixed League	Champion
Billiards	National Snooker League 2015 / 2016	Champion (Men's Division 4)
Golf	2 nd Leg of the Inter-Social Club Golf Tournament 2015	Champion
	1 st Golf Friendly with Singapore Swimming Club	Champion
Swimming	Annual Inter-Club Meet, Swimming (AIMS)	Champion (7 th year in a row)

SPORTS & GAMES HIGHLIGHTS

Billiards



Billiards continues to gain steady interest amongst members. In-house tournaments and friendly games with other clubs are organised regularly. Two teams were fielded to participate in the *National Snooker League* organised by Cuesports Singapore and one of the teams clinched the championship title in the Men's Division 4. Billiard Convenor George Lim and his Sub-Committee hope to take the sport to greater heights in the coming year.

Bowling

In August 2015, the Gardens Bowl's computerised scoring system and bowling ball return system underwent a much-needed upgrade. The bowling

fraternity continues to shine with the adult and youth teams clinching the championship titles for the *Inter-Club Bowling Mixed Leagues 2015*. The adult team brought home the Team High Game and Series medals while bowlers Amanda Tan and Tay Hui Erh came in first and fourth place respectively in the Ladies' Masters event. Our youth team players, Shaun Lau and Tan Gian Yion achieved the perfect game scores while Tan Hui Xian won the Girls' Masters event championship title. We also sent 12 youth bowlers to participate in the *16th MILO International Junior All Stars*; with Arielle Tay Xin Yi and Arianne Tay finishing first and third respectively in the Under 12 Girls' category.



Bowling Convenor Edward Tan and his Sub-Committee would like to congratulate both the adult and youth teams for their excellent achievements and thank members for their participation in bowling activities.



Bridge



The passionate bridge players continue to meet weekly for their sessions and also participate in various novelty events held in the Club over the year. The team also took part in the annual inter-club tournament hosted by Singapore Swimming Club. The Club will continue its efforts to attract more bridge players and grow the fraternity.

Chess



The *TCA Junior Invitational Chess Championship*, our biggest chess event, held on 26 March 2016 attracted over 150 participants from all over Singapore. The event was rated as one of the best local junior chess tournaments organised. Our annual *Simultaneous Chess* night event at the Main Lobby held on 19 September 2015, as usual, drew the attention of many onlookers as Fédération Internationale des Échecs (FIDE) Master Nathan Alfred battled against our own chess players. Chess Convenor Ronnie Ng and his Sub-Committee hope to organise more activities to cultivate greater interest in the game.



Darts

The darters participated in the *6th Annual Royal Selangor Club Open Darts Invitational Tournament* in Kuala Lumpur, came in second in the *Orchid Country Club Invitational Darts Championship* and won third place in the inaugural *Inter-Club Darts League*. Over the year, 6 in-house tournaments were organised with active participation. Darts Convenor Ramel Ang and his Sub-Committee are pleased that more members are picking up the sport and would like to thank members for their support.



Fitness



The Gym saw an increase in the number of users and is now catering to 190 users daily. All the treadmill machines were progressively replaced with new ones over the year. The Fitness fraternity organised new activities such as *Clay Shooting*, *Rifle Range Trek* and *Scuba Discovery* and introduced classes such as *Abdominal, Butts & Thighs (ABT)* to cater to members' various interests. The *Aqua Biking* class was also brought back by popular demand. One of the key events organised was the *Fun Walk* held on 2 August 2015 as part of the Club's 60th Anniversary and SG50 celebrations. After the walk, participants also took part in mass workouts, pool activities such as Zorb Balls, Scuba Discovery and a floating obstacle course as part of the carnival activities planned for the occasion.



Fitness Convenor Eddie Ng and his Sub-Committee will continue to introduce fun fitness activities for members and ensure that the gym facilities are upgraded regularly to better serve members.

Golf



The Golf fraternity enjoyed much success over the past year. The golfers competed against their counterparts in the *Inter-Social Club Golf Tournament (ISCGT) 2015* and emerged second in the overall team standing. In addition, youth golfer James Leow clinched the Best Gross score for Men's Category in all the three legs of *ISCGT*. The golf team also participated in the inaugural golf friendly match against Singapore Swimming Club and came in first.



A 2-day 1-night golf trip to Batam was organised in conjunction with the *Dr Lau Teik Soon Golf Challenge*, in addition to the monthly golf section games. The highlight of the year was the *SGCC Golf President Cup* held on 23 October 2015 which had a charity drive incorporated in aid of the Club's adopted charities, *All Saints Home* and *Arc Children's Centre* – a total of \$16,017 was raised through the event. Golf Convenor Philip Leow and his Sub-Committee thank all golfers for their continued support and participation.

Squash



The major event for the squash fraternity was the *SGCC-Prince Squash Singapore National Junior Championship* which drew large participation from various establishments. Squash Convenor Raymond Tan and his

Sub-Committee thank all players for their participation in the in-house tournaments and will be looking into nurturing talents for the upcoming *Cosmopolitan Inter-Club Squash League*.

Swimming



The Swimming fraternity did well in the *Annual Inter-Club Meet, Swimming (AIMS)*, clinching the championship title for the seventh consecutive year. We continued to organise in-house competitions such as the annual *Age-Group Swimming Meet (AGSM)* and *SGCC Invitational Swim Meet* to prepare our swimmers for inter-club competitions. On 20 March 2016, we held our biennial *Water Carnival* which attracted close to 100 participants, who enjoyed a fun afternoon over challenging games in the pool.



Swimming Convenor Lim Tow Boon and his Sub-Committee appreciate the support and participation from members and will continue to organise various swimming activities in the coming year.

Tennis



Tournaments such as the *Tennis Grand Slam* and *Tennis Blind Doubles* continue to be popular and draw good participation. In August 2015, the tennis courts were resurfaced. Tennis Convenor Steven Lee and his Sub-Committee are looking into the possibilities of introducing new in-house tournaments in the coming year.

YOUTH

The Club recognises that youths form an integral part of our family club and therefore, strives to engage them actively. A new Youth Committee was established in 2015 with the aim to reach out to youngsters through activities that interest them. The Hangout continues to be a favourite venue for youths, with new console games frequently introduced to provide more variety.

SPORTS APPRECIATION NITE 2016



The annual *Sports Appreciation Nite* held at the Kensington Ballroom on 11 March 2016 was attended by over 180 people. The theme for this year was *A Night of Champions*. The night started off with a special tribute to our late Chief Gym Instructor Johari. The highlights of the event included a contemporary Jazz dance item choreographed by our Chief Aerobics Instructor Derrick Ee and put up by our very own members. There was also a laser performance. As with tradition, awards were presented to the outstanding sportsmen and sportswomen for the year.



Award	Winner	Sport
	Chong Tai Wei	Bowling
	Bertrand Yan	
	Tan Hui Xian	
	Arielle Tay Xin Yi	
Merit	John Ow Peng Hoong	Darts
	James Shing	
	Jaryl Yeo	Swimming
	Ang Jo Lie	
Ang Mi La		
Special	Leon Tay	Swimming
	Danielle Moi	
	Alphonsus Wong	
	Derrick Ee	
Excellence	James Leow	Golf

THE YEAR AHEAD

The S&R team will continue to groom more budding talents and provide them with ample opportunities to unleash their potential, and organise more sports and fitness activities for members of all ages and interests.



NOTE FROM THE CHAIRMAN

I would like to thank my two Deputies, Frederick Kang and Gilbert Low, the Convenors and their Sub-Committees, S&R team, athletes, members and coaches for their contribution and dedication. Last but not least, many thanks to our sponsors who have contributed significantly to the success of our events.

Kevin Kwek
Chairman - Sports & Recreation

MEMBERSHIP RELATIONS

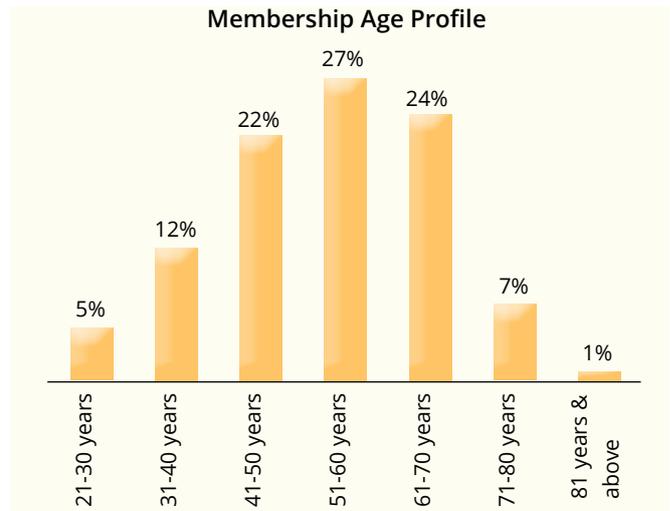


The Membership Relations team promotes the Club to prospective members, manages all sorts of membership matters, fosters member bonding and ensures that members are kept updated on Club's activities through various communication channels.

MEMBERSHIP PROFILE

Type of Membership	No. of Members as at 31 March 2016	No. of Members as at 31 March 2015
Honorary	6	6
Life	8	8
Founder	8	9
Corporate	44	43
Ordinary	3,338	3,320
Junior	0	1
Term	221	206
Non-Transferable Ordinary	403	425
Grand	118	116
TOTAL	4,146	4,134

The membership registered a year-on-year growth of 3% from 4,134 to 4,146; largely due to the increase in Term Memberships. Voting members constitute about 82% of the membership base. The age profile of the membership is similar to that of last year, with the majority in the age group 51-60 (27%), followed by age group 61-70 (24%).



Total of 4,079 memberships, excluding Corporate Membership (44) and memberships held in abeyance (23).

MEMBERSHIP DRIVE INITIATIVES

In the last year, much effort was put into promoting the Club to prospective members. In spite of the uncertain economic outlook in the year, we managed to increase revenue from Term Membership and transfer fees, although new Ordinary Membership sales saw a dip. We focus more on online and social media to reach out to our target audience. In March 2016, an Open House event was organised with a special promotion for prospective members to purchase our memberships.

Ordinary Membership

The Club continues to sell new Ordinary Memberships at \$20k with the option of interest-free instalment

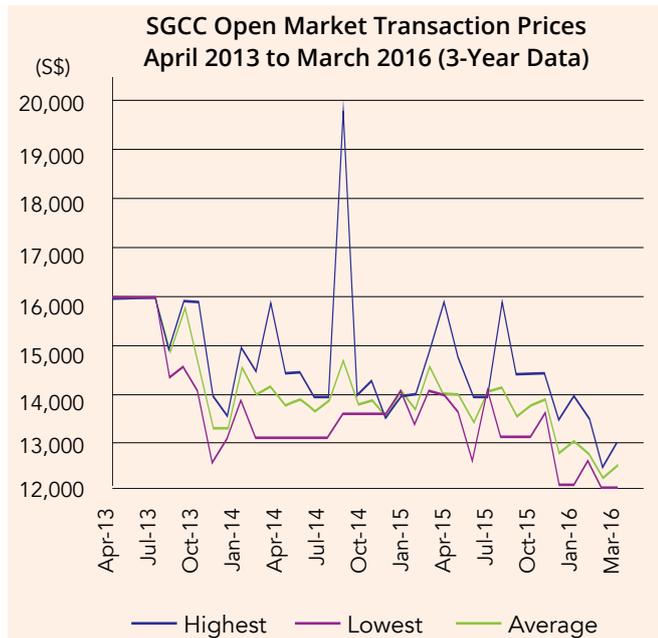


NOTE FROM THE CHAIRMAN

Year 2015 was a special one for the Club as we celebrate our 60th Anniversary. The Club has come a long way since its humble beginnings in the 1950s. We have built new facilities and have continuously upgraded the Club over the years, while always maintaining a family-friendly atmosphere unique to Serangoon Gardens Country Club. I would like to express my appreciation to the Membership Relations team especially for their efforts in planning and coordinating the 60th Anniversary celebrations. Lastly, I would like to thank members for your support and for your feedback that has helped us improve the Club.

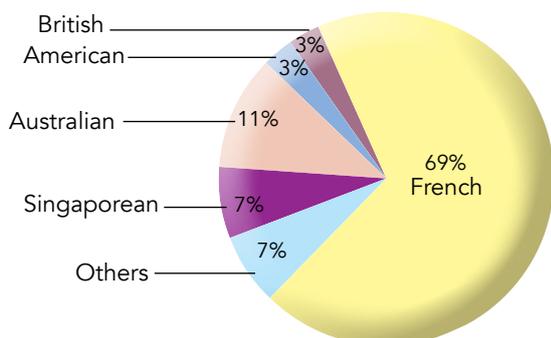
Lee Say Yeow
Chairman - Membership Relations

plan. In financial year 2015/2016, only 10 Ordinary Memberships were sold compared to 15 in the previous year. This is largely due to the increased supply of the Ordinary Membership in the open market led by more members selling their memberships due to the monthly subscription increase which took effect from 1 June 2015. Most of those who sold their memberships were inactive members. In total, there were 57 transactions in the open market versus 54 in the previous year. The price in the open market also saw a slight dip with the average price dropping from about \$14,000 to \$12,250 at the close of the financial year.



Term Membership

This category of membership saw the highest increase as more efforts were put in to promote Term Membership to both foreigners and locals, although foreigners continue to form the majority (93%) of the membership. In terms of nationality, French members constitute 69% of the base. With the expansion of the nearby French school, we hope to get more French members to take up our Term Membership. We have embarked on targeted marketing initiatives to reach out to the expatriate communities as well as locals who might want to consider the Term Membership as an affordable option without a high initial financial commitment compared to the Ordinary Membership.



