

# SERANGOON GARDENS COUNTRY CLUB

ANNUAL REPORT 2013 / 2014



*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 Anthony Lim Seng Chye**  
*President*  
*Chairperson – Projects / Tender*  
*Chairperson – Human Resource*



**Mr Randy Sng Yong Hoe**  
*Honorary Secretary*  
*Chairperson – Service Excellence*  
*Deputy Chairperson – Security*



**Ms Genie Sugene Gan**  
*Honorary Treasurer*  
*Chairperson – Finance*  
*Deputy Chairperson – Service Excellence*



**Mr Kevin Kwek Chok Yen**  
*Assistant Honorary Treasurer*  
*Chairperson – Membership & Disciplinary*  
*Deputy Chairperson – Sports & Recreation*



**Mr Peter Chia Kwang Hai**  
*Chairperson – Security*



**Ms Serena Goh**



**Mr Andy Lau Kian Koon**  
*Chairperson – Sports & Recreation*



**Mr Lee Say Yeow**  
*Chairperson – Food & Beverage*  
*Deputy Chairperson – Maintenance & Safety*



**Mr Bob Mong Tiang Seng**  
*Chairperson – Maintenance & Safety*  
*Deputy Chairperson – Food & Beverage (Banquet)*



**Ms Tracy Peck**  
*Deputy Chairperson – Food & Beverage (Entertainment)*



**Mr Benjamin Leo Wong Van Tse**  
*Deputy Chairperson – Sports & Recreation*

## *Patrons, Trustees and Convenors*

### *Patrons*



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



**Mr George Yeo**  
Patron



**Mrs Lim Hwee Hua**  
Patron



**Ms Sylvia Lim**  
Patron

### *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 Francis Teo**  
Bowling Convenor

**Mr Ansband Tan**  
Chess Convenor

**Mr Fredrick Kang**  
Darts Convenor

**Mr Eddie Ng**  
Fitness Convenor

**Mr Philip Leow**  
Golf Convenor

**Mr Stephen Chan**  
Squash Convenor

**Mr Lim Tow Boon**  
Swimming Convenor

**Mr Steven Lee**  
Tennis Convenor

## *President's Message*

Dear Members

**T**wo years passed by very quickly and soon, my term as President will come to an end at the upcoming Annual General Meeting. Looking back, it has been a busy but fruitful period for me, working together with my fellow General Committee members and the Management team in charting the direction of the Club and introducing new initiatives to improve the Club.

When I took over as President in 2012, one of my main thrusts was to enhance the Club's status as "The Best Family Club in Singapore". The first project undertaken was to create a new place for youths and turn the former Sports Bar into a more conducive place for adults to chill out. These 2 outlets are now known as The Hangout and Crossroads Lounge. We also relocated the darts area to the 2<sup>nd</sup> level of the New Wing to make way for these changes.

At the same time, we transformed the Main Lobby into an impressive looking hotel-style lobby. We proceeded to tackle the heat problem with the installation of sun shades, followed by changing the 14-year old air-conditioning system to one that is more efficient. I am pleased to say that these changes have been very well received by members. I regularly see many members gathering with their friends at the Main Lobby, enjoying the ambience and even taking pictures, at times.

Over the past year, a few other key projects were also undertaken. The Aerobics Room was renovated and expanded in August 2013. Next was the Gardens Bowl which went through some major renovation for the first time after 19 years. We also expanded the pool deck seating capacity, installed additional lockers and introduced a lightning warning system to improve safety for pool users. In early 2014, building improvement works were carried out at the Heliconia Wing. The Kensington Ballroom was also fitted with a new carpet.

We also reviewed and made improvements to many areas of the Club's operations. We increased the number of CCTVs (closed-circuit TV) to enhance safety and surveillance efforts. We created designated smoking areas in the Club. We also brought forward the opening hours of the gym and swimming pool to cater to the early users

and also to ease the demand for these facilities during the peak hours. Since April 2014, we implemented a full-day closure for the gym every quarter to facilitate a more thorough maintenance programme and to ensure that the gym continues to serve members well.

Over at the F&B outlets, there were also many new initiatives. In November 2013, we re-branded the entire 2<sup>nd</sup> level of the New Wing to Club Twenty-Two which comprises the Dance & Music Lounge, Karaoke Lounge and Rooms as well as the Darts Lounge. In addition, we refurbished part of the seating area of the dance lounge and installed a mirror on one side of the dance floor so that the dance area can double-up as a venue for dance classes during off-peak period. We spruced up the outdoor terrace of the Garden Grill to provide a nice alfresco dining experience for members. At the same time, we also made changes to our menus to enhance members' dining experience.

We have done relatively well in improving the F&B deficit from \$373k in financial year (FY) 2012/2013 to \$133k in FY 2013/2014. This is largely due to the improvement in banquet sales and net profit. Total F&B sales have increased by 8.6% while cost has been relatively well contained, leading to the huge improvement in the F&B financial results.

In FY 2013/2014, contribution from jackpot has dropped significantly by 31% to \$766k mainly due to higher payout. Subscription revenue has increased by a modest 4.3% to \$3.351 million while the entrance fee and transfer fee collectively contribute \$2.087 million revenue in FY 2013/2014. Most other income sources registered a modest increase. Total income for FY 2013/2014 was just marginally lower at \$6.959 million as compared to \$7.023 million the previous year.

On the expenditure side, there was a decrease of \$754k, or about 12% in FY 2013/2014. This is largely due to the re-assessed prior year property taxes (dating back to 2007) reported in FY 2012/2013, which was subsequently reduced in FY 2013/2014 following successful negotiation with IRAS, resulting in a significant decrease in property tax reported for FY 2013/2014.

## President's Message

Overall, the Club did better in FY 2013/2014 with net surplus before depreciation, gain or loss on disposal of fixed assets and tax at \$1.512 million – an improvement of 84% from the previous financial year. The net deficit after depreciation, gain or loss on disposal of fixed assets and tax was \$180k compared to \$718k in FY 2012/2013. The cash reserves also saw a steady increase. As at 31 March 2014, cash reserves were \$5.418 million as compared to \$5.235 million a year ago, or \$4.728 million 2 years ago. This is despite the Club having undertaken a few significant upgrading projects in the last 2 years. I am pleased that we have managed to strengthen our reserves.

Looking ahead, the Club certainly needs to do more to boost its revenue base in light of the sliding contribution from jackpot. Fortunately, there is still good upside potential for the Club's banquet business which will hopefully help to further cushion any further negative impact in the future. Increasing service level and member satisfaction are also priorities as these can lead to improved patronage and spending in the Club. Through our recent investment in the renewal and expansion of facilities, we hope to continue to attract new members to join the Club, which will in turn increase the subscription base as well as entrance and transfer fees revenue.

Besides boosting revenue, managing cost is equally important to ensure the long-term sustainability of the Club. Manpower cost driven by the current labour crunch is and will be one of the key challenges. As a service organization, having a team of motivated and dedicated employees is crucial as that can make a great difference to members' experience. As such, it is important that we continue to retain and reward valuable employees and invest in them through training and development. Better cost management practices and improving productivity will also be crucial in improving the bottom line.

Judging from the yearly Member Satisfaction Survey results for the past 3 years, I am pleased to say that we have seen improvement in member satisfaction, as evident in the increase in the Member Satisfaction Index (MSI) which measures



the overall satisfaction level of the Club. We are still in the midst of tabulating the 2014 survey results which are expected to be out in early July. We certainly hope to see a further improvement in member satisfaction.

As I approach the end of my term, I would like to take this opportunity to express my appreciation to my fellow General Committee members for their contribution in their respective portfolios; Sports Convenors and their Sub-Committees for their passion towards promoting their respective sports and making the Club proud in all the sports achievements; the Management and staff of SGCC for their hard work in serving the members and ensuring the smooth running of the Club's operations; the Club Patrons and Trustees for always being so supportive of all the Club's initiatives. Lastly, to my fellow members and friends, thank you for the confidence that you have entrusted in me as your President. It has been an honour to serve you and the Club.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Anthony Lim', enclosed within a simple, hand-drawn oval shape.

**Anthony Lim**  
President

# *Food & Beverage*





## Food & Beverage

The F&B team strives to offer members and their guests a place to enjoy a quality and hearty meal, coupled with great entertainment programmes for social gatherings and relaxation.

The F&B team had a fruitful year. In the last quarter of 2013, we introduced a new a la carte menu at the Atrium Café. The weekday set lunch was extended to weekends as well and features a more varied selection of both Western and Eastern cuisine.

In February 2014, we brought in new furniture to the Coffee Deli, giving it a minor facelift. A new breakfast menu was launched. Packed snack items for quick bites were also introduced at the Deli – this has proven to be popular among the weekend crowd as well as those on the go.

At the Lobby Lounge, we continue to offer an exquisite afternoon tea menu featuring different types of pastries and cakes accompanied by tea, coffee or wine. Our monthly value-for-money themed menus at the Garden Grill continue to be popular. We also introduced a new concept *BBQ on Deck* featuring favourite barbeque items which can be savoured outdoors at the new terrace area outside Garden Grill.

In November 2013, we renamed the entire Level 2 of the New Wing comprising the Dance & Music Lounge, Karaoke Lounge and Rooms and Darts Lounge to Club Twenty-Two. Inspiration for this name came from our Club's address, 22 Kensington Park Road. Besides the regular live



band performances at Club Twenty-Two, we also introduced more themed parties such as *Wild Wild West*, *Retro Nite*, *Country Steppin'* – all of which have been very well received by members. The introduction of the *Open Mic Jamming Sessions* on Tuesday evenings at Club Twenty-Two has also attracted a following. We also brought in new furniture for the Dance & Music Lounge, increasing its seating capacity.

The Crossroads Lounge, since its opening in December 2012 has been a popular spot for drinkers to chill out and unwind. Live band performances are a regular feature on Thursday and Friday evenings, in addition to the live telecast of major sports programmes throughout the year.

## Note Of Appreciation



*"I would like to thank members for their unwavering support of our dining and entertainment facilities as well as our events that are always well attended. I also would like to thank members for their feedback and suggestions which helped us review and improve our offerings and service deliveries. Appreciation goes to the F&B team led by Adrian Chew, Senior F&B Manager and Derrick Sia, Executive Chef, for their dedication and hard work in making our F&B scene a vibrant and delightful one for members and their guests alike."*

A handwritten signature in cursive script, appearing to read 'Lee Say Yeow'.

**LEE SAY YEOW**  
Chairman, Food & Beverage

## *Food & Beverage*



### Banquet

In the last year, we continued to focus on the Malay and Indian wedding markets to fill up the ballroom occupancy especially on weekends. To be more competitive, we revised our package prices for mid-range weddings and MICE (Meetings, Incentives, Conferencing, Exhibitions) events. We regularly participate in wedding shows and do selected advertising as part of our ongoing marketing efforts to promote banquet business. We continue to offer incentives for members who recommend their friends to have their events in the Club.

### The Year Ahead

Overall, we are happy with the progress achieved and we will definitely aim for further improvement in the financial performance in the year ahead. On the cards will be the upgrading of the Garden Grill and Atrium Cafe to improve the ambience for a better dining experience. As for the banquet business, we will be concentrating our marketing efforts on developing the MICE sector to fill up weekday occupancy and to have a steady stream of repeat business.

### Overview of F&B Financial Results

The F&B department has made good achievements in the financial year ended 31 March 2014, with total net loss of \$132,649 – the best result so far in the last 5 years. Total F&B sales (including banquet) has increased by 8.6% to \$5.552 million from the year before. We managed to contain cost relatively well, especially manpower cost, largely due to better deployment of staff and higher productivity even in the midst of escalating foreign worker levies and increased minimum pay for foreign workers.



### Highlights of F&B Performance for the Past 5 Years

|   | FY 13/14         | FY 12/13         | FY 11/12         | FY 10/11         | FY 09/10         |
|---|------------------|------------------|------------------|------------------|------------------|
|   | \$               | \$               | \$               | \$               | \$               |
| <b>Total Sales</b>                        | <b>5,551,806</b> | <b>5,111,416</b> | <b>4,148,104</b> | <b>3,988,735</b> | <b>2,818,249</b> |
| <b>Total Food &amp; Beverage Costs</b>    | <b>2,221,171</b> | <b>2,070,196</b> | <b>1,541,495</b> | <b>1,502,284</b> | <b>1,132,321</b> |
| Ratio: Total F & B Cost per Sales \$      | 0.40             | 0.41             | 0.37             | 0.38             | 0.40             |
| <b>Total Manpower Costs</b>               | <b>2,491,100</b> | <b>2,479,277</b> | <b>2,270,535</b> | <b>2,041,624</b> | <b>1,560,178</b> |
| Ratio: Total Sales per Manpower \$        | 2.23             | 2.06             | 1.83             | 1.95             | 1.81             |
| Ratio: Manpower Costs per Sales \$        | 0.45             | 0.49             | 0.55             | 0.51             | 0.55             |
| <b>Other Overhead Costs</b>               | <b>972,184</b>   | <b>935,327</b>   | <b>776,155</b>   | <b>734,735</b>   | <b>577,305</b>   |
| Ratio: Other Overhead per Sales \$        | 0.18             | 0.18             | 0.19             | 0.18             | 0.20             |
| <b>Total Operating Costs</b>              | <b>5,684,455</b> | <b>5,484,800</b> | <b>4,588,185</b> | <b>4,278,643</b> | <b>3,269,804</b> |
| Ratio: Total Operating Costs per Sales \$ | 1.02             | 1.07             | 1.11             | 1.07             | 1.16             |
| <b>Net Loss</b>                           | <b>(132,649)</b> | <b>(373,384)</b> | <b>(440,081)</b> | <b>(289,908)</b> | <b>(451,555)</b> |
| Ratio: Net Loss per Sales \$              | (0.02)           | (0.07)           | (0.11)           | (0.07)           | (0.16)           |

# *Sports & Recreation*



**A**s a family club that is actively engaged in sports, we strive to maintain an energetic and lively atmosphere of sportsmanship while at the same time, provide avenues for members to lead a healthy and active lifestyle through sports activities and programmes.

**TEAM GLORIES**

In the last year, our sports teams brought glory to the Club, with 4 championship titles in the following sports:

| TEAM                | POSITION                        | EVENT   |
|---------------------|---------------------------------|---|
| Adult Bowling       | Champion<br>- 2nd year in a row | 19th Adult Inter-Club Bowling Mixed League                        |
| Tennis Ladies' Team | Champion                        | Singapore Tennis Association (STA) Inter-Club Singles League 2013 |
| Darts               | Champion<br>- 2nd year in a row | Triangular Darts Tournament                                       |
| Swimming            | Champion<br>- 5th year in a row | Annual Inter-Club Meet, Swimming (AIMS)                           |

**SPORTS & GAMES HIGHLIGHTS**

**BILLIARDS**

Billiards and pool continued to gain more interest among members of all ages. An in-house league was organized, in addition to the 6 snooker and pool tournaments held over the year. Friendly games with other clubs were held to foster friendship and common interest towards the sport. We also fielded a team to take part in the National Snooker League organized by Cuesports Singapore.



*Note Of Appreciation*



*"I would like to thank my Deputies, Benjamin Wong and Kevin Kwek for their support, the Sports and Games Convenors and their Sub-Committees, for their commitment towards promoting their respective sports, and of course, the Sports & Recreation team for their dedication. I would like to congratulate Mrs Catherine Tan on her promotion to Deputy General Manager and welcome Ms Casey Chang as our new Sports & Recreation Manager with effect from 1 January 2014. My thanks also go to our sponsors and all our supporters who have helped out in one way or another to make all our sporting events a success."*

**ANDY LAU**  
Chairman, Sports & Recreation

## *Sports & Recreation*



The dedication of the Billiard Sub-Committee led by Convenor, George Lim to promote billiards and pool has shown great results, evident in the overall increase in the participation rate for Billiard events and usage rate of the Billiard Room by both local and expatriate members, especially the youth members.

### **BOWLING**

The Gardens Bowl underwent a major facelift from October - November 2013, with the official opening held on 8 December 2013 by our Club Patron, Sylvia Lim and Club President, Anthony Lim, together with Deputy Sports & Recreation Chairman, Kevin Kwek and Bowling Convenor, Francis Teo. In conjunction with this event, we also organized a Charity Bowl to raise funds for our adopted charity, HCA Hospice Care. A Novelty Moonlight Bowling event was another highlight of the evening.

Except during the renovation period, the Bowling calendar was packed with events throughout the year. There were 11 in-house competitions and 2 Inter-Team Bowling Mixed Leagues organized. In the Adult Inter-Club Bowling Mixed League 2013, Team SGCC managed to defend its title and secured the championship once again for the second consecutive year, in addition to winning the Team High Game for the Ladies' category.

SGCC will be hosting both the Adult and Youth Inter-Club Bowling Leagues in 2014 - the first club in history to play host to both leagues in the same year. Bowling Convenor, Francis Teo and his Sub-Committee would like to thank the bowlers for their continued participation in the bowling events.



### **BRIDGE**

The passionate members of the Bridge fraternity continued to have their weekly Bridge session every Tuesday. The Bridge fraternity also participated in the Annual Inter-Club Bridge League held at Singapore Swimming Club. The Bridge classes that were organized during the year also garnered a regular following. The Club will continue to increase the awareness of bridge and encourage more members to participate in the game.

### **CHESS**

In September 2013, we held our first-ever Simultaneous Chess night event at the Main Lobby with chess historian, Mr Olimpiu Urcan. We had 8 representatives from SGCC battling Mr Urcan, resulting in 2 of our young players clinching a win each.

## *Sports & Recreation*



The TCA Junior Chess Open Championship was held on 18 April 2014 for the 11th year, with a record number of 254 participants. Our member Brendan Ng came in 4th in the Open Category. We received many compliments on this successful tournament.

Chess Convenor, Ansbard Tan and his Sub-Committee hope to generate more interest and participation in chess through chess classes to be organized in the near future.

### **FITNESS**

We kick-started the fitness activity calendar in June 2013, with an overseas trip to Sapa, Vietnam, where 26 members were treated to scenic views and cooling temperatures. In November, we welcomed the return of our Night Cycling event. This time round, members and their guests went on a 60km ride covering the eastern part of Singapore. For nature enthusiasts, an outing to Sungei Buloh on 23 March 2014 was organized.

The Aerobics Studio underwent a facelift in July 2013. New flooring was installed and the studio was also expanded slightly to cater to a growing number of members taking part in our fitness classes. The gym continued to be well utilized, averaging 160 users a day. A new model for the power rack machine was added. Starting April 2014, the gym will undergo a full day closure every quarter to facilitate a more thorough maintenance and cleaning programme, to maintain a high standard of hygiene.