Non-Transferable Ordinary Membership (NTOM)

We saw a larger number of NTOM terminations (14) as more inactive NTOM members opted to terminate their membership. From October to December 2015, we ran a special promotion to encourage NTOM members to convert to Ordinary Membership. In the financial year 2015/2016, there were 6 conversions. NTOM has the option to convert to Ordinary Membership by paying a conversion fee. Interest-free instalment plans are available for such conversions.

Grand Membership

The take-up for the Grand Membership was quite low in the last year. There were only 6 new Grand Members and 4 resignations, bringing the total to 118 as at 31 March 2016, compared to 116 a year ago. Grand Membership is offered to Ordinary Members who are at least 70 years of age and with 25 years of continuous membership in the Club.

Corporate Membership

In the financial year 2015/2016, we managed to sell 1 new Corporate Membership at \$35k. This category of membership is open to companies. The Corporate Member can nominate up to 2 employees to utilise the Club. Interest-free instalment plan is also available for Corporate Membership.

SOCIAL ACTIVITIES



The Membership Relations team organises various social activities for the different segments of the membership from the young to the old. New Members' Gatherings are organised 3 times a year for new members to get to know each other and be acquainted with the Club.

One of the key initiatives in the last year was the setting up of a Toastmasters Club in SGCC. Through Toastmasters, members get to hone their communication and public speaking skills while having the opportunity to network with like-minded members. The SGCC Toastmasters Club was successfully chartered in January 2016 with 20 founding members. The group meets every first Tuesday of the month.



The Gardening Interest Group continues to promote gardening activities, camaraderie between members and healthy lifestyle through gardening. In the past year, the group planted flowers, gourds and vegetables and created a small vine garden.



KIDS



In the past year, kids' activities such as science workshops, *LEGO Robotics*, dance workshops and storytelling sessions were organised. We hope to bring in more educational workshops as well as dance classes in the year ahead. The *Junior Gems Club* is a club for kids aged 4 – 12, where its members receive a bi-monthly newsletter, birthday treats and also free and discounted rates for workshops. As of 31 March 2016, there were 308 kids in the *Junior Gems Club*. The highlight of the year was the annual *Junior Gems* party which was held on 22 August 2015 – there were bouncy castles, a live animal magic show, animal ride-ons, face painting and balloon sculptures.

YOUTH

Our Night Owl overnight study facility is offered yearly from August to December for youth members studying for examinations. In September 2015, we revamped the

Reading Room with more suitable seating for study and also increased the capacity. The room was subsequently renamed Study Room to better reflect its purpose. To reach out to the youths, we have plans in the pipeline to conduct language courses and grooming workshops.

SENIOR MEMBERS

We continue to engage our senior members through the monthly *Senior Members' Gathering* held every first Saturday of the month as well as the weekly *Tuesdays' Musical Afternoon*. In November 2015, we had our *Senior Members' High Tea Party* especially for them to enjoy an afternoon of merry-making, music, dancing and sumptuous food.

MAJOR SOCIAL EVENTS



Countdown to National Day 2015: Good Old Singapore – We celebrated SG50 at the Kensington Ballroom with Club Patron Ms Sylvia Lim. Highlights of the night included cultural dances, live band performance and a stand-up comedy show. At the stroke of midnight, the ballroom was filled with Mr Lee Kuan Yew's famous call for "Merdeka" followed by the singing of the National anthem and the recitation of the national pledge.



Christmas Light-Up 2015: Christmas Around the World – Held on 28 November 2015, the yearly event attracted adults and children – there was a puppet show, dance performance by kids from Cambridge Pre-school and a visit from Santa Claus. We also had a mini Charity Bazaar where we sold cupcakes decorated by members' children, items donated by staff and members as well as arts and crafts items, to raise funds.



Countdown to 2016: Diamonds are Forever was a sell-out event, attracting about 350 attendees. The glamorous evening included entertainment such as Latin dance and belly dance performances, duets by singers Karen and Rickey and live band performance.



Chinese New Year Lion and Dragon Dance, held on the second day of Chinese New Year, was always a crowd-puller. Besides the significant ritual of "dotting the lion's eye" and drum performances as highlights, we also had God of Fortune and Monkey King mascots giving out lucky numbers and taking pictures with members.

60TH ANNIVERSARY CELEBRATIONS

The Club celebrated its diamond jubilee with 2 key events and a major fund-raising drive. In commemoration of our 60th anniversary, we set a target to raise at least \$60,000 through the fund-raising drive in support of our adopted charities, *All Saints Home* and *Arc Children's Centre*.

The first event organised was the *Family Fiesta*, celebrated together with SG50 on 2 August 2015. There was a fun walk in the morning, mass workout, carnival activities and a music festival in the afternoon at Club Twenty-Two. The highlight of the celebrations was the *60th Anniversary Gala Dinner* on 16 October 2015, attended by our Club Patron Ms Sylvia Lim, past presidents, committee members, sports convenors, members and their guests. During the event, there was a video presentation of the Club's history which brought everyone down memory lane. Honorary Member, Mr David Macey, the son of the Club's founder Mr S.C. Macey prepared a special video to send his well-wishes all the way from the United Kingdom. Other highlights included a cake-cutting ceremony, dance performance, live band and a charity auction to raise funds.

There were also other fund-raising activities organised throughout the year: *TGIF Charity Line Dance Nite* on 18 September 2015; *Charity Movie Night* on 18 December 2015 – a first for the Club; *Golf President Cup cum Charity*

Drive on 23 October 2015. Our little ones also chipped in to raise funds by participating in the *Cupcake Decorating and Christmas Ornaments* workshops as well as our *Build a Tree of Hope* project. The decorated cupcakes were placed on sale at the mini *Charity Bazaar* while the paper cup Christmas tree was lighted up during the *Christmas Light-up* event. In addition, part of the proceeds from the sales of the SGCC 60th Anniversary wine and wine set as well as ticket sales from the *Zumba Bollywood Nite* also contributed to this charity drive. We surpassed our target and raised a total of \$82,822.65, which was split equally between our adopted charities.



ENGAGING AND REACHING OUT TO MEMBERS

We focus more efforts to reach out to members using online media. In October 2015, we launched our Instagram account and boosted our followership through contests and posts, garnering 124 followers by March 2016. We continue to engage our fans on the SGCC Facebook page through sharing of upcoming activities and promotions as well as past event photos. Our Facebook page saw an increase of fans with 2,964 'likes' as of March 2016 - an increase of 18% as compared to the year before.

The ClubSpirit Magazine and Supplement underwent a revamp and now sports a more modern look and feel. We introduced new columns such as travel stories by members, active ageing and articles on the Club's sportsmen and sportswomen. Along with the Club's 60th Anniversary celebrations, we featured an article about the Club's history, ran a *Photo-Story contest* for members to share their fond memories of the Club and interviewed a member who turned 60 years old and shares the same birthday as the Club.

THE YEAR AHEAD

We will continue to innovate to cater to members' evolving needs and expectations, and live up to our vision to be the best family club in Singapore. We are committed to delivering a great Club experience for members and their guests. In the recent years, most social clubs are facing challenges in attracting new members mainly due to competition from public and private establishments offering similar services. Coupled with the uncertain economic outlook ahead, we need to step up efforts to market our membership and continue to attract prospective members to join the Club in order to sustain membership revenue in the year ahead.

SECURITY



The Security team's primary role is to ensure a safe and secure environment for members and guests and to protect the Club's physical assets. In addition, the team also manages car park operations as well as enforces the Club's Bye-Laws.

The team has stepped up efforts to enhance the Club's security through more regular patrols and surprise checks; and through enhanced security presence and checks at the main entrance of the Club to prevent unauthorised entry. One of the most recent initiatives include the introduction of a more thorough verification process for delivery vehicles entering the Club. The Security team is currently studying the possibility of further tightening security by restricting walk-in access via the gate at Heliconia Wing.



The Club recently joined the Safety & Security Watch Group (SSWG) introduced by the Singapore Police Force and jointly administered by the Singapore Civil Defence Force. SSWG is a platform for the commercial sector and police to share ideas and collaborate on initiatives to fight crime and terrorism. This scheme is beneficial

for our Club as it helps us keep abreast with the latest developments in security practices and gain useful tips to improve the security of the Club.

TRAINING

Our Security officers are sent for suitable courses regularly to equip them with necessary knowledge and skills to perform their duties. In-house and on-the-job trainings are conducted by senior Security officers to guide newer officers. Courses on soft skills were also rolled out to Security officers with the most recent ones focusing on projecting a professional image and responding to service challenges in a positive manner.



THE YEAR AHEAD

Security measures and procedures will be regularly reviewed for effectiveness. More closed-circuit televisions (CCTV) will be introduced while some will be upgraded to enhance security and surveillance efforts. We will continue to focus on upgrading the skills of our Security officers so that they will always be operationally ready to respond to any incidents or emergencies.

NOTE FROM THE CHAIRMAN

I would like to thank the Security team for their tireless efforts in keeping the Club safe and secure for members and their guests. I would like to seek members' cooperation by showing your membership cards to our Security officers during security checks, displaying car park decals on your vehicles and abiding by the Club's rules and regulations. This will definitely help our Security officers to better discharge their duties. Together, we strive towards creating and maintaining a safe environment for all.

Peter Chia
Chairman - Security



**FACILITIES,
MAINTENANCE
& SAFETY**



The Facilities, Maintenance & Safety (FMS) department has its own in-house team tasked to upkeep the Club, perform repair and maintenance works and manage upgrading projects. In the recent years, the Club faces the challenge of ageing equipment that is approaching or past its life span – examples include the Heliconia Wing lift, solar hot water system for the changing rooms and many of the air conditioner units in the Club. Much of the team's efforts are put in to maintain old equipment to extend the life span so that we can delay spending on its replacement, and hence, achieve cost savings for the Club.

UPGRADING AND MAINTENANCE WORKS

One of the major projects undertaken in 2015 was the waterproofing works to the skylight roof at the Main Lobby and flat roofs of the main building and the Palm Wing building. Minor refurbishment works were also done to the water play structure, which was installed in year 2000, to keep it in good working condition.

In September 2015, the Study Room (formerly known as Reading Room) was upgraded with new tables and chairs, and brighter lighting to make it more conducive for study. Its capacity was also increased to cater to more users.



In March 2016, the outdoor smoking area at the garden next to the Main Clubhouse car porch was relocated to the area just behind the Security Guardhouse, which is more spacious and provides shade and shelter to users. The area was made more accessible with a footpath that leads directly to the New Wing through the glass door

next to the spiral staircase. We spruced up the Garden Car Park by levelling some parts of the uneven surface ground and trimming the surrounding trees, making it more conducive for parking.

FIRE SAFETY AND EMERGENCY RESPONSE



In August 2015, the Company Emergency Response Team (CERT), consisting of Security and FMS staff, was formed with the objective to equip staff with the knowledge and skills to deal with emergencies. Two fire drills were conducted in 2015. We are pleased to be awarded the Certificate of Appreciation from the National Fire and Civil Emergency Preparedness Council (NFCE) for our participation in mass fire drills. We also do bi-monthly testing and servicing of the Club's fire protection system. In complying with the Singapore Civil Defence Force's (SCDF) fire safety regulations, the lift at Heliconia Wing currently bypasses Level 1 and serves only the basement and second levels.

PEST CONTROL

In our efforts to keep the Club free from pests, mosquito misting and larviciding are carried out on a weekly basis and general pest control works and night fumigations are carried out monthly at the kitchen areas.

THE YEAR AHEAD

One of the main projects in the coming months is the upgrading of the ageing lift at the Heliconia Wing. Along with that, renovation works will also be carried out to beautify the lift lobby areas. Once upgraded, the lift will be able to serve all three levels of the Heliconia Wing.

NOTE FROM THE CHAIRMAN

I would like to thank members for their constructive feedback and suggestions in improving the Club's facilities and for bearing with the inconvenience due to upgrading works carried out on a periodic basis. My appreciation goes to FMS Manager Charles Ling and his team for their hard work in maintaining the Club's facilities.

Randy Sng
Chairman - Facilities, Maintenance & Safety



TREASURY & FINANCE



I. TREASURY REPORT

During the last Annual General Meeting (AGM) in 2015, the Treasury Safeguarding Framework (TSF) was passed and it is now part of the SGCC's Constitution. Among other things, the TSF mandates that:

- The Operating Income and Expenses (collectively termed Operating Budget) to be separated from the Non-Operating Income and Expense (collectively termed Non-Operating Budget);
- The Operating Budget has to be balanced i.e. the Operating Expenses cannot exceed the Operating Income;
- The Non-Operating Income should not be used to finance the Operating Expenses;
- Surplus of the Non-Operating Budget to be accrued in the Financial Reserve account meant for Non-Operating expenses (commonly known as Capital Expenses "CAPEX") and crisis;
- The Club computes the Minimum Financial Reserve (MFR) threshold annually, and 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;
- During Transition Period, only Priority 1 CAPEX (i.e. critical and urgently needed items) are permitted;
- Surplus of the Operating Budget to be accrued in the Working Capital account;
- The sum of Financial Reserve and Working Capital forms the Cash Reserve.

The MFR threshold computed for financial year FY 2015/2016 was \$3.7 million, and the level of Financial Reserve needed to exit the Transition Period was \$4.2 million. Financial Reserve in the previous financial year FY 2014/2015 was \$3.170 million, and that placed the Club in the Transition Period.