### **DARTS**

The Darts fraternity continued to grow in numbers and organized 6 tournaments and an in-house Electronic Darts league. SGCC sent 2 teams to represent the Club in the Singapore Recreation Club Invitational Darts Tournament in March 2014. In the Triangular Darts Tournament, our darters triumphed once again, clinching the championship title. A ladies team was also formed to represent SGCC in friendly matches.

Darts Convenor, Fredrick Kang and his Sub-Committee hope to build more interest in darts and thank the fraternity, especially the regular darters for their support.

The Fitness Sub-Committee led by Convenor, Eddie Ng, hopes to introduce more fun fitness activities for members, while ensuring that the facilities under their care, continue to serve members well.

### **GOLF**

The Golf calendar was once again packed with events throughout the year. Apart from the monthly golf events held locally, a 4-day 3-night golf trip to Chiangmai was organized in conjunction with the Dr Lau Teik Soon Golf Challenge in April 2013 and a 2-day 1-night trip to Bintan in July 2013, in conjunction with the Golf Recreation Chairman Cup.

## *Sports & Recreation*



The Inter-Social Clubs Golf Tournament (ISCGT) remains a highlight for our golfers. In 2013, 7 clubs participated in this event with a total of 4 legs played, with SGCC clinching the 2nd position in the Overall Team Standing.

This year, in support of our Club's adopted charity, HCA Hospice Care, a donation drive was incorporated in the Golf President Cup event held in October 2013.

Golf Convenor, Philip Leow and his Sub-Committee will continue to plan various golf events and look forward to members' continued support and participation.



### **SQUASH**

The Squash fraternity had another successful year of events with the highlight being the 7th year of hosting the SGCC-Prince Squash Open, which attracted about 220 participants over the period June – July 2013. Another notable event for the fraternity was the Cosmopolitan Inter-Club Squash League 2013 held at The American Club which spanned over an intensive 14-week period, with SGCC players coming in 4th in overall position.

Squash Convenor, Stephen Chan & Sub-Committee are heartened to see the strong bonding within the Squash fraternity and hope that members continue to enjoy and have fun in the game.

### **SWIMMING**

The Annual Age-Group Swimming Meet held on 28 July 2013 saw over 115 participants, with



9 new records set. In the Annual Inter-Club Swimming Meet (AIMS) 2013, SGCC clinched the championship title once again for the 5th year in a row and brought back the challenge trophy while our swimmer, Pek Meng Yee clinched the Best Girl Award.

The SGCC Invitational Swim Meet held on 23 February 2014 had a new twist with guests from the French International School joining the event for the first time. Our biennial Water Carnival on 30 March 2014 attracted over 100 participants, who enjoyed a fun afternoon over challenging games in the pool.

The number of students taking swimming lessons has grown over the year, mainly due to the positive response to the programmes conducted by our new swim school Torpedo Swim Team and Aquarian Aquatic Master. The student population is about 400, with another 75 students in the development training program.

The Swimming Sub-Committee and Convenor, Lim Tow Boon, appreciate the support and participation from members and will continue to improve on the swimming events and activities organized.

### **TENNIS**

The tennis coaching programs in the Club helped to build more interest and participation in the sport. In December 2013, Tennis Allegiance Group took over Weber Oh Tennis School to run the coaching programmes. A Tennis Open House was organized by the new coaches on 18 January 2014, with many enthusiastic local and expatriate members attending.

The Tennis Grand Slam was again a huge success, with 106 participants in 7 different categories. All participants and prize winners were treated to a grand dinner and dance event on 15 November 2013, which celebrated the achievements of the Tennis fraternity.

Besides friendly games and in-house tournaments, Ladies and Men teams represented SGCC in the singles and doubles league organized

## *Sports & Recreation*



by the Singapore Tennis Association (STA). Our ladies team emerged victorious in the STA Inter-Club Singles League.

Tennis Convenor, Steven Lee and his Sub-Committee hope to build more interest in the sport and thank the fraternity for the support given to them.

### **YOUTH**

The Club recognises that youth form an integral part of our family club and therefore, strives to engage them actively through sports activities. Over the years, there has been a steady increase in youth participation in sports programmes and activities. We also organized introduction clinics for the various sports to encourage more youth participation and these have been fairly well received. We will continue to groom our youth in competitive sports by providing more structured training programs. Recently in February 2014, we launched the Centre of Excellence Bowling program (COE) to groom our youth for bowling competitions at the Club and national level.

### **SPORTS APPRECIATION NITE**

The Sports Appreciation Nite, held at the Kensington Ballroom on 14 March 2014 was attended by over 200 people from the various sports fraternities. The theme for this year was *World Cup Brazil*. The night kicked-off with the opening speech by the Sports & Recreation Chairman, followed by a toast from Club President, Anthony Lim, General Committee Members and Convenors, thanking everyone for their hard work. In keeping with the Brazilian theme, performances for the night included a World Cup tribute



dance performance comprising of Sambistas, Capoeiristas, a street soccer act, as well as games related to football. A thrilling performance by three fire artists also got the crowd entertained.

As with tradition, the Sports Merit Awards, recognizing outstanding sportsmen and sportswomen in SGCC were presented to all the winners.

| AWARDS      | WINNERS        | SPORTS   |
|-------------|----------------|----------|
| Merit Award | Tan Zhi Qiang  | Bowling  |
|             | Carol Rachmadi | Swimming |
|             | Nicole Kua     | Swimming |
|             | Ang Jo-Lie     | Swimming |
|             | Leon Tay       | Swimming |
|             | Charles Koh    | Golf     |

### **THE YEAR AHEAD**

The Club shall continue to encourage and groom our youth to unleash their potential in sports while ensuring that they also have fun at the same time. We also hope to come up with stimulating and exciting sports activities for members of all abilities and ages.



# *Membership Relations*



## Membership Relations

**B**esides promoting membership sales, the Membership Relations team actively engages members through social activities to foster better member bonding, and keeps members abreast with Club happenings and activities through various communication platforms.

### MEMBERSHIP PROFILE

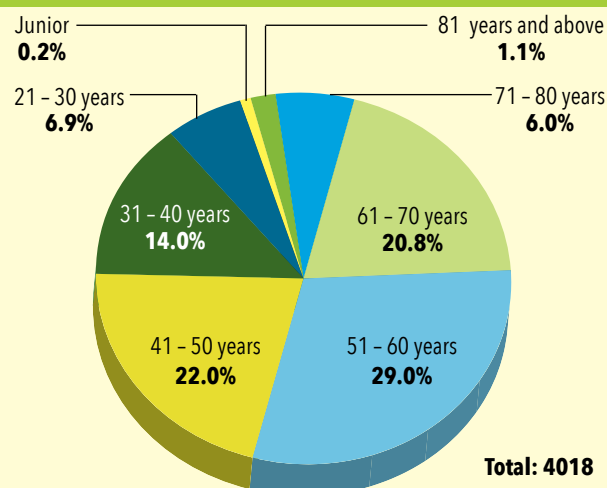
The Club membership saw an annual increase of about 2.8% from 3,977 to 4,088 as at 31 March 2014. Voting members constitute about 82.6% of the total membership. The age profile of the membership is similar to that of last year with the majority in the age range 51-60 (29%), followed by those in the 41-50 age range (22%).

| Types of Membership       | No. of Members as at 31 March 2014 | No. of Members as at 31 March 2013 |
|---------------------------|------------------------------------|------------------------------------|
| Honorary                  | 6                                  | 6                                  |
| Life                      | 8                                  | 8                                  |
| Founder                   | 9                                  | 9                                  |
| Associate                 | 1                                  | 1                                  |
| Corporate                 | 43                                 | 43                                 |
| Ordinary                  | 3,284                              | 3,243                              |
| Junior                    | 8                                  | 17                                 |
| Term                      | 212                                | 223                                |
| Non-Transferable Ordinary | 427                                | 375                                |
| Grand                     | 90                                 | 52                                 |
| <b>TOTAL</b>              | <b>4,088</b>                       | <b>3,977</b>                       |

### MEMBERSHIP DRIVE INITIATIVES

Over the last year, we initiated a series of marketing campaigns to promote the Club and hosted one major Open House on 30 November 2013. We have also increased our marketing in online and social media to effectively reach out to an increasingly online-savvy population of prospective members. We continue to position SGCC as a great club especially for young families, as part of our plan to rejuvenate the membership base.

### Membership Age Profile



The total reflected in the Membership Age Profile chart does not include Corporate Membership (43) or memberships held in abeyance (27).