As at end of FY 2015/2016 (31 March 2016):

- Financial Reserve had accrued a year-on-year increase of \$1.042 million to \$4.212 million and was high enough to exit the Transition Period;
- Working Capital has increased by \$625k to \$3.667 million from \$3.042 million a year ago; and,
- Total Cash Reserve (sum of Financial Reserve and Working Capital) has reached \$7.879 million, which was \$1.667 million higher than the \$6.212 million in the previous year.

The MFR threshold for the new financial year FY 2016/2017 (starting from 1 April 2016) has been determined to be \$3.8 million. The Club's prevailing Financial Reserve at reporting time is above the FY 2016/2017's MFR threshold.

The following chart shows the Cash Reserve of the past five financial years.



FY 2015/2016 Business Performance

1. Gross Total Revenue/Cost Summary

The sum of Gross Operating Revenue and Gross Non-Operating Revenue is termed as Gross Total Revenue (GTR), and the corresponding cost is Gross Total Cost (GTC) which is the sum of Gross Operating Cost and Gross Non-Operating Cost.

In FY 2015/2016, with subscription increase (with effect from June 2015) included, the GTR amounted to \$27,579,221 (GTR-1). Without the subscription increase, the Club's GTR would be \$26,904,221 (GTR-2). The Club has the tradition of computing Sports & Recreation (S&R) revenue net of partial S&R cost (e.g. lesson fee collected net of payment to instructor, event revenue net of event cost). The GTR net of partial S&R cost without the subscription increase would amount to \$25,999,717 (GTR-3). The corresponding Gross Total Costs are GTC-1: \$25,728,943, GTC-2: \$25,728,943, GTC-3: \$24,824,411. Please refer to the table for the details.

	With Subscription Increase \$	Without Subscription Increase \$
Gross Total Revenue (GTR)	GTR-1	GTR-2
	27,579,221	26,904,221
Gross Total Revenue (GTR) net of partial S&R cost		GTR-3
	26,674,717	25,999,717
Gross Total Cost (GTC)	GTC-1	GTC-2
	25,728,943	25,728,943
Gross Total Cost (GTC) net of partial S&R cost		GTC-3
	24,824,411	24,824,411

2. Operating Revenue / Cost Summary

The Operating Revenue and Cost are derived from the 3 functional categories: the Food & Beverage (F&B), Shared Facilities (SF), and Rental & Interest (R&I).

- F&B comprises all food and beverage operations including banquet businesses
- SF comprises the jackpot business; sports and recreation activities, lessons and facility rental; subscription revenue; membership activities, administration and support; security and car park operations
- R&I includes rental income from tenants Yum Cha Garden Restaurant (presently known as Swatow Garden Seafood Restaurant) and Cambridge Pre-school

The following table shows the Gross Operating Revenue and Gross Operating Cost according to the 3 functional categories.

	With Subscription Increase \$	Without Subscription Increase \$
Operating Revenue		
F&B	5,830,399	5,830,399
SF	19,922,591	19,247,591
SF (net of partial S&R cost)	19,018,088	18,343,088
R&I	532,676	532,676
Gross Total Operating Revenue	26,285,666	25,610,666
Gross Total Operating Revenue (net of partial S&R cost)	25,381,163	24,706,163
Operating Cost		
F&B	5,957,970	5,957,970
SF	19,770,973	19,770,973
SF (net of partial S&R cost)	18,866,441	18,866,441
Gross Total Operating Cost	25,728,943	25,728,943
Gross Total Operating Cost (net of partial S&R cost)	24,824,411	24,824,411

Note: Please refer Section II for the Club's traditional analysis of the businesses.

3. Non-Operating Revenue /Cost Summary

The Gross Non-Operating Revenue amounted to \$1,293,555. The total CAPEX stood at \$582,562 for Priority 1 spending on various new fixed assets. The non-operating budget ran a surplus of \$710,993.

	\$
Entrance Fee from Ordinary / Term Membership	816,125
Transfer Fee (Ordinary Membership)	477,430
TOTAL Non-Operating Revenue	1,293,555
Less: Capital Expenditure (CAPEX)	(582,562)
Non-Operating Surplus/(Deficit)	710,993

4. Net Profit / Loss Summary

Overall, the Club registered net budget surplus of \$360k after depreciation, gain/loss on disposal of property, plant and equipment and tax.

II. FY 2015/2016 FINANCIAL INCOME & EXPENDITURE REPORT (format prior to the adoption of TSF)

In the prior years, the Club reports key revenue (e.g. jackpot, F&B) net of costs (e.g. jackpot payout, manpower cost). This section follows the traditional reporting format.

Total income registered a modest year-on-year increase of 4.7% to \$7.731 million in FY 2015/2016; notably due to increase in subscription fee (\$709k), transfer fee (\$58k), fruit machines contribution (\$52k) and interest income (\$11k), but partially offset by the decrease in the entrance fee (\$403k), F&B contribution (\$75k) and EPS guest car park fee (\$14k).

F&B ran a higher deficit of about \$128k. This was mainly attributed to lower banquet sales against escalating cost of key food items, which affected overall F&B profit margin quite substantially. The continued introduction of more casino-type fruit machines had brought positive results. However, there is a substantial drop in membership entrance fee, as more Ordinary Members purchased through the open market rather than direct from the Club. The transfer fee increased as a result. With the change in strategy to focus more on Term Memberships, we saw an increase in the Term Membership entrance fee collection.

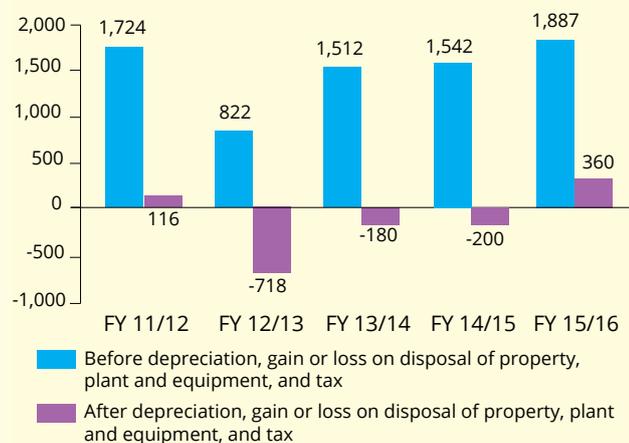
Total expenditure is almost flat on a year-on-year basis; increased by about \$10k from \$5.834 million in FY 2014/2015 to \$5.844 million in FY 2015/2016. The biggest savings came from water & electricity charges (\$154k) due to lower electricity rate under the new contract. Expenditure that saw an increase were property tax (\$73k) and repair and maintenance cost (\$54k).

The Club had a net budget surplus (before depreciation, gain/loss on disposal of property, plant and equipment and tax) of \$1.887 million as at 31 March 2016, which is a year-on-year increase of \$345k. After factoring in depreciation, gain/loss on disposal of property, plant and equipment and tax; the net budget surplus is \$360k as compared to a deficit of \$200k in the previous year.

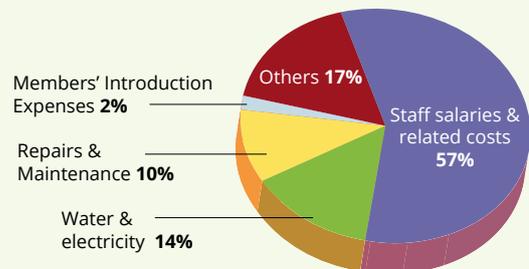
HIGHLIGHTS OF FINANCIAL RESULTS BEFORE DEPRECIATION AND TAX FOR THE PAST FIVE YEARS:-	FY 11/12 \$'000	FY 12/13 \$'000	Reclassified FY 13/14 \$'000	FY 14/15 \$'000	FY 15/16 \$'000	Variance Fav/(Unfavourable) FY 15/16 vs FY 14/15 \$'000
Fruit Machines						
Collections	8,621	10,662	11,325	13,323	14,467	1,144
Less: Payouts and taxes	(7,086)	(9,147)	(10,185)	(11,705)	(12,792)	(1,087)
Gross Contribution	1,535	1,515	1,140	1,618	1,674	56
Less: Operating Expenses	(356)	(402)	(374)	(380)	(384)	(4)
Contribution from Fruit Machines (a)	1,179	1,113	766	1,238	1,290	52
Food & Beverage						
Sales	4,148	5,111	5,552	5,805	5,830	25
Less: Cost of Sales	(1,541)	(2,070)	(2,221)	(2,176)	(2,358)	(182)
Gross Contribution	2,607	3,041	3,331	3,629	3,472	(157)
Less: Operating Expenses	(3,047)	(3,414)	(3,464)	(3,682)	(3,600)	82
Deficit from Food & Beverage (b)	(440)	(373)	(133)	(53)	(128)	(75)
Other Departments						
Subscriptions	3,061	3,214	3,351	3,423	4,132	709
Transfer Fees	409	517	355	427	485	58
Entrance Fees	1,960	1,713	1,732	1,219	816	(403)
Interest income - fixed deposits	10	9	10	11	22	11
EPS Fees	108	117	126	155	141	(14)
Miscellaneous income	27	30	33	51	39	(12)
Lease rental income	462	471	484	479	483	3
Others	175	212	394*	426	451	25
Income from Other Departments (c)	6,212	6,283	6,485	6,192	6,569	377
Total Income (a+b+c)	6,951	7,023	7,118	7,377	7,731	354
Less: Expenditure						
Operating and administrative	(3,906)	(4,760)	(4,012)*	(4,303)	(4,413)	(109)
Repairs, maintenance & housekeeping	(398)	(478)	(494)*	(551)	(605)	(54)
Water and electricity	(923)	(963)	(1,099)*	(980)	(826)	154
Total Expenditure	(5,227)	(6,201)	(5,606)	(5,834)	(5,844)	(10)
Net Surplus/(Deficit) before depreciation, gain or loss on disposal of property, plant and equipment, and tax	1,724	822	1,512	1,542	1,887	345

*Adjustments are made to FY 2013/2014 for comparability to FY 2014/2015 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 FRS.

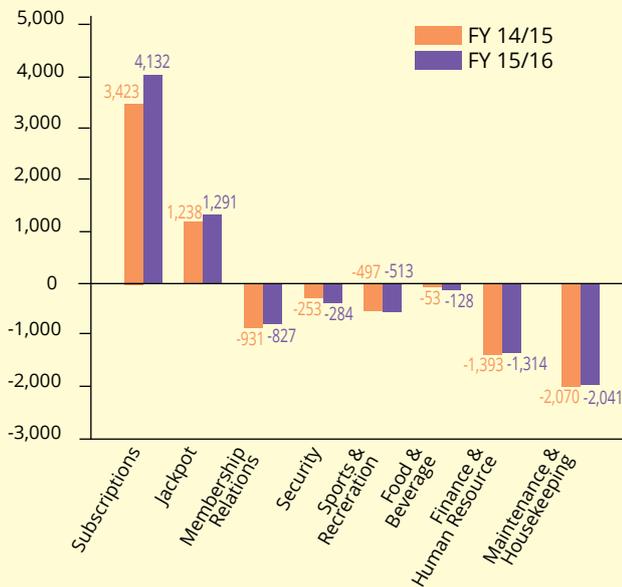
Net Surplus / (Deficit) for Years Ended 31 March (\$'000)



Expenditure Mix for FY 15/16



Net Operating Income / (Expenses) By Department For FY 15/16 vs FY 14/15 (\$'000)



III. OBSERVATION & LOOKING AHEAD

Although the Club's Cash Reserve (sum of Financial Reserve and Working Capital) has gone up significantly in FY 2015/2016, Club's operating and non-operating expenditure continue to rise and this could put the Club back to an undesirable financial position. In the past few years, the operating expenditure especially manpower and food cost, has increased significantly compared to operating revenue. If this trend continues, the 2015 subscription increase might only be able to sustain a balanced budget up to end of FY 2017/2018. As the Club ages, there is also a need to invest in new equipment and infrastructure which will result in higher non-operating expenditure. For long-term sustainability, the Club needs to take a hard and disciplined approach to managing cost and reducing wastage; drastic changes in management practice and culture may also be necessary.

The focus on Term Membership will provide the benefit of recurring non-operating revenue without having to grow the membership size beyond the quota. When the 500 Term Memberships are totally sold, the recurring non-operating revenue would be about \$1.2 million per year. This will help the Club in meeting the CAPEX needs.

PARTING NOTE FROM THE HONORARY TREASURER

It has been a pleasure serving members as Honorary Treasurer. Although serving as a volunteer, I took the job upon myself seriously and tried to initiate changes. I have succeeded in some of these initiatives, which hopefully will lead to significant long-term benefits for the Club. During my 2-year term, I had the opportunity to get to know many members and made new friends. The support and encouragement that I have received from members was a humbling experience for me. My sincere thanks to my fellow members!

I would not have achieved what I set out to do, without the support from the Management team and the staff who worked hard, sometimes having to work around constraints, in assisting me with various "out-of-box" ideas and initiatives. A big "thank you" to all of them, especially to the Finance Manager Jamie Lai and her team whom I work with very closely during my term. The GC team is a committed team of talents. They had tolerated my "direct-and-break-the-mould" style, yet they were also the brave ones who supported me and made the TSF and other changes possible. I thank them for the courage, commitment and support.

Best wishes to all and the Club.

Koh Jin Kit
Honorary Treasurer
Chairman - Finance & Purchasing



HUMAN RESOURCE



Staff members are one of our most important assets as they form the backbone of the Club. Their service commitment and willingness to go the extra mile ensures that we fulfil our vision to be the best family club in Singapore. As such, we strive to create a highly motivated, skilful and productive team by providing our staff with a supportive environment to enable them to progress in a challenging and enriching career in SGCC.