## Note Of Appreciation

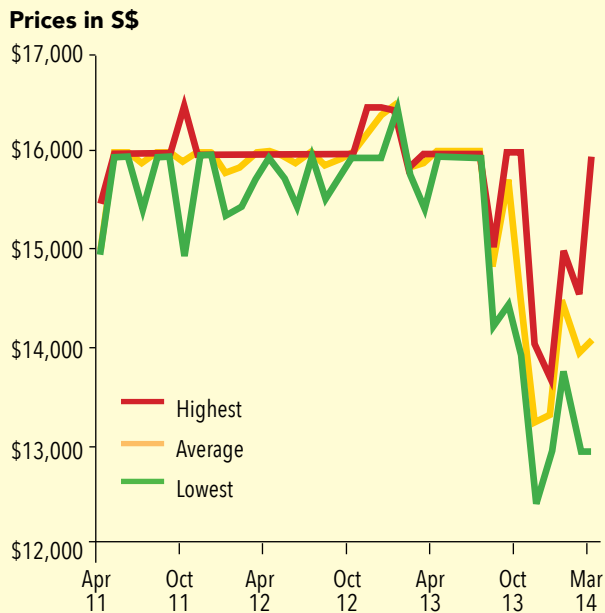


*"I am heartened that members have been very supportive in recommending their friends and family members to join the Club. It proves that we have been delivering a great experience for members. We will continue to work hard and welcome any feedback and suggestions to further improve your Club experience. I would also like to express my appreciation to the Membership Relations team for their dedication and efforts in promoting membership sales and organizing the various social events and activities for members."*

**KEVIN KWEK**  
Chairman, Membership Relations

## Membership Relations

### Open Market Transaction Prices April 2011 to March 2014 (3-year data)



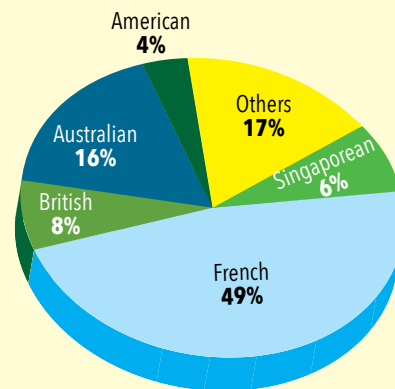
### ORDINARY MEMBERSHIP

We continued to sell the Ordinary Memberships at an entrance fee of \$20,000, with the option of an interest-free instalment plan. In the financial year ended 31 March 2014, we sold 24 new Ordinary Memberships. There were about 11 Non-Transferable Ordinary Members (NTOM) who converted to Ordinary Membership and 9 Junior Members who converted to Ordinary Membership upon reaching 21 years of age. In the Open Market, there were slightly lesser transactions – 55 compared to last year's 61. There has been a dip in transaction price since July 2013 but the price is currently on the upward trend towards March 2014.

### TERM MEMBERSHIP

The Term Membership base has dropped over the year. As at 31 March 2014, there were 212 Term Members as compared to 223 a year before. Foreigners make up 94.3% of Term Members.

### Term Members by Nationality



### NON-TRANSFERABLE ORDINARY MEMBERSHIP (NTOM)

We continued to offer the NTOM at an entrance fee of \$9,000. To increase the take-up rate, we revamped our interest-free instalment scheme with longer instalment duration and a lower down payment amount. In early March 2014, we also launched a special NTOM scheme for members' parents, children, grandchildren and siblings where they will enjoy a 36-month interest-free instalment plan with no down payment required.

In January 2014, we offered selected NTOM members a special scheme to convert their membership to Ordinary Membership and 8 members (as at 31 March 2014) took up the offer. Since the launch of the NTOM in 2009, a total of 36 NTOM have converted to Ordinary Membership. The total number of NTOM as at 31 March 2014 is 427.



## Membership Relations



### GRAND MEMBERSHIP

Ordinary members who are 70 years and above and who have been a member for 25 consecutive years are eligible for Grand Membership. One of the privileges of Grand Members is that they pay half of the monthly subscription of an Ordinary Member. In mid-2013, we launched a promotion offering special incentives to encourage eligible members to apply for Grand Membership, as a token of appreciation for their loyalty to the Club. This has boosted the take-up rate for the Grand Membership. As at 31 March 2014, we have a total of 90 Grand Members – a 73% increase from a year before.

### SUPPLEMENTARY MEMBERSHIP SCHEME

We have 148 Supplementary members as at 31 March 2014 - 19.3% increase from last year. The Supplementary Membership is an opt-in scheme where children of Ordinary Members who are unmarried and between the age 21 and 26 can continue to be members of the Club under the parents' membership by paying a monthly subscription of \$60.

### SOCIAL ACTIVITIES

Besides hosting the New Members' Gatherings for new members to get them acquainted with the Club, the Membership Relations team organizes many social activities to foster member bonding.

Outings such as visits to local attractions and neighbouring countries are regularly organized. In October 2013, we started a Women's Support Group "Meeting of Minds", which is a platform for lady members to learn and exchange ideas. The group meets once a month for activities and talks on topics such as cooking, beauty, health and even financial planning.

In early 2013, a Dance Interest Group was set up to promote dance activities and programmes. A wider variety of dance lessons on different genres



such as Tango, Rock & Roll and Ballroom Waltz, were introduced. The Group is planning a dance tour to Shenzhen in the last quarter of 2014.

### Kids

We re-branded our kids' club for children aged 4 - 12 years to *Junior Gems* and launched it with a big bash on 12 September 2013. The *Junior Gems* Club continues to grow and has about 300 kids (representing about 27% of the kids population in that age group) as at 31 March 2014 - an increase of 18.1% from the previous year.



Our kids playroom Kiddieland was recently refurbished with a new flooring, air-conditioning system and a fresh coat of paint in brighter colours. We brought in new toys and created different play corners for the kids. During festive seasons, we also deck the room with festive decorations.

In the past year, we continued to offer various types of workshops and classes from educational to recreational ones to keep the kids engaged. We will be introducing new classes such as Bollywood dance and public speaking classes in the year ahead.

## Membership Relations

### Youth

Besides sports, one of the most popular programmes for the youth is the Night Owl overnight study at the Reading Room which runs from August to December to coincide with the year-end exam period. In mid-2013, we installed vending machines outside the Reading Room, with some seating areas for youths to have a quick snack or drink while taking a break from their studies. We will be exploring new youth activities in the upcoming months, such as career planning, beauty and etiquette workshops.



### Seniors

Our Senior Members' Social Sub-Committee has been instrumental in organizing interesting activities to engage our senior members. Regular activities include the monthly Senior Members' Gathering every first Saturday of the month, Tuesdays' Musical Afternoon at Club Twenty-Two and also the yearly Senior Members' Social Night. Special workshops on smart phones and Facebook, talks on eye health and memory, as well as outings were also organized. A recently formed Gardening Interest Group is also one of the initiatives to engage the senior members and foster greater fellowship among them.

### MAJOR SOCIAL EVENTS

**Countdown to National Day 2013** was held at the Kensington Ballroom with our Club Patron, Ms Sylvia Lim as our Guest of Honour. Highlights of the evening included a live band, a contortionist performance and dancing. The evening ended with a celebratory sing-along of national songs to commemorate Singapore's 48th birthday.

**Christmas Light-Up 2013** - This popular annual event showcased festive decorations of all the Club's outlets, followed by the light-up event held on 30 November 2013 at the Main Lobby. The evening's programme featured the little dancers from Cambridge Child Development Centre, carollers, a puppet show, a magician, Santa and



Santarina. This year, we also had stalls selling handmade jewellery, cookies and other Christmas delights.

**Countdown to 2014** – Mardi Gras was hosted at our Kensington Ballroom with over 330 members and guests poised for a night of dance and entertainment as they brought in 2014. The colourful event included Mardi Gras showgirls, the Jon Danger Show and a live band.



### Lunar New Year Lion and Dragon Dance -

This event held every year on the second day of the Lunar New Year continued to be a crowd pleaser. This year, being the year of the horse, we had a horse mascot which made for a great photo-taking opportunity. Other highlights included the customary "dotting the dragon's eye", a drum performance, distribution of goodies by the God of Fortune and giving out of angpows to the audience, followed by the blessing of the Club outlets.

### CHARITY INITIATIVES

The Club did its part once again to connect with communities in need. We welcomed residents from Sunlove Home for the Intellectually Infirm over lunch and music at Club Twenty-Two. In early 2014, we also provided Sunlove Home the opportunity to display and sell floral arrangements done by the residents, with all proceeds going to the home.

On 8 November 2013, for the second time in a row, we organized a Charity Dinner cum Auction to raise funds for HCA Hospice Care, our beneficiary for 2013. We also raised funds through sports events like the President Golf and Charity Bowl that was organized in conjunction with the Official Opening of the newly renovated Gardens Bowl. In total, the Club raised \$47,774.04. We would like to thank partners, sponsors and members who donated in cash or in-kind or who had supported in one way or another to the yearly charity drive.



### ENGAGING AND REACHING OUT TO MEMBERS

In February 2014, we launched an initiative to get members to update the Club with their latest contact details, as well as to indicate their interest in various activities so that the Club can offer customized communication based on their areas of interest.

In the last year, we also undertook various initiatives to enhance our electronic communications to better connect with an increasingly online-savvy membership. The website was revamped with new features. We made browsing of upcoming events easier with a weekly calendar view and the ability to filter events by type. We also introduced more e-forms. As at March 2014, we saw a 22% increase in visitors to our website as compared to a year ago.

The SGCC Facebook page garnered a greater following with 2159 "likes" in March 2014 – almost



a 3-fold increase from a year ago. Fans are kept engaged with posts and pictures of events and happenings in the Club. Our monthly electronic newsletter Happenings also saw an increase in subscriber base.

The ClubSpirit Magazine and Supplement still remain the most essential platform of communication with members. We introduced new columns such as "A Day in the Life" which features members' occupations and "Behind the Scenes" which aims to give members a peek into the daily duties of the staff.

In July 2013, the idea of a Heritage Wall at the newly refurbished Main Lobby was mooted, with the aim to showcase the history of the Club with pictures dating back to the 1950s, so that members, young and old can better relate to and appreciate the Club's origins. Since its completion, we have received many positive comments from members on this initiative.

### MEMBER SATISFACTION SURVEY

Every year, we run the Member Satisfaction Survey where data from the survey is used to form the Club's Member Satisfaction Index (MSI) – a measure of members' satisfaction level in all the key service areas. The MSI for 2013 was 72.7, slightly higher than the year before, which was 70.2. Over the last 3 years, the MSI has been increasing. The 2014 Member Satisfaction Survey results are expected to be out in early July 2014.

### THE YEAR AHEAD

The Membership Relations team will continue to look at ways to enhance your Club experience and to live up to our commitment to be the best family club in Singapore. We hope to work with members to come up with interesting activities and events as well as to better engage members through more targeted communications. We will continue to increase awareness and interest of the Club among prospective members.

# *Security*



## Security

**A**s the vanguard of the Club, the Security department is committed to create and maintain a safe and secure environment for our valued members. Besides safeguarding the Club's security, the team also manages the car park operations and enforcement of Club's bye-laws.

### Security, Surveillance and Compliance

The regular patrols and surprise checks within our Club premises are on-going operating procedures. Over the last year, we increased the number of CCTV (Closed-circuit TV) cameras to provide better coverage of the entire Club in our bid to enhance security and surveillance efforts.

### Car Park Management

Following members' feedback, we reviewed our car park management policy and demarcated some parking lots at the visitor car park exclusively for members. This initiative has received positive response from members.

Since the installation of the EPS in year 2011, we have collected a steady source of revenue from

parking fees. In November 2013, the Management increased the parking fees for non-members by 33%. This increase has contributed positively to the Club's financial health, while providing an avenue to regulate car parking by non-members.

### Training

Training and skills upgrading is of paramount importance. We strongly believe that a well-trained security officer will be a valuable asset to the Club. Over the year, the Club conducted fire safety, Automated External Defibrillator (AED) and Cardiopulmonary Resuscitation (CPR) trainings to refresh the skills of our security team and to ensure that the team is operationally ready to respond to any potential emergency or crisis.

### The Year Ahead

The Security team will continue to strive for further improvements on performance and will continue to uphold service standards. The Security department is happy to accept feedback and suggestions from members on ways to improve operations.

## Note Of Appreciation



*"I would like to acknowledge and thank the Security team for their hard work and their diligence in discharging their duties and at times, even going the extra mile to manage additional responsibilities. I would also like to thank members for their constructive feedback and suggestions and for their continuous support."*



**PETER CHIA**  
Chairman, Security



# *Maintenance & Housekeeping*



## Maintenance & Housekeeping

The Maintenance & Housekeeping team aims to provide a safe and pleasant Club environment for members and their guests through regular maintenance, upkeep and upgrade of facilities.

### Upgrading of Facilities

In the last financial year, the Club undertook various initiatives to tackle the heat problem in the Main Lobby. Besides installing sun shades and anti-glare window film on some panels of the skylight, the entire air-conditioning system was also replaced with a new and more efficient system. With the completion of this project, we have received positive feedback from members as the Main Lobby is now much cooler and offers a more pleasant environment for members.

After almost 19 years, the Gardens Bowl finally went for a facelift. Renovation works were carried out from October – November 2013. The booking



counter was relocated, freeing up space for a more spacious seating area which can be used for tournaments or other bowling events. The flooring was replaced, the outlet was given a fresh coat of paint in brighter shades, resulting in a more modern and refreshing look overall.

The Aerobics Room was also expanded and upgraded with new mirrors and flooring. Over at Club Twenty-Two, we also installed a wall mirror on one side of the dance floor so that the space can double up as a venue for dance classes.

## Note Of Appreciation



*"I would like to thank members for their constructive feedback and suggestions in improving the Club's facilities and infrastructure, as well as their patience during periods of upgrading works in the Club. My appreciation also goes out to Charles Ling, Maintenance & Safety Manager and his team of staff for their hard work and dedication to keep the facilities in tip-top condition to ensure a safe and pleasant Club for members and their families."*

**BOB MONG**  
Chairman, Maintenance & Safety

## Maintenance & Housekeeping



Over the course of the year, we embarked on a few new initiatives at the pool area. We expanded the pool deck seating capacity with 2 clusters of seating at both sides of the pool and brought in new outdoor furniture as well. We also installed new combination lockers outside Kiddieland for pool users to store their belongings. In addition, a lightning detector system was installed to forewarn members, especially the pool users, of any impending lightning strike.



The Garden Grill outdoor terrace was also given a spruce-up with a new timber deck, awning and new furniture, offering diners a cosy alfresco dining experience. In compliance with the National Environment Agency's guidelines on smoking areas, the Club created 3 designated outdoor smoking areas which are equipped with comfortable seating and the necessary amenities.

In the first quarter of 2014, building improvement works were carried out at the Heliconia Wing. This included painting and waterproofing of the façade and roof area and installation of a new roof at the side of the building to prevent rain water from splashing onto the walkway of the building. A new Club logo was also installed on the main façade of the building. In addition, the Kensington Ballroom was given a new lease of life with a new red carpet for a true red carpet effect!



### Safety

In line with the government's increasing focus on workplace safety, the Club continues to educate staff on the importance of safety. Monthly safety meetings involving staff from various departments are conducted to discuss and implement safety initiatives. Fire drills are carried out twice a year. The Club also participated in the National Fire and Civil Emergency Preparedness Council's (NFEC) mass fire evacuation drill on 19 September 2013.

### The Year Ahead

As the Club's infrastructure ages, more and more facilities require major upgrading. The water seepage from the skylight at the Main Lobby will continue to be one of our main areas of focus and we hope to be able to effectively tackle the problem in the year ahead. There are also plans in the pipeline to upgrade the Atrium Café and Garden Grill to improve the ambience for a better dining experience. We will also be working on improving the outdoor dining area outside the Garden Grill, which overlooks the swimming pool.

A close-up photograph of a business meeting. A person in a grey suit is writing on a document with a silver pen. Another person's hand is pointing at a blue bar chart on a document. A laptop keyboard is visible in the foreground. The word "Finance" is written in a white cursive font in the center of the image.

# *Finance*

**K**eeping the financial pulse of the Club in check, the Finance team has been dedicating its efforts tirelessly towards fulfilling its fiduciary duty in ensuring the well-being of the Club's financial health. One of the key efforts which bore fruit was working with the property tax consultant in the year-long negotiation with IRAS.

### FY 2013/2014 OVERVIEW

The financial year (FY) 2013/2014 closed with a net surplus of \$1,512k before depreciation, gain or loss on disposal of property, plant and equipment, and tax, compared to \$822k in the previous year – reflecting a 83.9% (or \$690k) improvement.

Net deficit after depreciation, gain or loss on disposal of property, plant and equipment, and

### Highlights Of Financial Results Before Depreciation And Tax For The Past Five Years

|  | FY 09/10<br>\$'000 | FY 10/11<br>\$'000 | FY 11/12<br>\$'000 | FY 12/13<br>\$'000 | FY 13/14<br>\$'000 | Variance<br>Fav/(Unfavorable)<br>FY 13/14 vs FY 12/13<br>\$'000 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---|
| <b>Fruit Machines</b>  |                    |                    |                    |                    |                    |   |
| Collections  | 13,385             | 8,180              | 8,621              | 10,662             | 11,325             | 663   |
| Less: Payouts and taxes  | (10,839)           | (6,549)            | (7,086)            | (9,147)            | (10,185)           | (1,038)   |
| Gross Contribution   | 2,546              | 1,631              | 1,535              | 1,515              | 1,140              | (375)   |
| Less: Operating Expenses   | (603)              | (474)              | (356)              | (402)              | (374)              | 28  |
| <b>Contribution from Fruit Machines (a)</b>  | <b>1,943</b>       | <b>1,157</b>       | <b>1,179</b>       | <b>1,113</b>       | <b>766</b>         | <b>(347)</b>  |
| <b>Food &amp; Beverage</b>   |                    |                    |                    |                    |                    |   |
| Sales  | 2,818              | 3,989              | 4,148              | 5,111              | 5,552              | 441   |
| Less: Cost of Sales  | (1,132)            | (1,502)            | (1,541)            | (2,070)            | (2,221)            | (151)   |
| Gross Contribution   | 1,686              | 2,487              | 2,607              | 3,041              | 3,331              | 290   |
| Less: Operating Expenses   | (2,138)            | (2,777)            | (3,047)            | (3,414)            | (3,464)            | (50)  |
| <b>Deficit from Food &amp; Beverage (b)</b>  | <b>(452)</b>       | <b>(290)</b>       | <b>(440)</b>       | <b>(373)</b>       | <b>(133)</b>       | <b>240</b>  |
| <b>Other Departments</b>   |                    |                    |                    |                    |                    |   |
| Subscriptions  | 2,641              | 2,936              | 3,061              | 3,214              | 3,351              | 137   |
| Transfer Fees  | 421                | 414                | 409                | 517                | 355                | (162)   |
| Entrance Fees  | 2,114              | 764                | 1,960              | 1,713              | 1,732              | 19  |
| Interest income - fixed deposits   | 22                 | 10                 | 10                 | 9                  | 10                 | 1   |
| EPS Fees   | 7                  | 108                | 108                | 117                | 126                | 9   |
| Miscellaneous income   | 122                | 42                 | 27                 | 30                 | 33                 | 3   |
| Lease rental income  | 364                | 463                | 462                | 471                | 484                | 13  |
| Others   | 170                | 156                | 175                | 212                | 235                | 23  |
| <b>Income from Other Departments (c)</b>   | <b>5,861</b>       | <b>4,893</b>       | <b>6,212</b>       | <b>6,283</b>       | <b>6,326</b>       | <b>43</b>   |
| <b>Total Income (a+b+c)</b>  | <b>7,352</b>       | <b>5,760</b>       | <b>6,951</b>       | <b>7,023</b>       | <b>6,959</b>       | <b>(64)</b>   |
| <b>Less: Expenditure</b>   |                    |                    |                    |                    |                    |   |
| Operating and administrative   | (3,292)            | (3,724)            | (3,906)            | (4,760)            | (3,959)            | 801   |
| Repairs, maintenance & housekeeping  | (393)              | (385)              | (398)              | (478)              | (477)              | 1   |
| Water and electricity  | (821)              | (873)              | (923)              | (963)              | (1,011)            | (48)  |
| <b>Total Expenditure</b>   | <b>(4,506)</b>     | <b>(4,982)</b>     | <b>(5,227)</b>     | <b>(6,201)</b>     | <b>(5,447)</b>     | <b>754</b>  |
| <b>Net Surplus/(Deficit) before depreciation, gain or loss on disposal of property, plant and equipment, and tax</b> | <b>2,846</b>       | <b>778</b>         | <b>1,724</b>       | <b>822</b>         | <b>1,512</b>       | <b>690</b>  |

## *Finance*

tax was \$180k, compared to \$718k net deficit in the previous year – indicating a 74.9% (or \$538k) improvement.