STAFF STRENGTH

As at 31 March 2016, the Club's staff strength was 131, which is about the same level as the previous year. Amidst the current labour crunch due to tightening of foreign workers quota and an ageing Singaporean workforce, we strive to maintain a lean team through efficient manpower deployment and improving staff productivity.

	As at 31 March 2016	As at 31 March 2015
Heads of Department	9	9
Managers & Assistant Managers	10	10
Executives	30	27
Officers	13	12
Junior Grades	69	72
TOTAL	131	130

TRAINING AND DEVELOPMENT



Staff development will continue to be our top priority: to upgrade skills, to grow talents and most importantly to improve staff employability in their working life. The Club regularly sends staff for training to ensure that they are always up-to-date with their functional knowledge and new practices in their field of work – most recent courses include those on food hygiene, material control, workplace and fire safety and security operations. In-house ad-hoc trainings and drills on fire-fighting and fire evacuation are organised regularly to ensure that staff is operationally ready to deal with emergencies.

The Club uses the Singapore Workforce Skills Qualification (WSQ) Service Excellence Competency framework to

develop a training roadmap to sustain a service excellence culture in the Club. In October 2015, we rolled out two WSQ-accredited service training courses *Responding to Service Challenges* and *Projecting a Positive and Professional Image*, to all frontline staff from junior to supervisory levels. These courses were customised to our Club's needs to ensure that the learning is more relevant and meaningful.

STAFF COMMUNICATION

TeamSpirit, the Club's quarterly staff newsletter, is one of the key platforms to engage staff and to keep them informed on the Club's latest developments. This is supplemented by regular meetings with groups of staff to communicate key priorities of the Club and to enhance team cohesiveness and effectiveness.

STAFF PROMOTIONS

The following staff members were promoted in the year 2015 in recognition of their outstanding performance:

Name	New Designation
Food & Beverage	
Lim Tze Siang (Danny)	Chef-De-Partie
Suresh A/L Ramal	Guest Relations Officer
Joe Marie Walican Cabagua	Banquet Operations Executive
Maricon Taburnal Legaspi	Senior Guest Relations Officer
Membership Relations	
Lee Sze Hwee (Kristen)	Senior Executive (Communications & Events)
Sports & Recreation	
Zaleha Bte Mohd Hanibah	Sports & Recreation Executive
Silverster Raja A/L Charles Ramani	Senior Sports & Recreation Assistant
Human Resource	
Sng Teck Kiang (Kenneth)	Senior Human Resource Executive
Facilities, Maintenance & Safety	
Lee Jain Fong (Bruce)	Senior Facilities Technician

STAFF APPRECIATION DAY

Once a year, the Club takes the opportunity to recognise staff for their contributions through the Staff Appreciation Day where staff members have the opportunity to get together and enjoy the camaraderie of their fellow colleagues. It is also an event where the Club honours long-serving staff. The highlight of the event this year, which was held on 28 March 2016, was the opening performance by the senior management team and the event's organising committee, led by our new General Manager Mr Goh Juak Kin, dressed in cowboy

outfit befitting the theme “Denim and Diamonds”. There was a lip sync competition organised and performances put up by General Committee members to entertain the staff on this special occasion. It was a delightful evening of good fellowship filled with fun games and entertainment.



STAFF LONG SERVICE AWARD

This year, we recognised 12 staff members for serving the Club with loyalty and dedication. The award recipients each received a certificate, a crystal plaque and cash.



Length of Service	Name	Department
30 years	Catherine Tan	General Manager's Office
	How Soon Hua Anna	Food & Beverage
20 years	Hong Soh Guat Jessie	Jackpot
15 years	Tam Mei Yin Avelyn	Finance
	Kong Mei Yen Julia	Sports & Recreation
	Chong Seng Han Carlson	Food & Beverage
10 years	Mageswari A/P Supramaniam	Facilities, Maintenance & Safety
	Sritharan A/L Linggam	Security
	Thor Chong Aik Kelvin	Food & Beverage
	Li Yong Qiang	Facilities, Maintenance & Safety
5 years	Maria Victoria Dela Cruz Apostol	Food & Beverage
	Yang Wen Bin	Facilities, Maintenance & Safety

THE YEAR AHEAD

With the current restrictions in the employment of foreign workers and acute shortage of technical and rank-and-file staff, there is a need to raise productivity and expand the staff's skill sets through training and development and job re-designing. It is also important that the Club continues to build a highly motivated team and improve staff retention. We will continue to focus on staff recognition and reward programmes and initiatives to build a positive work culture in the Club. Efforts will also be focused on succession planning especially in the light of the ageing profile of our workforce, to ensure that the Club retains its institutional knowledge and ensures a continuous pipeline of leaders in the future.

NOTE FROM THE CHAIRMAN

I would like to thank the Management and staff for their most diligent efforts in delivering good service and ensuring the smooth running of the Club's operations. I would like to express my appreciation to the HR team and especially to our new HR Manager Ms Linda Loke who joined us in October 2015, for introducing many new initiatives to strengthen the Club's HR policies and practices. Together, we will make our Club a first choice employer for our staff and the best family club for our members.

James

James Tan

Chairman - Human Resource

Serangoon Gardens Country Club

MINUTES OF 58TH ANNUAL GENERAL MEETING HELD ON 28 JUNE 2015

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 Lee Say Yeow Mr Gilbert Low

Trustees	Mr Michael Khor Mr Hendrick Koh Mr Anthony Tan
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Auditors	Ms Angela Lee <i>HLB Atrede LLP</i> <i>Certified Public Accountants</i>
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Legal Adviser	Mr Lun Chee Leong <i>Lee & Lee</i> <i>Advocates & Solicitors</i>
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IN ATTENDANCE

General Manager	Mr Joseph Woon
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Absent with Apologies

Committee Member	Ms Serena Goh
Committee Member	Ms Janet Yeong

Total Number of Voting Members Present: 213

1.0 PRELIMINARIES

With a quorum present as confirmed by the General Manager (GM), the President called the meeting to order at 1.05pm and thanked members for attending the 58th Annual General Meeting (AGM).

2.0 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 had completed their terms of office from June 2013 to June 2015: -

Mr Lee Say Yeow	Committee Member
Ms Serena Goh	Committee Member

The President took the opportunity to thank Ms Tracy Peck who had served on the GC from 2013 to 2014. Ms Peck resigned in July 2014 due to medical reasons.

3.0 PRESIDENT'S ADDRESS

Introduction

The President thanked members for their support in the past year during his stewardship.

Highlights of Last Year's Financial Results and Key Initiatives

Financial Overview

The Club fared well in financial year (FY) ended 31 March 2015 (FY 2014/2015), with a net operating surplus of \$1.542 million before depreciation and tax, reflecting a 2% improvement from FY 2013/2014. Total income registered a year-on-year increase of 3.6% or \$259k from \$7.118 million to \$7.377 million. Total expenditure registered a year-on-year increase of about 4.1% or \$229k. The net deficit after factoring in depreciation and tax was \$200k, compared to \$180k net deficit in the previous year. This was mainly due to the depreciation in relation to the Main Lobby air-conditioner replacement and the recent renovation of Atrium Cafe. The Club's cash reserves strengthened from \$5.418 million to \$6.212 million as at 31 March 2015 – an increase of about \$794k from previous year.

Key Initiatives and Improvements

Since President Randy Sng's team took over in July 2014, taskforces and focus groups were set up to look into membership schemes and revenue improvement and cost-saving initiatives. Some of the initiatives undertaken included:

- Introducing more casino-type fruit machines which resulted in positive contribution of \$472k
- Increasing guest car park fee in November 2014, which resulted in an increase of \$29k in fee collection
- Installing energy-efficient devices and secured lower re-contracted energy rate which contributed to the reduction in electricity and water cost of about \$120k
- F&B initiatives which had contributed to a positive improvement of \$80k
 - Marketing of banquet facilities to fill up weekday capacity
 - Renovation of Atrium Cafe to improve ambience and increase seating capacity to draw higher patronage
 - Discontinuation of entertainment programmes that were not popular and brought in new programmes to better engage members
 - Review and realignment of guest cover charges at Club Twenty-Two
 - Introduction of new menus at the F&B outlets to boost patronage; better control of expenses and more effective deployment of manpower across the F&B outlets

Despite the initiatives undertaken which resulted in marginally positive outcome, this was not enough to meet the challenges of higher operating costs, especially in manpower, repair and maintenance of ageing equipment and facilities. After much deliberation, the GC felt that increasing the monthly subscription is one of the most viable methods to raise revenue to ensure the long-term sustainability of the Club.

With the revision in monthly subscription from 1 June 2015, there will be an increase of about \$65k monthly in operating income – this amount is projected to be able to cover the operating expenses. Income from membership sales, which was used to cover the operating expenses in the past, will be put into the Club's financial reserve. The Club will also be focusing on selling higher-value membership products like Term and Ordinary Memberships to maximise returns.

The GC felt that it is important that the Club has a long-term financial sustainability plan in force. As such, the GC is proposing a Treasury Safeguarding Framework to be endorsed by members at the AGM.

Member Satisfaction Survey

There has been an improvement in member satisfaction, as evident in the increase in the Membership Satisfaction Index (MSI) from 72.6 to 73.14. The MSI measures the overall satisfaction of the Club. The President assured members that the GC is committed to uphold members' satisfaction.

Sports & Recreation

The President highlighted the recent achievements made by the sports fraternities and congratulated the sportsmen and sportswomen who have done the Club proud. He also affirmed the GC's commitment to provide a conducive environment for members to engage in sports.

Challenges Ahead

As the Club evolves, the President emphasised that it is important for members, the GC and the Management to work closely together to come up with solutions to address the challenges. The President hopes that everyone can work harmoniously towards a common goal which is to make the Club a better place for all members' enjoyment.

Acknowledgement and Appreciation

The President expressed his appreciation to the past presidents and GC members for putting in place infrastructure that has served the Club well over the years. He ended his address by thanking his fellow GC members, Sports Convenors and their Sub-Committee members, the Management team and staff for their dedication and hard work in making the Club a better place. He also thanked the Club Trustees for their guidance and fellow members for their support and encouragement.

4.0 TO ELECT MEMBERS OF THE GENERAL COMMITTEE

4.1 The President announced that three nominations have been received at the close of nominations on 20 June 2015 for election to the three seats.

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

Committee Member

Mr Lee Say Yeow
Mr James Tan
Ms Wong Sook Yee

4.3 The President then called upon the newly appointed Committee Members to introduce themselves.

5.0 TO CONFIRM THE MINUTES OF THE 57TH ANNUAL GENERAL MEETING ON 22 JUNE 2014

5.1 The minutes of the 57th Annual General Meeting held on 22 June 2014, which were circulated as part of the Annual Report, were duly confirmed as proposed by Mr Puah Neo Peng Chiew and seconded by Mr Peter Colaco.

6.0 TO RECEIVE THE ANNUAL REPORT AND ADOPT THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

6.1 Referring to item 13, "Other Activities" (page 67), Mr Teng Leng Hock sought clarification whether the \$62k total positive contribution was correct as it was a big jump from the previous year. He also asked whether the GC will continue with the high level of subsidy (namely those which registered a deficit), especially for the "non-core" sports, amid the various cost-saving initiatives underway and the recent increase of monthly subscription fees. He said that this could be a potential area for cost-cutting consideration.

6.1.1 Vice-President and Chairman of Sports & Recreation Kevin Kwek affirmed that the audited figures in the accounts were correct. He clarified that the positive contributions were mainly due to the increase in swimming, aerobics and fitness classes and activities, which helped offset the cost incurred from non-profit generating sports. He also added that sports is one of the main determinant factors for people to join the Club. Mr Kwek assured the House that the GC will focus on increasing revenue for those sports that are profit-generating while managing cost prudently for those that are non-profit generating for long-term sustainability.

6.1.2 Mr Teng raised the question of whether "non-core" sports with small number of participating members should be heavily subsidised. He wanted to know the level of subsidy for such "non-core" sports in relation to the number of participating members. Mr Kwek replied that he did not have the figures on hand but would be glad to show Mr Teng on a separate occasion.

6.1.3 Mr Moses Tan agreed with Mr Kwek on the importance of sports in attracting membership sign-ups. However, he commented that to ensure fairness, the GC should also look into fund allocation of certain sports such as golf which seems to be getting generous funding.

6.2 Mr Wan Tuck Wah referred the House to page 66 and requested details on the following:

- Item 6 relating to "Sundry Receivables" of \$68,363 – breakdown of these sundry receivables
- Item 7 relating to "Cash and bank balances"- the estimated breakdown of cash and the bank balances
- Item 10 relating to "Reimbursement income" (classified under Miscellaneous Income) - the nature of the reimbursement income

6.2.1 Recognising Mr Wan as a Grand Member, the President sought verification on his membership to which Mr Wan replied in the affirmative. According to rules governing the AGM, Grand Members are only allowed admittance as observers and are not to partake in discussion. As such, the President requested Mr Wan to refrain from raising any issue from the floor.

6.2.2 Mr Wan refuted that there is no provision in the existing Constitution stating that a Grand member is not allowed to speak at a general meeting. President explained that the procedural rules had been set from inception that only voting members have the right to speak. As the chair of the meeting, he has the right to regulate the level of formality to be observed.