### **INCOME AND EXPENDITURE**

The improvement of \$690k in net surplus before depreciation, gain or loss on disposal of property, plant and equipment, and tax, as mentioned above, could be briefly explained as follows:

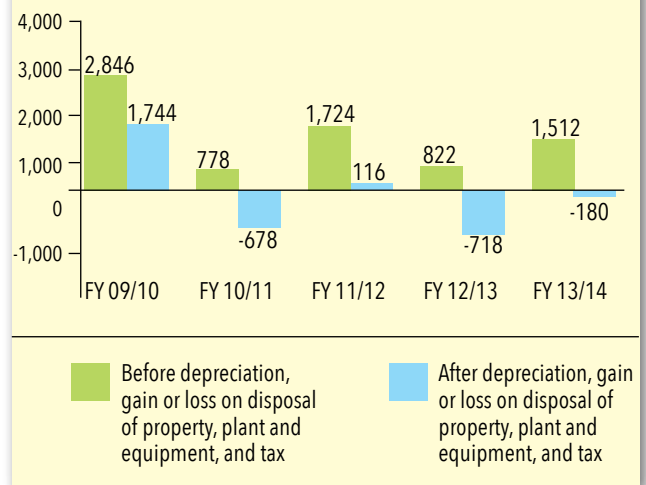
- Total income decreased by \$64k or 0.9%, from \$7,023k in FY 2012/2013 to \$6,959k in FY 2013/2014, notably due to a drop in fruit machines income (\$347k), mitigated by improvement in F&B contribution (\$241k).

The improvement in F&B contribution in particular, was boosted by banquet's sterling performance. Banquet sales did \$269k better than the financial year before (increased from \$2,178k to \$2,447k) and banquet net profit was \$226k better (improved from \$191k to \$417k).

- Total expenditure went down substantially by \$754k or 12.2%, from \$6,201k in FY 2012/2013 to \$5,447k in FY 2013/2014, predominantly due to property tax savings of \$365k reported in FY 2013/2014 following the successful negotiation

settlement with IRAS on prior year assessments relating to the period from 2007 – 2012, compounded by the \$497k incremental property taxes reported in FY 2012/2013 on account of the previous retroactive re-assessments made by IRAS relating to the period from 1 January 2007 – 31 March 2012.

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



## *Note Of Appreciation*



*"I have served a very full and fruitful term as Honorary Treasurer of this family club. In the process, I received excellent and tireless support and dedicated assistance from the General Committee, Management team led ably by the General Manager, Deputy General Manager, and staff from all departments, particularly, the Finance Department. Special thanks to Members too for your trust and confidence vested in me."*

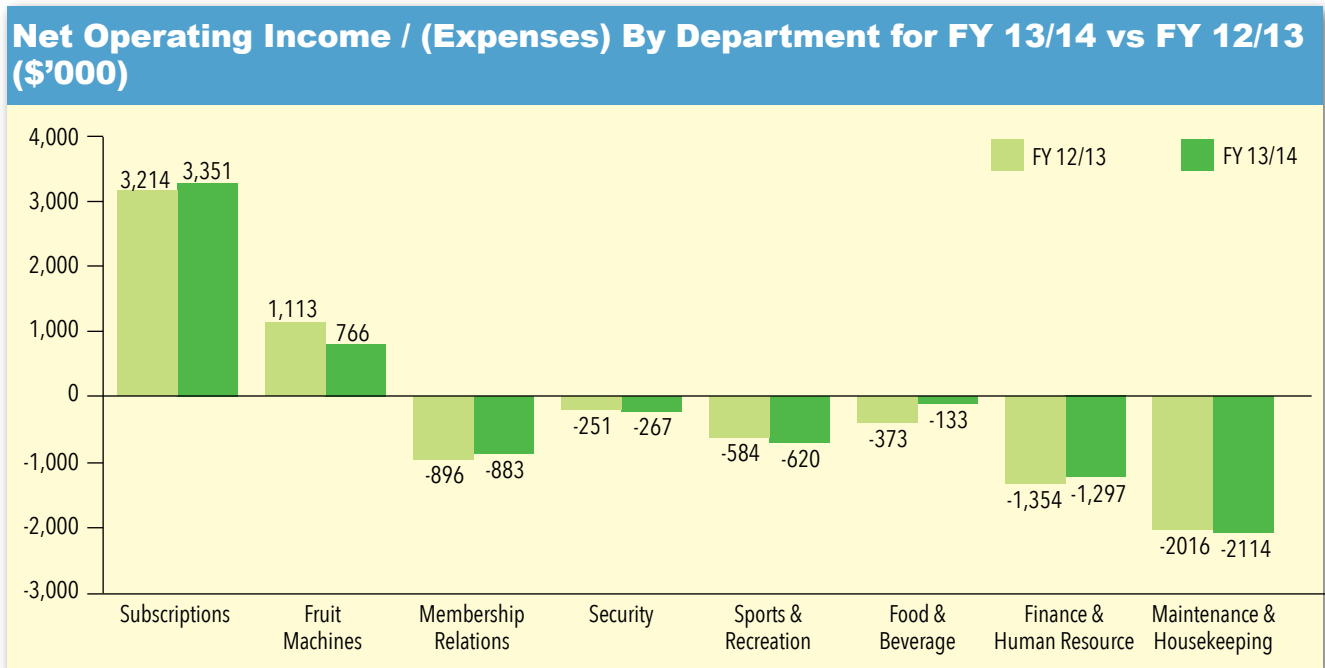
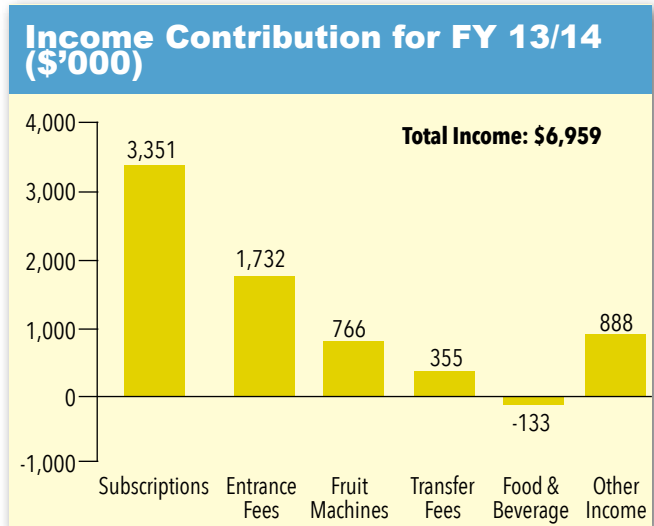
**GENIE SUGENE GAN**  
Honorary Treasurer

We are currently working with IRAS on the 2013 property tax assessment and any reduction or savings will be reported in due course.

**CASH RESERVES**

Total cash reserves as at 31 March 2014 was \$5,418k, which was \$183k higher than the previous year's level of \$5,235k.

The need to boost the Club's cash reserves continues to be important, so that we are well positioned to meet the ongoing challenges of cost increases, especially on manpower as well as food and beverage supplies and also to meet the Club's ongoing facilities upkeep and upgrade needs.



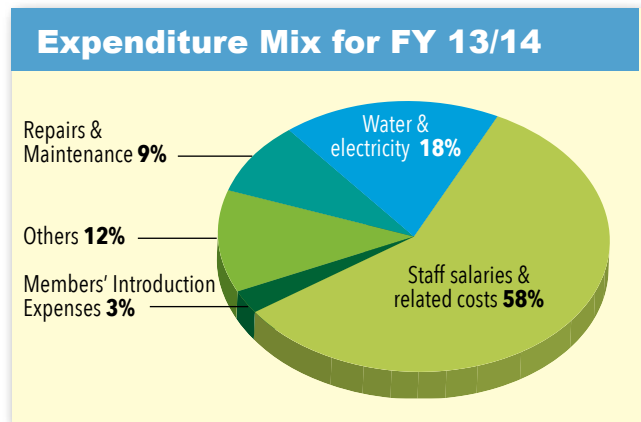
### THE YEAR AHEAD

A couple of quick comments about FY 2013/2014 before we set our sights on the year ahead. Firstly, the results of FY 2013/2014 has affirmed that we have moved in the right direction of focusing on growing our banquet business, chiefly responsible for spurring the sterling improvement of \$241k in our overall F&B business and cushioning the huge drop of \$347k in fruit machines income. This underscores the need and importance to continue to grow our banquet business which still holds promising improvement potential. In March 2014, we have replaced the worn-out carpet in the Kensington Ballroom - a move which will help us further boost our banquet business.