6.2.3 Echoing Mr Wan's point, Ms Rosalind Tan stated that the Club is ruled by the Constitution and nobody could change the Constitution, unless amended at a general meeting.

6.2.4 Mr Thomas Tan pointed out that the Grand Membership scheme was mooted by him. When the scheme was introduced, Grand Members were not allowed to attend the general meeting. However, some of them appealed and it was then decided that they be allowed to attend only, but not speak – it was an unwritten rule. Mr Tan suggested keeping to the tradition.

- 6.2.5. Mr Puah Neo Peng Chiew added that if they were to adhere strictly to the Constitution going by Mr Wan and Ms Tan's point, then only voting members are permitted at a general meeting. In this regard, he suggested that the Grand Members, with due respect to them, be requested to leave the meeting room.
- 6.2.6. At this juncture, Ms Rosalind Tan came forward to express her intention to adopt Mr Wan's questions as she felt that they are valid and this was supported by Ms Helena Lin Yong Nui.
- 6.2.7. In addressing the inquiries, Finance Manager Jamie Lai explained that "Sundry Receivables" amounting to about \$68k, consist of the receivables from banquet customers (\$55k), receivables from corporate bowling customers (\$12k) and money recoverable from insurance (\$900). As for "Cash and bank balance", the Club holds \$581k in cash (including cash float from fruit machine operations) and \$2.46 million in bank balances. Lastly, Ms Lai explained that "Reimbursement Income" relates to the electricity charges incurred by the Club's tenants, namely Yum Cha Garden Restaurant and Cambridge Child Development Centre, which will be subsequently charged back to the tenants. This reclassification in the annual report is done to comply with the new Financial Reporting Standard (FRS) 1 format.
- 6.2.8. Ms Tan asked why the bank balances were not placed in interest-earning investments.
- 6.2.9. The GM explained that the Club needs to set aside a minimum sum as working capital to ensure that there is adequate cash flow to run the operations. He acknowledged that any excess amount beyond that could be put into the fixed deposit.
- 6.2.10. Honorary Treasurer Koh Jin Kit said he was advised that the Club keeps a minimum bank balance of \$2.5 million for the operations. Depending on the operating income level from month to month, the Club would have to dip into this balance to fund its operating expenses.
- 6.2.11. In reply, Ms Tan said that it would make more sense for the Club to put the money in short-term fixed deposits than in the current account.
- 6.3. Mr Richard Tan asked how the Ang Bao fund from the members was distributed. He said that he had previously written to the Club asking but it was met with nil response. Mr Tan felt that the Club should be more transparent in the communication to members.
- 6.3.1. The GM clarified that the \$30 Ang Bao contribution by members is equally shared among all eligible staff, inclusive of the CPF component. He added that this practice has been an entrenched tradition but he will look into improving member communication on this matter.
- 6.4. Mr Teng Leng Hock raised another inquiry with regards to "Employee Benefits" on page 70, where he noted an increase of about \$300k under salaries and bonuses.
- 6.4.1. In response, the GM explained that due to the manpower crunch, the Club experienced difficulty in hiring new staff at the same salary as the outgoing staff, especially the cleaning and security staff. He also added that the bulk of the increase is due to the growth of the banquet business requiring more part-time staff and at a higher rate due to competition.
- 6.4.2. The Honorary Treasurer further explained that manpower cost accounts for about two-thirds of the Club's total operating expense. The increase of \$260,000 in manpower cost worked out to about 5% of the total manpower cost, which took into account the annual salary increment.
- 6.5. There being no further comments or questions from the floor, the Annual Report and Accounts for the year ended 31 March 2015 were received and passed as proposed by Mr Francis Poh and seconded by Mr Dominic Tan.

7.0 TO APPOINT AUDITORS FOR THE ENSUING YEAR

- 7.1 The GM reported that the GC was satisfied with the services of the present auditors, HLB Atrede LLP. He then gave some brief background information on HLB Atrede.
- 7.2 The Honorary Treasurer then proposed that HLB Atrede LLP be appointed as the Club's auditors for the ensuing financial year and this was seconded by Mr Ong Chu Tjon.

8.0 TO CONSIDER AND, IF THOUGHT FIT, PASS THE FOLLOWING RESOLUTIONS:

"That subject to the approval of the Registrar of Societies, the Constitution of the Serangoon Gardens Country Club be amended in the manner as set out in Appendix 1."

8.1 Deletion of Clause 12 – Associate Members (Clause 12 to 12.4, and 6.1(f))

- 8.1.1 The President explained that as of 31 March 2015, there were no Associate Members in the membership register and therefore, clauses 12 to 12.4 and Associate Member category under clause 6.1(f) were no longer applicable.
- 8.1.2 There being no comments, the President called for a vote by a show of hands on the motion.

Result of Hand Vote

In Favour:	177
Against:	0
Abstained:	0

The President declared the motion as passed and carried.

8.2 Amendment of Clause 13A.5 – To increase Term Membership quota from 300 to 500

- 8.2.1 The President explained that the GC aimed to recruit more Term Members to increase revenue from the membership entrance fee since Term Members need to renew their membership upon the term expiry.
- 8.2.2 Ms Rosalind Tan asked if increasing the number of Term Memberships would decrease the number of Ordinary Memberships available.
- 8.2.3 Honorary Treasurer Koh Jin Kit explained that there is a quota imposed for different membership categories. Hence, the increase of Term Membership will not affect the quota for Ordinary Memberships. He added that the number of Term Memberships as at 1 June 2015 is 206.
- 8.2.4 Mr Koh added that from a financial point of view, the Term Membership would yield more returns. Assuming a 25-year projection, for 500 memberships sold, total entrance and subscription fee collected for Term Membership fee (based on \$2,400 for 1 year) is \$44.25 million as compared to NTOM \$20.75 million and Ordinary Membership \$22.75 million (inclusive of transfer fee). In addition, due to its recurring nature, Term Memberships would provide more flexibility for the Club to calibrate the admission of members as compared to NTOM and Ordinary Membership which are lifetime memberships. He also added that Term Membership can be promoted as being more value-for-money as compared to, say a gym membership and that it can be offered to both foreigners and locals.
- 8.2.5 Mr Tony Lim inquired whether the Club can reject any Term Membership applications. He added that since there is a balance of 94 Term Memberships to be sold, there is no rush to increase the limit.
- 8.2.6 Mr Koh replied that the primary reason is to increase the Club's entrance fee income and the increase in quota would allow the Club the capacity and flexibility to sell Term Memberships from time to time.

- 8.2.7 Mr Leong Keng Thai agreed on the economic reasoning; however he felt that the non-economic considerations should be taken into account. He is also concerned whether the Club would get into any issues for rejecting any application especially if there is no strong ground for turning it down. Mr Leong further added that it may not be appropriate to liken the Term Membership to a gym membership as there is an emotional difference; SGCC being a family club gives members a sense of attachment, compared to a gym membership.
- 8.2.8 Acknowledging Mr Leong's point, Mr Koh said that the GC wanted to focus on recruiting more Term Members to build up the base, in the hope that a fraction of them would consider converting to Ordinary Membership in the long run as it would be more economical for them to purchase an Ordinary Membership rather than to renew their Term Membership if they decide to stay on with the Club.
- 8.2.9 The President took the opportunity to update the House that the French School located near the Club is undergoing extensive upgrading to expand its facilities and he sees this as an opportunity for the Club to recruit more French Term Members. He added that he has been in touch with the French Association's President and will be working closely with them on mutually beneficial collaborations.
- 8.2.10 Mr Puah Neo Peng Chiew spoke in favour of the proposal as he felt that Term Members would bring about more revenue as compared to Ordinary Members as they are bigger spenders and the Club needs more active members who spend. With the increased quota, the Membership Department will be able to leverage on marketing opportunities that arise. However, Mr Puah raised concerns about the impact on the Club's car park.
- 8.2.11 Mr Ronnie Lee echoed the same sentiment in relation to the impact on facilities. He cited that the pool area is already at its capacity during the peak period and asked whether the GC is going to beef up the facilities to handle the influx of members.
- 8.2.12 Mr Thomas Tan said that a lot of marketing efforts were done to sell the 300 Term Memberships but only 206 were sold. He suggested exhausting the current limit of 300 so that members would know the social impact, if any, before deciding on adding another 200 to the quota.
- 8.2.13 The Honorary Treasurer explained that even if Term Membership is not increased, the Club would continue to incur capital expense and would still have to sell memberships. The crowd problem is going to be the same. The GC is of the opinion that for every membership that the Club sells, it should be getting the best economic benefits. Based on the GC's analysis and study, Term Membership gives the most economic returns, hence the reason for the Committee's focus on Term Memberships.
- 8.2.14 Ms Rosalind Tan mentioned that the GC should consider having a different type of Term Membership that would allow them to utilise the Club facilities during the lull period.
- 8.2.15 The President acknowledged Ms Tan's point and then called on the House to vote by a show of hands on the motion.

Result of Hand Vote

In Favour:	102
Against:	62
Abstained:	6

The President declared the proposed amendment as passed and carried.

- 8.3 Amendment of Clause 13B.2 (a) – To increase monthly subscription of Grand Members from one-half to three-quarter the prevailing subscription rate applicable to an Ordinary Member**
- 8.3.1 The President explained that the amendment is to achieve better parity on subscription fee among all memberships and to increase subscription income for the Club.
- 8.3.2 Mr Ong Eng Say and Mr Roger Yap felt that Grand Members should be accorded a level of respect for their loyalty given their years of membership with the Club. They expressed non-support of the proposal.

- 8.3.3 Mr Puah Neo Peng Chiew recognised that due respect should be given to Grand Members but he felt that it is only fair for Grand Members to contribute full subscription since they continue to enjoy the Club's facilities after selling their Ordinary Memberships and benefited from the sales.
- 8.3.4 Mr Moses Tan expressed that he had no objection to reward long term members for their years of loyalty but like any privileges rolled out to the Pioneer Generation by the Singapore Government, there should be a cut-off point. He opined that the Grand Membership is for perpetuity and hence, over time, the number of Grand Members can grow substantially especially if many of them live a long life.
- 8.3.5 Mr Rick Seah asked whether there is a need to seek approval for the increase of the Grand Membership subscription fee at the general meeting when there was none for the Ordinary Membership.
- 8.3.6 Honorary Secretary Bob Mong explained that the subscription fee payable by a Grand Member is pegged to that of 50% of Ordinary Members' subscription and that is constitutionalized, thus any changes will have to go through the general meeting.
- 8.3.7 Mr Ong Eng Say was empathetic that Grand Members were unable to voice out during the general meeting hence it is unreasonable for the GC to increase the subscription without hearing from them.
- 8.3.8 The Honorary Treasurer shared that by year 2024, about 945 members will qualify for Grand Membership. If they were to convert, the number will swell to about 2,000 Grand members (including their spouses), given that the average life expectancy of Singaporeans has increased to 85. He added that according to spending records, Grand Members who have been active spent less than Ordinary Members. Such a situation will place great stress on the Club's facilities as well as decrease average membership subscription. While he acknowledges the need to recognise long term members for their loyalty, he stated that from fairness and economic perspectives with more members converting to Grand Membership, and paying one-half of the subscription fees of an Ordinary Member, the Club would require more capital returns for financial sustainability.
- 8.3.9 However, Mr Ong Eng Say stated that some Grand Members do not utilise the facilities due to health issues and these should be taken into account.
- 8.3.10 Mr Richard Tan felt that increasing subscription fee would deter members from taking up Grand Membership and thus they will give up their memberships and this will result in fewer members coming to the Club.
- 8.3.11 Mr Thomas Tan said that the Grand Membership was introduced during his tenure as Club President and that he views it from another perspective. He cited that in 5 years' time, if there were 1,000 eligible members for Grand Membership, they are incentivised to sell their Ordinary Memberships in the open market in exchange for Grand Memberships, the Club would immediately earn a transfer fee of \$8,250 per membership, or more than \$8 million for 1,000 memberships. He felt the need to look at opportunity gains instead of the negative aspect. He then added that there will be attrition along the way due to death. Mr Tan hoped that members could be more gracious to these Grand Members as long time members of the Club. In addition, the Club has activities planned for them during the day or lull periods hence there will be some spending from this group of people.
- 8.3.12 Mr Moses Tan spoke in support of Mr Thomas Tan. He said that future GC could always review and look at the cut-off period for the longer term interest of the Club.
- 8.3.13 Ending the views exchanged, the President then proceeded to ask for a show of hands to vote on the motion.

Result of Hand Vote

In Favour:	55
Against:	96
Abstained:	10

The President declared the proposed amendment as not carried.

8.4 Correction of Typo error in Clause 22.3 pertaining to guests

- 8.4.1 The President explained that the reference to existing clause 22.3 was a drafting error and therefore had to be rectified. Correct clause reference should read “22.1”
- 8.4.2 There being no comments from the House, the motion was put to a vote by a show of hands.

Result of Hand Vote

In Favour:	162
Against:	0
Abstained:	0

The President declared the proposed amendment as passed and carried.

8.5 Proposed New Clauses for Treasury Safeguarding Framework (TSF) - 26A, 26B, 26C & 40.2 & Consequential Amendments - Clauses 1.1, 1.3, 26.8 & 28.4

- 8.5.1 The President called upon Honorary Treasurer Koh Jin Kit to take the House through the proposal.

8.5.2 ***Current Financial Reserve Management and Past Trends***

Mr Koh explained that presently, the Club does not have a proper financial reserve management. Both operating income and non-operating income are put into the same “reservoir” to fund all expenses. The Club is currently operating on a budget deficit where operating expense is greater than operating income. He termed this as operating budget gap.

The Club faced fiscal challenges with the operating budget gap. As a social club, banks will not grant loans to SGCC and as such, the Club has to rely on cash savings. The solution to address this gap at one time was to amass funds through fast selling of memberships at low value to address the immediate needs.

Based on records from FY 2004/2005 to FY 2014/2015, the Club has been running on operating deficit, except for FY 2008/2009 where the Club attained a net operating surplus as that was the year when subscription fees were increased.

Over 11 years (FY 2004/2005 to FY 2014/2015), capital expense stood at \$15 million and net operating deficit was more than \$4 million albeit the non-operating income from entrance and transfer fees which generated earnings of \$17.6 million. The records showed that the surplus was used to fund the operating budget deficit. Money raised from sale or transfer of memberships was insufficient to plug the operating budget gap, resulting in the Club drawing on its reserves.

Seemingly, from FY 2009/2010 onwards, the Club’s cash flow had been largely positive and the Club was able to build up its reserves. The GC felt that they should continue this trend. As at end March 2015, the fixed deposit stood at \$3 million and working capital at \$3.1 million. The GC acknowledged that the working capital was deemed on the high side and will adjust it in the current financial year.

8.5.3 ***Treasury Safeguarding Framework (TSF)***

The GC was mindful that membership is an exclusive resource and in order to maximise its return, the Club cannot keep selling membership at low prices. In view of the depletion of cash reserves in the past, the GC has decided to formulate and constitutionalize a framework that would help the Club better manage its finances. Mr Koh then gave an illustration of the proposed framework through a slide presentation. In summary, the key components of the framework are:

1. *Splitting the Reservoir into Two*
 - Non-Operating Income which is the financial reserve will be used for capital expense
 - Operating Income which will be termed “working capital” will be used to fund operating expenses

2. *Control Valves to Manage Financial Reserve*

Safety control valves would be put in place using Priority Matrix for capital expenditure to control outflow of financial reserve.

a) Capital Expense Prioritization Principle

- All capital expense requests have to be prioritized based on the prioritization principle on the matrix of “mission criticalness” factor against “urgency” factor i.e.:

	<u>Critical</u>	<u>Non-Critical</u>
Urgent	Priority-1	Priority-3
Non-Urgent	Priority-2	Priority-4

- “Critical” refers to capital expenses that are necessary to run the Club’s business or which is expected to increase the Club’s income significantly
- “Urgent” refers to capital expenses that are necessary within the next 12 months, or investment with break-even period of less than 12 months

b) Balanced Operating Budget

A control valve will also be put in place to manage the working capital. Operating expense cannot be higher than the operating income. Should this happen, the Management will need to overcome it through cost reduction and/or increase of operating income, instead of dipping into the reserves.

3. *Markers*

• “Danger line” (Minimum Financial Reserve – “MFR”)

MFR threshold is determined based on stress-test (budgeted operating expense net of uninterrupted income, e.g. member’s subscription fee and rental income). The MFR for FY 2015/16 is established at \$3.7 million.

• “Transition Period”

When the financial reserve is below the MFR threshold, it is called the transition period. During this period, only Priority-1 capital expense requests are allowed. This would force the GC and Management team to work hard to build up the financial reserves. Mr Koh said at this point in time, the Club is in the transition period.

• “Normal State”

It is defined as a period when the financial reserve is \$500k above the MFR threshold.

4. *Crisis Management*

“Crisis” Period

It is defined as a period when external forces strike and the Club’s operating income is not enough to cover operating expense. In this case, financial reserve can be used for operating expense for up to 12 months without shutting business and laying off staff.

8.5.4 ***FY 2015/2016 Forecast as a result of adopting TSF***

Mr Koh then shared with the House the forecast of the financial numbers if the Club adopts the TSF:

- Subscription income will increase by \$555k per annum due to the subscription increase
- Operating expense would be smaller than operating income following the subscription increase
- If subscriptions were not increased, the Club would sustain an operating budget deficit of \$372k. However, with the recent subscription increase, the Club would have a surplus of \$183k, and achieve a balanced operating budget
- Positive net cash flow will be achieved with the increase in financial reserve and working capital
- By FY 2015/2016, the Club will be able to attain a cash reserve that is \$600k above the MFR and working capital will be \$2 million and above
- It is envisaged that the financial reserve would grow to \$4.4 million, and hit a new record in 10 years’ time

8.5.5 **Conclusion**

Mr Koh stated that by adopting the framework, the GC would be able to run the Club with a healthy financial position. He also informed the House that the Committee had included a second gate-keeper to the framework, that is, in future, should there be a need to make changes to the clauses under the TSF, prior consent of the majority of the Trustees shall be required. After the presentation, the floor was open for discussion.

8.6 Mr Thomas Tan inquired about what would happen when the Club faces an operating deficit.

8.6.1 Mr Koh, in response, stated that the Management, during its fiscal planning process will know that there is an operating deficit and will look for corrective plans like cost-cutting or measures to increase its revenue and one such measure would be to increase subscription.

8.7 Mr Thomas Tan then referred the House to the proposed clause 26A.2b and cautioned the House on the possibility of subscription increases in future.

8.8 Mr Thomas Tan also highlighted the ambiguity in the Clause 26C.10, which stated that “A Crisis can only be declared with the assent of majority of the Members of the Committee including the President and Treasurer, or by the Members at General Meeting (in accordance with Clauses 30 and 31)”, and asked whether there is a need to specifically include the President and Treasurer since they are from the same Committee.

8.8.1 Mr Koh explained that the GC meeting has to take place and it requires the presence of both the President and Honorary Treasurer.

8.8.2 Committee Member Foo Maw Shen clarified that the clause provides for two pre-conditions – a majority of the GC members must approve and that the majority of the GC who approve must comprise of the President and Honorary Treasurer.

8.8.3 Referring to the second pre-condition which reads: “...or by members at general meeting...”, Mr Thomas Tan said that he did not see the need to put a choice between the two pre-conditions.

8.8.4 Mr Koh then clarified that the proposed clause gives the GC an option to allow members to decide during a general meeting. If an Extra-Ordinary General Meeting (EOGM) was called for during unforeseen situations like an epidemic, the required quorum may not be met, thus the flexibility will allow the GC to vote on the issue.

8.8.5 To be more specific, Mr Thomas Tan suggested letting the House make a decision as to whether the clause should be for the Committee or members at a general meeting to decide. He then proposed an amendment to the clause which is to state that the crisis can only be declared by members at a general meeting, unless prevented otherwise. Mr Richard Tan in agreement, seconded the proposal.

8.8.6 Mr Song Shing Hae agreed with Mr Thomas Tan’s point. He added that if an EOGM cannot be called and the President and Honorary Treasurer could not attend the GC meeting, the respective deputies should act on their behalf.

8.8.7 In response to that, Mr Moses Tan stated that the decision should be derived by group consensus and proposed that the clause remains as status quo.

8.8.8 For order of the proceeding, the President sought legal advice from the Club’s lawyer Lun Chee Leong from Lee & Lee. Mr Lun said that since there is a proposer and a seconder for an amendment to the proposed clause, the Chairman can decide whether to open the proposal to a vote, provided that the proposer provides the amended wording before the House.

8.8.9 Mr Thomas Tan then proposed an amendment to the proposed clause 26C.10 which read:
“A crisis can only be declared with the assent of majority of the members at the general meeting unless a general meeting cannot be called due to force majeure circumstances, then the Committee will decide.”

- 8.8.10 Ms Emily Wong then drew the House to the proposed clause 26C.11 which states that “At the request of the General Manager, a meeting of the Committee shall be convened to decide whether to declare a Crisis.” With the proposed amendment discussed, Ms Wong wondered if this clause is still relevant.
- 8.8.11 Both Mr Thomas Tan and the President said in agreement that the said clauses would have to be amended as consequential amendment.
- 8.8.12 Ms Wong Sook Yee was concerned about the time needed to call for a general meeting during a crisis, and if a quorum was not met, it will still fall back on the GC to make a decision.
- 8.8.13 Mr Thomas Tan, in reply, stated that under a force majeure circumstance, there is no need for an EOGM, the GC would decide.
- 8.8.14 Committee Member Foo Maw Shen clarified that the original proposed clause did not provide for a force majeure, it is based on Mr Tan’s proposal to amend the original proposed clause.
- 8.8.15 The President said that if the House’s consensus is to allow for one party to decide, then he reckoned that the members who are elected to the GC would have a better and clearer understanding of the Club’s financials to make an informed decision.
- 8.8.16 Ms Rosalind Tan wanted to know the consequential impact if a crisis were to be declared by the Committee, and the general members are not aware of it. She cited the example of the GC imposing a levy on members as part of the cause of action to recover from the crisis.
- 8.8.17 The Honorary Treasurer explained that when the Club’s financial position is under the ‘normal state’, the financial reserve is locked up. It is only in the event when a crisis is declared, the financial reserve will be unlocked.
- 8.8.18 Given the general consensus of the House, the President then moved the motion to amend the proposed clause as follows: -

“A Crisis can only be declared with the assent of majority of the Members of the Committee.”

He then called for a vote by a show of hands.

Result of Hand Vote

In Favour:	95
Against:	4
Abstained:	7

The President declared the sub-amendment to clause 26C.10 as carried.

- 8.9 Ms Emily Wong referred to clause 26B.1 and questioned the need to provide for Priority 3 and 4 “Non-critical” expenses, given the GC’s call for governance and prudent spending.
- 8.9.1 Honorary Treasurer Koh Jin Kit explained that as a good standard of practice, there is a need to categorise them in the order of Priority 1 to 4 to reflect expenditure policy. In addition, there would be a record of the proposed items requested even though the GC will not likely act on items in Priority 3 and 4.
- 8.9.2 Committee Member Lee Say Yeow added that based on the Management’s capital expenditure budgeting, there would always be “Critical” and “Non-Critical” classification. Items classified as “Non-Critical” may be raised to “Critical” at some point.
- 8.10 Mr Teng Leng Hock referred the House to clause 26B.1 (b) and sought clarification on how the GC could guarantee that it would break even within 12 months of expense, and what would happen if it does not.

8.10.1 Mr Koh explained that the calculation of the breakeven period to recover the cost of the investment would be based on the best information and knowledge of the capital project at the point of planning. The GC and the Management should not spend the capital expenditure unless it can be substantiated. Mr Teng, in response, felt that the clause is vague and risky.

8.11 There being no other comments, the President called for a show of hands to vote for the constitutional amendments under item 5 - the Treasury Safeguarding Framework.

Result of Hand Vote

In Favour:	91
Against:	0
Abstained:	22

The President declared the motion as passed and carried.

9.0 TO CONSIDER AND, IF THOUGHT FIT, PASS THE FOLLOWING RESOLUTIONS AS PROPOSED BY MR TAN AIK HONG THOMAS AND SECONDED BY MR TAN ENG SUI RICHARD:

“That subject to the approval of the Registrar of Societies, the Constitution of the Serangoon Gardens Country Club be amended in the manner as set out in Item 1 of Appendix 2.”

9.1 The President called upon Mr Thomas Tan to speak on his proposal.

9.2 Mr Tan felt that members should be consulted on the recent subscription increase before it was implemented. As such, Mr Tan proposed to amend the clause to let members decide on subscription revision via a general meeting. Mr Tan pointed out to the House that the GC had earlier affirmed that one of the revenue-generating measures would include raising subscription and this only heightened his concern on this matter.

9.3 Mr David Tok asked whether the increase included the Grand Members. In response, Mr Tan stated that the subscription fee for a Grand Member is one-half the prevailing subscription fee applicable to an Ordinary Member since the resolution to increase the rate to three-quarter of the prevailing subscription rate of an Ordinary Member was not carried.

9.4 Mr Tony Lim said that members were informed about the increase and the adjusted fees were reasonable over the years and that was further substantiated through the explanation of the Treasury Safeguarding Framework. As such, he did not see the need to change the Constitution.

9.5 Mr Teng Leng Hock too felt that the GC need not convene a general meeting to seek members' approval for subscription increase. If the GC were to raise subscriptions by a substantial amount, members could always call for an EOGM to rescind the increase.

9.6 The President shared with the House that out of 8 clubs surveyed, only 2 clubs hold a general meeting to approve revisions of subscription fee.

9.7 Mr Tan said that he had asked for a secret ballot for this resolution. In response, the President said that the legal adviser Mr Lun had affirmed that the Chairman could exercise his right to ask members whether they want to go for a secret ballot or vote by show of hands.

9.8 Mr Thomas Tan said he accepted the decision since that is the legal position.

9.9 As such, the President opened to the floor for the decision. With the general consensus from the House for a hand vote, the President then called for a vote by a show of hands.

- 9.10 Before proceeding with the hand vote process, the President informed the floor that Agenda Item 7 and Item 8 are integrated because of the consequential amendments. Hence, if members vote "For" for resolution 7, it would deem that they are casting "For" for resolution 8.

Result of Hand Vote

In Favour:	39
Against:	65
Abstained:	6

The President declared the resolutions as set out in item 7 and item 8 of the Agenda as not carried.

10.0 TO TRANSACT ANY OTHER BUSINESS OF WHICH 7 CLEAR DAYS' NOTICE HAS BEEN GIVEN IN WRITING TO THE HONORARY SECRETARY

- 10.1 The President informed the House that a total of 11 letters were received, out of which one was withdrawn on 26 June 2015. The President mentioned that he will address the issues by subject as well as by time horizon of the matter, whether it relates to future, present or past.