Secondly, in March 2014 we have also replaced our previous 14-year-old air-conditioning system in the Main Lobby with a brand new system. With this upgrade, we see not only an improvement in the comfort level of members, but also the electricity consumption being poised for savings to be realized in the future.

Looking at the immediate year ahead, the challenges are not new but some have grown in size, such as the increasing manpower crunch and cost, and further slide in our fruit machines income. The call for productivity increase, service excellence, and effective revenue and cost management remains ever eminent.

To sum it up, the Club will use all its resolve and resources to improve its service and product offering and delivery levels so that members and



their guests will be better served, whilst seeking all avenues to optimize its financial performance. The focus and emphasis in the year ahead continue to reside in the following key areas (not listed in order of priority):

- To improve banquet business further
- To improve other food and beverage areas as well
- To promote service excellence on all fronts
- To increase work and worker productivity
- To optimize revenue and cost management
- To improve fruit machine business
- To improve energy savings
- To optimize facilities upkeep and upgrade initiatives
- To manage membership sales holistically





# *Human Resource*



## Human Resource

**A**t SGCC, building a motivated and service-oriented workforce remains our key focus. We will strive to provide a supportive work environment for our staff, where they will be driven to deliver great service as well as achieve job satisfaction on a personal level.

### STAFF STRENGTH

The reduction of dependency ratio on foreign manpower has greatly affected the placement of the Club's vacant positions. As such, the total staff strength has dropped from 135 to 132 as at 31 March 2014, due to vacant positions unfilled.

### TRAINING AND DEVELOPMENT

We will continue to equip our staff with the relevant skills and knowledge required to perform their jobs efficiently through training and development. In addition, the Club periodically reviews its customer service practices and makes improvements where necessary, in order to deliver higher service levels

|                                | As at 31<br>March 2014 | As at 31<br>March 2013 |
|--------------------------------|------------------------|------------------------|
| Managers (Heads of Department) | 9                      | 8                      |
| Managers & Assistant Managers  | 10                     | 11                     |
| Executives                     | 26                     | 26                     |
| Officers                       | 10                     | 11                     |
| Junior Grades                  | 77                     | 79                     |
| <b>TOTAL</b>                   | <b>132</b>             | <b>135</b>             |



and achieve better productivity. Safety is also a very key focus of the Club and as such, safety related courses and trainings are conducted regularly to heighten awareness of safety and ensure that staff are operational ready.

## Note Of Appreciation



*"I would like to express my words of appreciation to the Management, HR Department and staff for their dedication and support to the Club. The untiring efforts in delivering service excellence to members and their guests are indeed commendable. I would also like to thank members for their encouragement and support. Your compliments certainly motivate the staff to give their best at all times."*

**ANTHONY LIM**  
Chairman, Human Resource

### STAFF BENEFITS

In mid-2013, the Club increased its medical allowances as well as split shift allowances for staff, to be more competitive with the market and to ensure that the Club continues to be a choice employer for our staff. These initiatives got the thumbs up from staff.

### PERFORMANCE APPRAISAL SYSTEM

This year, we have simplified the performance appraisal system for junior staff to allow them to better relate to and identify with the Club's goals. The Club continues to uphold the principle that staff who perform well should be duly rewarded and retained.

### COMMUNICATION WITH STAFF

"TeamSpirit", the Club's bi-monthly staff bulletin, continues to be an effective way to keep staff abreast of important Club's policies and news. In addition, the bulletin aims to engage staff through contests and provide them with tips on service excellence. One of the highlights of the bulletin is the Compliments Scoreboard where compliments for staff are featured alongside their photographs. An interactive Employee Communication Session was organized on 15 August 2013, during which our new General Manager, Mr Joseph Woon shared some of the Club's core values with staff.



### Staff Promotions

| NAME                              | NEW DESIGNATION                       |
|-----------------------------------|---------------------------------------|
| <b>Food &amp; Beverage</b>        |                                       |
| Cheng Yew Loon Samuel             | Assistant Manager (Banquet Sales)     |
| Maria Victoria Dela Cruz Apostol  | Assistant Supervisor                  |
| Chong Seng Han Carlson            | Assistant Supervisor                  |
| Michael Eroz Baluyot Leonor       | Senior Guest Relations Officer        |
| Russell Neri Aguilera             | Senior Guest Relations Officer        |
| Gretchen Marie Francisco Bautista | Senior Guest Relations Officer        |
| Tee Wei Chiang                    | Demi Chef                             |
| <b>Sports &amp; Recreation</b>    |                                       |
| Chang Yee Ling Casey              | Sports & Recreation Manager           |
| Zubair Hassan Bin Basheer         | Assistant Sports & Recreation Manager |
| Chew Chuey Mei May                | Senior Sports & Recreation Assistant  |
| <b>General Manager's Office</b>   |                                       |
| Tan Seow Peng Jennifer            | Personal Assistant cum Office Manager |



### **ANNUAL STAFF DINNER & DANCE**

The Annual Staff Dinner & Dance was held on 10 March 2014. The theme for this year was "Cultural Fiesta", where staff were encouraged to come dressed in their cultural best. Staff and even some sporting General Committee members donned an array of traditional attire from different nations. All staff received a door gift and a sure-win lucky dip prize. The evening ended with the Grand Lucky Draw where staff stood a chance to walk away with cash rewards. The event was a memorable one, giving everyone the opportunity to recharge.

### **STAFF PROMOTIONS**

In the year 2013/2014, 11 staff from various departments were recognized for their contributions and promoted.

### **LONG SERVICE AWARD**

This year, SGCC presented 19 staff with the Long Service Award at the Annual Staff Dinner & Dance 2014 in appreciation for their loyalty and commitment to the Club.

### **THE YEAR AHEAD**

The greatest challenge that the Club faces in the foreseeable future lies in rising manpower costs, especially for foreign workers due to the upward adjustment of the foreign worker's levy along with the reduction of dependency ratio of the foreign manpower that will result in a tighter labour market. Nevertheless, we will continue to retain valuable staff and invest in them, to expand their skills set and increase their productivity. We believe that this is the one of the ways that we can achieve long-term sustainable growth for the Club.

### **LONG SERVICE AWARD**

| LENGTH OF SERVICE | NAME                              | DEPARTMENT                 |
|-------------------|-----------------------------------|----------------------------|
| 15 years          | Liza Bte Mustafa Teng             | Food & Beverage            |
|                   | Surendran Nair                    | Security                   |
| 10 years          | Cheh Wai Seng                     | Food & Beverage            |
|                   | Neo Ai Kee                        | Maintenance & Housekeeping |
|                   | Yong Yit Mei                      | Maintenance & Housekeeping |
|                   | Mageswary Mariapan                | Security                   |
|                   | Tan Kok Ho Eric                   | Sports & Recreation        |
| 5 years           | Goh Ki Wei Henry                  | IT                         |
|                   | Kee Aui Hian Henry                | Food & Beverage            |
|                   | Gretchen Marie Francisco Bautista | Food & Beverage            |
|                   | Genelyn Banay Padoan              | Food & Beverage            |
|                   | Alicia Vaneza Valdez Batin        | Food & Beverage            |
|                   | Woon Wee Mui Joseph               | General Manager's Office   |
|                   | Tamilarasu Vjaykumar              | Maintenance & Housekeeping |
|                   | Lee Kim Pei                       | Membership Relations       |
|                   | Melissa Ann Rozario               | Membership Relations       |
|                   | Zubair Hassan Bin Basheer         | Sports & Recreation        |
|                   | Go I Leng Shirley                 | Sports & Recreation        |
|                   | Chew Chuey Mei May                | Sports & Recreation        |

# SERANGOON GARDENS COUNTRY CLUB

## MINUTES OF 56<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON 23 JUNE 2013

### **General Committee (GC)**

|                                |  |
|--------------------------------|--|
| <b>President</b>               | Mr Anthony Lim (Chairman)  |
| <b>Vice-President</b>          | Mr Jimmy Ng  |
| <b>Honorary Secretary</b>      | Mr Alvin Ong   |
| <b>Honorary Treasurer</b>      | Ms Genie Sugene Gan  |
| <b>Asst Honorary Secretary</b> | Mr Teng Leng Hock  |
| <b>Asst Honorary Treasurer</b> | Mr Kevin Kwek  |
| <b>Committee Members</b>       | Mr Peter Chia<br>Mr Chiam Toon Jiak<br>Ms Serena Goh<br>Mr Andy Lau<br>Mr Bob Mong<br>Mr Randy Sng<br>Mr Benjamin Wong |

|                 |  |
|-----------------|--|
| <b>Trustees</b> | Mr Michael Khor<br>Mr Hendrick Koh<br>Mr Anthony Tan |
|-----------------|--|

|                       |                                 |
|-----------------------|---------------------------------|
| <b>Auditors</b>       | Mr Andrew Tan                   |
| <b>HLB Atrede LLP</b> | Ms Angela Lee<br>Mr Ooi Pei Hui |

### **IN ATTENDANCE**

|                               |                   |
|-------------------------------|-------------------|
| <b>General Manager</b>        | Mr Michael Lie    |
| <b>Deputy General Manager</b> | Mrs Catherine Tan |

Total Number of Voting Members Present : 111

## **1.0 PRELIMINARIES**

With a quorum present as confirmed by the General Manager, the Chairman called the meeting to order at 1.05pm and extended a warm welcome to all members to the 56<sup>th</sup> Annual General Meeting.