10.2 Future Matter

- 10.2.1 In his letter, Mr Moses Tan suggested that in future, any constitutional change request by an Ordinary Member must be supported by a minimum of 100 members before it could be put to the House for approval. The President thanked Mr Moses Tan and said that the matter will require study and consideration.
- 10.2.2 Mr Teng Leng Hock asked to look into minimum spending in the Club. The President cited that in 1987, such a practice was implemented but was not well-received. Notwithstanding, the GC will review it with Mr Teng's fresh inputs, bearing in mind that there would be infrastructure involved to support the initiative. The President thanked Mr Teng for his suggestion.

10.3 Present Matter

- 10.3.1 Mr Thomas Tan asked for some information to be shared at the AGM. At this juncture, Mr Thomas Tan requested the Chairman's permission to withdraw this request, in the interest of time.

10.4 Past Matter

- 10.4.1 Referring to the letters from Mr Yong Chai Yim and Mr Saminathan Supramaniam requesting for a dialogue session with members to clarify the issues pertaining to the former GM's leave encashment and bonus payment. The President, in response said that the answers relating to the issues were put up on the notice board on 21 January 2015; and subsequent notice of 4 February 2015 informed members that the issue had come to a closure and so, the dialogue session will not be proceeded with.
- 10.4.2 In regard to the probing questions on the leave encashment and bonus payment raised by Mr Tony Lim, Mr Jeffery Chew and Mr Puah Neo Peng Chiew, the President explained that the full details of the findings were put up on the notice board on 21 January 2015. He assured the members that the Committee had conducted a thorough investigation on the matter and it was concluded that there was no impropriety as the payment was duly authorised in accordance with the Club's HR policy and procedure at that time.
- 10.4.3 In his letter, Mr Moses Tan asked about changes that were made to the HR policies and procedures following the conclusion of the investigation. The President updated the House that the HR policy has since been reviewed and amended. The policy on payment of bonus to the employees will now include the General Manager. In addition, the Committee has come up with a two-stage approval process where the President has the jurisdiction to approve the bonus payment to the General Manager of up to one month's basic salary, beyond which the Executive Committee has to approve. The President also added that the GC will be reviewing the overall HR policies and manual in totality, with the help of the GC member-elect Mr James Tan who used to be a HR practitioner.
- 10.4.4 After addressing all the letters submitted, the President then invited the floor for their views.

- 10.4.5 Mr Tony Lim expressed his disappointment with the President for not replying to his email of 27 January 2015 where he asked for specific details in relation to the former GM's payment of about \$70k comprising of unconsumed leave accumulated for about 6 years and 2 months' bonus payment. He also wanted to know who had approved the payment and how the payment was made.
- 10.4.6 The President acknowledged receipt of Mr Lim's email. He further explained that at that point in time, the answers to the alleged claims were already up on the notice board (on 21 January 2015) and therefore, felt that it was not necessary to reply. The President added that if Mr Lim had felt that he was rude, he sincerely apologise.
- 10.4.7 Mr Lim accepted the apology. Notwithstanding, Mr Lim was adamant for the answers as he wanted to ensure that there is an effective system of governance. To that, the President affirmed again that there was an investigation and it was proper.
- 10.4.8 Mr Moses Tan stated that the President had indicated in his notice (dated 21 January 2015) that a dialogue session with members will be held, together with the GC and the Control Committee to address the issue but it later appeared that the GC decided to close the matter. He felt that there should be more transparency.
- 10.4.9 The President reiterated that extensive investigation was conducted and the explanation was also posted on the notice board. A subsequent notice (dated 4 February 2015) was posted on the notice board informing members that the dialogue session will not be held as the matter was deemed closed.
- 10.4.10 Ms Rosalind Tan expressed her disbelief on the issue of the unconsumed leave. She said that there is usually a limitation period for encashment of unconsumed leave.
- 10.4.11 Ms Wong Sook Yee said that from her personal standpoint, the matter is history. It happened during a previous GC's term and under a different President, and not under the current GC. Since the current GC had looked into it and they were satisfied with the outcome of the investigation, she suggested that perhaps the GC could have provided more details in the call for transparency by members.
- 10.4.12 The President reiterated that the GC is neither a judge nor an evaluator of the performance of the past GC, but they recognised that the system needs improvement and improvements have been made.
- 10.4.13 Committee Member Lee Say Yeow said that although he was not in the investigation committee, this issue was discussed in the committee meeting. He reassured the House that based on the investigation carried out, in which the Club Trustees were also involved; there was nothing fraudulent in the payout since there was no HR policy guarding it. He also added that the HR policy has since been revised to include the GM's leave accumulation and encashment.
- 10.4.14 Mr Moses Tan felt that there seemed to be an element of sole discretionary power of a President in relation to the unconsumed leave encashment and variable bonus payment for the former GM. He said he was told that the General Manager reports to the President and the President has the discretion on the bonus payments.
- 10.4.15 Mr Koh Jin Kit said he was roped into the investigation. He said that the amount based on the unconsumed leave beyond two years amounted to actually less than \$20k (out of the total amount of about \$39k in leave encashment). He added that from the HR policy perspective, the rule governing the leave accumulation covering the GM was not there and hence, there was no breach of rules or wrongdoing. He said that the HR policy has now been revised to include GM in the leave accumulation component.
- 10.4.16 Mr Teng Leng Hock commented that he was part of the GC when the payment was made but the then GC was unaware of it. He felt that since no rules were bent, the GC should be transparent in sharing the details with members.
- 10.4.17 Mr Tony Lim spoke up again. He said that there should be a proper payment procedure for such a large sum of money paid out.

10.4.18 The President said that the payroll payment process was stringent. The GM would approve the payment request raised by HR department. Thereafter, the documents will be passed to President and Honorary Treasurer for their endorsement and signing, and only after that, the payment will go through. This process was followed strictly and there was no deviation.

He then explained that for most companies' leave policy, an employee is allowed to carry forward any unconsumed leave from the current to the following year. He reiterated that the investigation carried out was very detailed and in those 6 years of the former GM's employment, there were indeed leave taken and some forfeited.

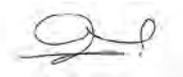
The President further emphasised that the GC has done their due diligence and shared every piece of information with members on the notice of 21 January 2015. He further added that members are entitled to their opinions on this matter and can decide if they want to pursue this matter further. In ending the discussion, the President appealed to members to have greater confidence in the GC and assured members that the GC will continue to work in the best interest of the Club.

10.5 As an aside, Mr Puah Neo Peng Chiew then referred the House to one of the letters which was submitted by him and subsequently withdrawn. He informed the House that there was legal action taken against him by Mr Thomas Tan, as the contents of the said letter had caused embarrassment and distress to Mr Tan. He said that both of them had reached an amicable resolution. With the Chairman's permission, he offered his apology statement to Mr Tan.

11. ADJOURNMENT

11.1 There being no other matters, the President thanked members for their attendance and the meeting was adjourned at 6.30pm.

A CORRECT RECORD



BOB MONG
Honorary Secretary

Serangoon Gardens Country Club

(Reg. No. UEN S55SS0010E)

GENERAL COMMITTEE'S STATEMENT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2016

GENERAL COMMITTEE MEMBERS

President	:	Randy Sng Yong Hoe
Vice-President	:	Kevin Kwek Chok Yen
Honorary Secretary	:	Bob Mong Tiang Seng
Honorary Treasurer	:	Koh Jin Kit
Assistant Honorary Secretary	:	Edmond Tan Chok Jueh
Assistant Honorary Treasurer	:	Peter Chia Kwang Hai
Committee Member	:	Foo Maw Shen
Committee Member	:	Frederick Kang Hong Chee
Committee Member	:	Gilbert Low Teck Hian
Committee Member	:	Lee Say Yeow
Committee Member	:	Janet Yeong Mei Heng
Committee Member	:	James Tan Jee Hai
Committee Member	:	Wong Sook Yee

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 so as to give a true and fair view of the financial position of Serangoon Gardens Country Club (the "Club") as at 31 March 2016 and the financial performance, changes in funds and cash flows of the Club for the 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



Koh Jin Kit
Honorary Treasurer

Singapore
26 May 2016

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

Report on the Financial Statements

We have audited the accompanying financial statements of Serangoon Gardens Country Club (the "Club"), which comprise the balance sheet as at 31 March 2016, and the statement of comprehensive income, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

General Committee's Responsibility for the Financial Statements

The General Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of Societies Act Chapter 311 (the "Act") and Singapore Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

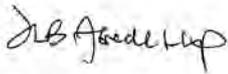
**Independent Auditor's Report
to the Members of Serangoon Gardens Country Club – continued**

Opinion

In our opinion, the financial statements of the Club are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Club as at 31 March 2016 and of the results, changes in funds and cash flows of the Club for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies 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 2016

Balance Sheet as at 31 March 2016

	Note	2016 \$	2015 \$
ASSETS			
Non-current			
Property, plant and equipment	3	22,492,627	23,491,451
Members' receivables	4	<u>323,562</u>	<u>537,762</u>
		<u>22,816,189</u>	<u>24,029,213</u>
Current			
Inventories	5	211,941	136,899
Members' receivables	4	1,248,014	1,291,254
Sundry receivables, deposits and prepayment	6	376,288	364,854
Interest receivables		7,208	4,877
Fixed deposits	7	2,934,346	2,668,497
Cash and cash equivalents	7	<u>4,945,613</u>	<u>3,544,035</u>
		<u>9,723,410</u>	<u>8,010,416</u>
TOTAL ASSETS		<u>32,539,599</u>	<u>32,039,629</u>
FUNDS			
Accumulated funds	8	<u>29,116,715</u>	<u>28,756,830</u>
		<u>29,116,715</u>	<u>28,756,830</u>
LIABILITIES			
Current			
Creditors and accruals	9	2,247,892	2,136,439
Subscriptions charged in advance		353,330	285,060
Members' credit balances and deposits		779,486	769,791
Property tax payable		-	46,542
Tax payable		<u>42,176</u>	<u>44,967</u>
		<u>3,422,884</u>	<u>3,282,799</u>
TOTAL FUNDS AND LIABILITIES		<u>32,539,599</u>	<u>32,039,629</u>

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

Statement of Comprehensive Income for the financial year ended 31 March 2016

	Note	2016 \$	2015 \$
INCOME			
Subscriptions		4,132,016	3,423,225
Transfer fees		484,830	427,610
Entrance fees		816,125	1,218,561
Interest income – fixed deposits		22,056	11,054
Miscellaneous income	10	363,778	350,023
Lease rental income		482,587	479,105
Contributions/(deficits) from:			
Fruit machines	11	1,290,647	1,237,753
Facilities booking	12	219,621	220,572
Other activities	13	47,935	62,349
Food and beverage	14	<u>(127,571)</u>	<u>(53,741)</u>
		<u>7,732,024</u>	<u>7,376,511</u>
Less:			
EXPENDITURE			
Operating and administrative	15	4,412,573	4,303,656
Repairs, maintenance and housekeeping	16	605,148	551,018
Water and electricity		<u>826,329</u>	<u>980,056</u>
		<u>5,844,050</u>	<u>5,834,730</u>
NET SURPLUS BEFORE DEPRECIATION		1,887,974	1,541,781
Depreciation of property, plant and equipment		(1,490,391)	(1,741,697)
Loss on disposal of property, plant and equipment		<u>(52)</u>	<u>(8,507)</u>
NET SURPLUS/(DEFICIT) BEFORE TAX		397,531	(208,423)
Income tax (expense) /credit	17	<u>(37,646)</u>	<u>8,033</u>
NET SURPLUS /(DEFICIT) AFTER TAX		359,885	(200,390)
Other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u><u>359,885</u></u>	<u><u>(200,390)</u></u>

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

Statement of Changes in Funds for the financial year ended 31 March 2016

	Accumulated funds
	\$
Balance at 1 April 2014	28,957,220
Total comprehensive loss for the year	<u>(200,390)</u>
Balance at 31 March 2015	28,756,830
Total comprehensive income for the year	<u>359,885</u>
Balance at 31 March 2016	<u><u>29,116,715</u></u>

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

Cash Flow Statement for the financial year ended 31 March 2016

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus/(deficit) before tax	397,531	(208,423)
Adjustments for:		
Depreciation of property, plant and equipment	1,490,391	1,741,697
Loss on disposal of property, plant and equipment	52	8,507
Interest income	(22,056)	(11,054)
Operating cash flow before working capital changes	<u>1,865,918</u>	<u>1,530,727</u>
Increase in inventories	(75,042)	(1,724)
Decrease in operating receivables	246,006	19,067
Increase/(decrease) in operating payables	<u>142,876</u>	<u>(92,687)</u>
Cash generated from operations	2,179,758	1,455,383
Income tax paid	<u>(40,437)</u>	<u>(83,858)</u>
Net cash flows from operating activities	<u>2,139,321</u>	<u>1,371,525</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(491,619)	(586,979)
Increase in fixed deposits	(265,849)	(7,935)
Interest received	<u>19,725</u>	<u>9,968</u>
Net cash flows used in investing activities	<u>(737,743)</u>	<u>(584,946)</u>
Net increase in cash and cash equivalents	1,401,578	786,579
Cash and cash equivalents at beginning of year	<u>3,544,035</u>	<u>2,757,456</u>
Cash and cash equivalents at end of year (Note 7)	<u>4,945,613</u>	<u>3,544,035</u>

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

Notes to the Financial Statements – 31 March 2016

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 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 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)
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
Improvements to FRSs (November 2014)	
FRS 107 Financial Instruments: Disclosures	1 January 2016
FRS 19 Employee Benefits	1 January 2016

Except for FRS 115, 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 115 is described on the next page.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Club include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Club is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

(b) *Significant accounting estimates and judgements*

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) *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 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 3 to the financial statements. A 1% difference in the expected useful lives of these assets from Management's estimates would result in approximately 3% (2015: 1%) variance in the surplus or deficit before tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Significant accounting estimates and judgements (continued)*

(ii) *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.

(c) *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
Computer	–	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 improvement 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 in the profit or loss in the year of purchase.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

(d) *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 generation 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.

(e) *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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Financial assets (continued)*

(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.

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.

(f) *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 the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Impairment of financial assets (continued)*

(i) *Financial assets carried at amortised cost (continued)*

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.

(g) *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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) *Financial liabilities (continued)*

(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.

(h) *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.

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.

(i) *Cash and cash equivalents*

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

(j) *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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) **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.

(l) **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.

(m) **Leases**

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.

(n) **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:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) *Revenue (continued)*

(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.

(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 Second Schedules 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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) *Taxes (continued)*

(ii) *Goods and services tax (continued)*

- 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. PROPERTY, PLANT AND EQUIPMENT

	Clubhouse buildings and underpass \$	Furniture, fittings and office equipment \$	Pool, gymnasium and electrical equipment \$	Amusement equipment \$	Renovation \$	Computer \$
Cost:						
At 1 April 2014	34,185,576	2,463,861	4,193,804	861,630	4,944,003	1,116,908
Additions	12,610	100,749	223,909	89,313	122,716	9,883
Disposal/written off	(5,999)	(36,251)	(53,597)	(131,600)	-	(1,530)
At 31 March 2015 and 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	34,225,735	2,560,844	4,077,792	852,923	5,074,019	784,731
Accumulated depreciation:						
At 1 April 2014	11,869,275	2,049,621	3,624,403	712,488	3,965,550	1,023,613
Charge for the year	713,228	169,775	192,892	99,915	462,958	50,587
Disposal/written off	(2,236)	(35,134)	(49,970)	(131,600)	-	(1,530)
At 31 March 2015 and 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	13,291,831	2,263,313	3,543,205	680,613	4,693,144	718,147
Net carrying amount:						
At 31 March 2015	21,611,920	344,097	596,791	138,540	638,211	52,591
At 31 March 2016	20,933,904	297,531	534,587	172,310	380,875	66,584

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Kitchenware, crocery and utensils	Motor vehicles	Container	Bowling equipment	Building improvement in progress	Total
	\$	\$	\$	\$	\$	\$
Cost:						
At 1 April 2014	164,682	60,396	27,304	1,032,978	-	49,051,142
Additions	-	-	-	5,487	22,312	586,979
Disposal/written off	-	-	-	(5,000)	-	(233,977)
At 31 March 2015 and 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	164,682	88,363	27,304	1,064,736	-	48,921,129
Accumulated depreciation:						
At 1 April 2014	96,445	54,446	27,304	973,321	-	24,396,466
Charge for the year	32,942	2,746	-	16,654	-	1,741,697
Disposal/written off	-	-	-	(5,000)	-	(225,470)
At 31 March 2015 and 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	147,925	65,065	27,304	997,955	-	26,428,502
Net carrying amount:						
At 31 March 2015	35,295	3,204	-	48,490	22,312	23,491,451
At 31 March 2016	16,757	23,298	-	66,781	-	22,492,627

3. PROPERTY, PLANT AND EQUIPMENT (continued)

The Club properties are constructed on a donated plot of leasehold land with tenure of 999 years registered in the name of the trustees of the Club.

4. MEMBERS' RECEIVABLES

	2016 \$	2015 \$
Entrance fee receivables	682,469	961,434
Members' receivables	889,107	867,582
	<u>1,571,576</u>	<u>1,829,016</u>
Current:		
Entrance fee receivables	358,907	423,672
Members' receivables	889,107	867,582
	<u>1,248,014</u>	<u>1,291,254</u>
Non-current:		
Entrance fee receivables	<u>323,562</u>	<u>537,762</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 \$127,770 (2015: \$127,683) 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:

	2016 \$	2015 \$
Members' receivables past due but not impaired:		
Not more than 60 days	104,143	98,053
60 to 90 days	20,226	20,791
90 to 120 days	3,401	8,839
	<u>127,770</u>	<u>127,683</u>

5. INVENTORIES

	2016 \$	2015 \$
Consumable stocks and stores	<u>211,941</u>	<u>136,899</u>
Statement of comprehensive income: Inventories recognised as an expense in cost of sales	<u>2,358,489</u>	<u>2,175,631</u>

6. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENT

	2016	2015
	\$	\$
Prepayment	84,184	78,405
Rental receivables	21,607	18,058
Staff advances – interest free	2,359	1,350
Sundry receivables	91,398	68,363
Sundry refundable deposits	176,740	198,678
	<u>376,288</u>	<u>364,854</u>

7. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

	2016	2015
	\$	\$
Cash and bank balances	4,190,869	3,041,588
Fixed deposits	3,689,090	3,170,944
	<u>7,879,959</u>	<u>6,212,532</u>
Less: fixed deposits with maturity more than 3 months	(2,934,346)	(2,668,497)
Cash and cash equivalents as stated in cash flow	<u>4,945,613</u>	<u>3,544,035</u>

Short-term deposits are made for varying periods of between 3 months to 12 months (2015: between 3 months to 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 0.25% to 1.02% (2015: 0.25% to 0.53%) per annum.

8. 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 2016, included within accumulated funds is an amount totalling \$49,964,690 (2015: \$48,764,253), which represents accumulated fruit machines and tombola income net of related expenditure and depreciation.

9. CREDITORS AND ACCRUALS

	2016	2015
	\$	\$
Trade payables and accruals	1,293,050	1,219,319
Unconsumed leave entitlement	148,807	187,088
Deferred revenue	110,242	56,615
GST payables	224,624	203,856
Deposits received	471,169	469,561
	<u>2,247,892</u>	<u>2,136,439</u>

10. MISCELLANEOUS INCOME

	2016	2015
	\$	\$
Electronic parking systems	141,470	154,613
Sundry income	28,033	46,952
Advertisement	10,562	4,032
Reimbursement income	83,311	94,157
Income from Charity Dinner	100,402	50,269
	<u>363,778</u>	<u>350,023</u>

11. FRUIT MACHINES

	2016	2015
	\$	\$
Collections	14,466,764	13,323,173
Deduction:		
Payment to winners	(9,805,980)	(8,862,058)
Government tax [including goods and services tax of \$303,344 (2015: \$292,282)]	(2,986,303)	(2,842,671)
Maintenance of machines	(25,450)	(27,155)
General supplies	(10,090)	(8,864)
Direct staff costs		
– Salaries and wages	(183,328)	(184,672)
– Central Provident Fund contributions	(18,570)	(17,112)
Other operating expenses	(146,396)	(142,888)
Contribution from fruit machines	<u>1,290,647</u>	<u>1,237,753</u>

12. 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.

13. OTHER ACTIVITIES

	2016	2015
	\$	\$
Aerobics and fitness	71,339	81,255
Billiards	(5,537)	(6,124)
Bowling	(13,730)	(22,151)
Darts	(11,387)	(8,876)
Chess	3,591	463
Golf	(26,517)	(24,847)
Mahjong	(5,642)	(5,240)
Membership relations activities and classes	(35,801)	(33,592)
Squash/table-tennis	1,107	(4,253)
Swimming	70,543	83,177
Tennis	7,916	15,229
Youth/video games	4,737	4,155
Miscellaneous	(12,684)	(16,847)
Net surplus from other activities	<u>47,935</u>	<u>62,349</u>

14. FOOD AND BEVERAGE

	2016	2015
	\$	\$
Sales	5,830,655	5,805,492
Less:		
Cost of sales	(2,358,489)	(2,175,632)
Gross contribution	<u>3,472,166</u>	<u>3,629,860</u>
Less:		
Direct staff costs – Salaries and wages	(2,343,605)	(2,366,443)
– Central Provident Fund contributions	(200,104)	(200,912)
Other operating expenses	(1,056,028)	(1,116,246)
Deficit from food and beverage	<u>(127,571)</u>	<u>(53,741)</u>

15. OPERATING AND ADMINISTRATIVE EXPENSES

	2016	2015
	\$	\$
Auditors' remuneration	7,120	7,380
Bad debts	1,617	3,888
Charity Dinner expenses	23,779	12,295
Decoration	16,704	17,750
Donations	76,623	39,974
General expenses	73,005	67,477
Insurance	48,072	44,328
Laundry	2,883	8,731
License fees	13,034	8,472
Medical	25,714	24,300
Meeting expenses	26,520	24,879
Members' introduction expenses	52,496	55,962
Membership launch expenses	38,568	18,923
New members' gathering expenses	8,053	11,631
Newsletter	78,549	85,874
Nets/cashcard commission	2,725	2,954
Payroll – Salaries and wages	2,830,648	2,833,493
– Central provident fund contributions	325,978	281,875
– Employee leave entitlements	(2,449)	22,144
Postage	24,769	22,083
Printing, stationery and magazines	43,795	60,955
Professional and legal fees	18,590	21,245
Promotional materials	108,364	114,927
Property tax – Current	307,609	297,000
– Over provision in prior year	–	(61,559)
Recruitment	11,517	25,613
Refreshment	2,786	3,031
Staff benefits	143,736	144,869
Staff incentive	42,933	42,196
Staff training	12,451	13,337
Telephone	28,530	32,340
Transport	17,854	15,289
	<u>4,412,573</u>	<u>4,303,656</u>

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

	2016	2015
	\$	\$
Salaries and related costs	1,007,198	890,376
Central Provident Fund	113,115	86,960
	<u>1,120,313</u>	<u>977,336</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.

16. REPAIRS/MAINTENANCE AND HOUSEKEEPING

	2016	2015
	\$	\$
Housekeeping and landscaping	234,310	222,153
Repairs and maintenance		
– building	104,152	98,830
– equipment/furniture	237,882	204,553
– motor vehicle	6,543	8,301
– bowling alley	22,261	17,181
	<u>605,148</u>	<u>551,018</u>

17. INCOME TAX EXPENSE/ (CREDIT)(i) *Major components of income tax expense/(credit)*

The major components of income tax expense/(credit) for the years ended 31 March 2016 and 2015 are:

	2016	2015
	\$	\$
Current tax	42,176	44,967
Over provision in prior years	(4,530)	(53,000)
	<u>37,646</u>	<u>(8,033)</u>

(ii) *Relationship between tax expense and accounting surplus/(deficit)*

The reconciliation between the tax expense/(credit) and the product of accounting surplus/(deficit) multiplied by the applicable tax rate for the years ended 31 March 2016 and 2015 are as follows:

	2016	2015
	\$	\$
Surplus/(deficit) before tax	<u>397,531</u>	<u>(208,423)</u>
Tax expense/(benefit) on surplus/(deficit) before tax at 17%	67,580	(35,432)
Adjustments:		
Non-deductible expenses	4,420,279	4,274,341
Tax exempt income	(4,445,683)	(4,193,942)
Over provision in prior years	(4,530)	(53,000)
Total tax expense/(credit)	<u>37,646</u>	<u>(8,033)</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 2016 and 2015 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.

18. OPERATING LEASE COMMITMENT

The Club has entered into commercial property leases. These non-cancellable leases have remaining non-cancellable lease terms of between about 1 to 7 years as at 31 March 2016. 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.

18. OPERATING LEASE COMMITMENT (CONTINUED)

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

	2016	2015
	\$	\$
Not later than one year	432,367	407,926
Later than one year but not later than five years	1,167,347	1,599,715
Later than five years	<u>186,057</u>	<u>186,057</u>
	<u>1,785,771</u>	<u>2,193,698</u>

The leases on the Club's leasehold properties on which rentals are receivable will expire earliest on 31 January 2017 and latest on 1 December 2021 and the current rents stand at \$700 (2015: \$700), \$16,066 (2015: \$16,066) and \$19,381 (2015: \$16,151) per month respectively.

19. EMPLOYEE BENEFITS

	2016	2015
	\$	\$
Salaries and bonus	5,285,810	5,309,886
Central Provident Fund [net of Special Employment credit of \$106,888 and Wages Credit Scheme of \$104,000 (2015: net of Special Employment credit of \$55,315)]	333,764	344,816
Others	<u>253,893</u>	<u>247,292</u>
	<u>5,873,467</u>	<u>5,901,994</u>

20. 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 to 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.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) *Interest rate risk (continued)*

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 (2015: 50) basis points (bp) in interest rates at the reporting date would change equity and profit before tax by \$18,445 (2015: \$15,855). 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.

(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.

21. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amount of financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

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 does not have any other financial instruments carried at fair value.

22. 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.

23. 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.

	2016	2015
	\$	\$
<i>Loans and receivables</i>		
Members' receivables	1,571,576	1,829,016
Sundry receivables and deposits	292,104	286,449
Interest receivables	7,208	4,877
Fixed deposits	2,934,346	2,668,497
Cash and cash equivalents	<u>4,945,613</u>	<u>3,544,035</u>
	<u>9,750,847</u>	<u>8,332,874</u>
<i>Financial liabilities at amortised cost</i>		
Creditors and accruals	1,764,219	1,688,880
Members' credit balances and deposits	779,486	769,791
Property tax payable	-	46,542
	<u>2,543,705</u>	<u>2,505,213</u>

24. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Club for the financial year ended 31 March 2016 were authorised for issuance by the Club's General Committee on 26 May 2016.

- NOTES -

- NOTES -