## **2.0 PRESENTATION OF TOKENS OF APPRECIATION**

Before proceeding with Agenda item one - Election of the General Committee (GC) - the President invited Club Trustee, Mr Michael Khor, to present tokens of appreciation to the outgoing GC members who have completed their terms of office from June 2011 to June 2013. They are:-

## **3.0 PRESIDENT'S ADDRESS**

|                           |                              |
|---------------------------|------------------------------|
| <b>Mr Teng Leng Hock</b>  | Assistant Honorary Secretary |
| <b>Mr Chiam Toon Jiak</b> | Committee Member             |
| <b>Ms Serena Goh</b>      | Committee Member             |
| <b>Mr Randy Sng</b>       | Committee Member             |

### **Introduction**

In his opening address, the President, Mr Anthony Lim thanked members for their confidence and trust in him and his team by returning all nominations unopposed. Honoured and humbled by this overwhelming show of support, he and his team were greatly motivated to work even harder for the betterment of the Club.

### **The Three Thrusts**

Mr Lim said when he was elected President a year ago, he shared with members the three thrusts that he would focus on during the tenure of his term. They are:

1. Ensuring the long-term financial viability of the Club;
2. Enhancing its status as the Best Family Club;
3. Upgrading the existing New Wing of the Main Clubhouse with further expansion of some facilities.

### **Highlights of Last Year's Financial Results and Key Initiatives**

#### **Jackpot**

Contribution from Jackpot was marginally lower at \$1.113 million - a reduction of \$66,000 from the previous year. He assured members that more will be done to improve, or at least maintain the Jackpot contribution in the year ahead, as Jackpot is still one of the Club's key revenue streams.

#### **Banquet**

Revenue for banquet has increased by 50%, from \$1.4 million in FY 2011/2012 to almost \$2.2 million in FY 2012/2013. Currently, the banquet business contributes about 42.6% of the total F & B sales. This has helped to reduce the overall F & B deficit from \$440,000 to \$373,000 in FY 2012/2013.

## **Membership**

Subscription income has increased by \$153,000 to \$3.214 million due to the enlarged membership base from the sales of Ordinary Membership, Non-Transferable Ordinary Membership and Term Membership.

## **Rental Income & Car Park Electronic Parking System**

The rental income from Yum Cha Restaurant, Cambridge Child Development Centre and Lat Salon contributed about \$470,000 in annual revenue, while the car park Electronic Parking System contributed about \$117,000 annually.

Sometime in late 2012, the Inland Revenue Authority of Singapore (IRAS) informed the Club of a property tax re-assessment backdating to 2007. This had resulted in incremental property tax of \$629,000 for the period 1 January 2007 to 31 March 2013, being reported in FY 2012/2013. As such, this adversely affected the Club's net surplus before depreciation and tax, from \$1.724 million in FY 2011/2012 to \$822,000 in FY 2012/2013 – a decrease of \$902,000. Net deficit after depreciation and tax is \$718,000 in FY 2012/2013, as compared to net surplus after depreciation and tax of \$116,000 in the previous year. If the extraordinary property tax of \$629,000 is factored out, the Club would have turned in a net surplus of \$1.451 million before depreciation and tax, instead of \$822,000 surplus.

## **Cash Reserves**

As at March 2013, the Club's cash reserves increased by about \$0.5 million from \$4.728 million to \$5.235 million, in spite of the few major projects that were carried out on the New Wing of the Main Clubhouse.

## **Enhancing the Club's Status as the Best Family Club**

With the goal of enhancing the Club's status as the Best Family Club in Singapore by having facilities that cater to every single member of the family, the Darts area in the former Sports Bar was relocated to the second level of the New Wing, freeing up space to create separate facilities for children and adults. The renovation work was carried out in phases from October 2012 to January 2013. The Hangout is now a dedicated place for youths and children, while Crossroads Lounge caters to the adults with a cozy ambience and live performances on selected evenings.

In addition, the Main Lobby was transformed into a cozy Lobby Lounge. Renovation works were completed before the Chinese New Year period and the opening ceremony was officiated by the Club Patron, Ms Sylvia Lim, on 23 February 2013.

The President was pleased to note that many members gave positive feedback that the new outlets are buzzing with activities.

## **The Year Ahead**

With good progress in the past year, the President and his Committee noted that there would be much work ahead, as they continue to look for innovative ways to increase revenue streams and maintain cost management in the key areas of the Club's operations. They will work on improving the operating deficit and building up the reserves necessary for the future enhancement of the Club's facilities.

In the year ahead, the President and his team will focus on the following areas:

1. Further expansion of the banquet business;
2. Cost initiatives such as improving staff productivity through efficient deployment of staff at various F & B outlets;

3. Expansion of the pool deck area to increase seating capacity and free up the area at the Coffee Deli for diners;
4. Expand the Aerobics Room to cater to a larger number of participants for the fitness classes, that are growing in demand. Such improvements will not only benefit the current membership, but will also cater to the increased demand from new members in the future;
5. Study the possibility of changing the air-conditioning system and installing a sun shade at the Lobby to reduce heat. Such investments will lead to reduction in electricity cost in the long run.

#### **Conclusion**

Mr Lim noted that it has been a fulfilling one year serving the Club as President and that he was fortunate to have a good team of General Committee Members, as well as a team of highly dedicated Management team and staff. He thanked the Club Patrons and Trustees for always being supportive of the Club's programmes and initiatives. He also thanked his fellow GC Members and the Management team for their dedication and hard work in making the Club a better place. Lastly, he expressed his gratitude to fellow members and friends for their support and encouragement.

#### **4.0 TO ELECT MEMBERS OF THE GENERAL COMMITTEE**

- 4.1 The President announced that four nominations were received for election to the four seats at the close of nominations on 15 June 2013.

As all the four nominations were received unopposed, the nominees were, therefore, duly elected to their respective offices. They are :

##### ***Assistant Honorary Secretary***

Mr Randy Sng

##### ***Committee Member***

Ms Serena Goh

Mr Lee Say Yeow

Ms Tracy Peck

#### **5.0 TO CONFIRM THE MINUTES OF THE 55<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON 24 JUNE 2012**

- 5.1 The minutes of the 55<sup>th</sup> Annual General Meeting held on 24 June 2012, which were circulated as part of the Annual Report, were duly confirmed as proposed by Mr Seet Choo Chua (S0289) and seconded by Ms Joan Liew (L1236).

#### **6.0 TO RECEIVE THE ANNUAL REPORT AND ADOPT THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013**

- 6.1 Mr Lee Hock Lye (L3884) wanted to know why IRAS had the property tax re-assessment backdated to so many years up to year 2007 that resulted in the incremental property tax amount of \$629,000; and if there were any attempts of appeal from the Club to IRAS on the property tax increases.



## *AGM Minutes*

Mr Lee also inquired about the Club's long term plans to be financially viable as he noticed that the Club still made a marginal loss despite intake of more members and increase of banquet income. He was concerned that if the trend continues, the Club would face financial problems in the long term.

- 6.1.1 On the property tax increases, Ms Genie Sugene Gan (Honorary Treasurer) explained that the Club was informed by IRAS some time back in late 2012 that they would be doing a revaluation of the Club's property value and property tax re-assessment retroactive to 2007. IRAS had every right to seek re-assessment of what they thought the current market value of the Club property should be, and that the Club had been duly declaring its property tax for the past years. SGCC was not the only Club that was affected by the property tax revaluation. Other country clubs in Singapore also received similar notices of the re-assessment exercise. In fact, some of them accrued for a much larger tax amount. It was something that the GC did not foresee or expect. It was beyond the Club's control. For accounting reasons, it had to declare the full extent of the incremental tax (retroactive to 2007) in this fiscal year 2012/2013 financial results.
- 6.1.2 In addressing Mr Lee's second question, the Honorary Treasurer stated that the long term financial viability of the Club has always been an area of great concern to the GC. The GC is focused on not just the top-line for revenue growth, but also the bottom-line. While they foster a culture of cost-management ownership across all departments for financial sustainability, the GC is also mindful not to compromise on service standards. The GC is constantly thinking of newer, better and more creative ways to improve revenue in the various departments such as F & B and Jackpot, and beat external threats such as the Integrated Resorts. The Committee recognized that the cash reserves would slowly deplete one day, if the Club continues to run at a loss. As the Committee tries to work out a balance between increasing revenue and managing costs, they hope to give the members a more detailed report in due course.
- 6.1.3 Adding to the Honorary Treasurer's explanation in regard to the property tax, President stated that the GC had engaged a property tax consultant, Savills Valuation & Professional Services to represent the Club to appeal for re-assessment for fair market value of the Club property. The GC had been told by Savills that the Club stands in good stead in its negotiation thus far. It is hoped that if the appeal is successful, the Club will be able to realize some refund from IRAS.
- 6.2 Mr G Surajan (G2391) stated that SGCC is one of the best family clubs he has ever known. Drawing on the example of the Singapore Navy where he works, Mr Surajan highlighted the importance of long-term planning with a 10 to 15-year view. Every new Navy Chief that joins will continue the master plan that is already in place. In the Club's context, he observed that the plans of the Club seem to last only during the term of the current President, and that they are usually short-lived and serve only to fulfil the objectives of the present Committee. He noted that this may not help in the long-term financial viability of the Club. He felt that there should be a master plan in place that involves not just the Committee Members, but also members of the Club, with every one's input on what they collectively want the Club to be. Each President should improve along the lines of acceptance of this master plan. He felt that good ideas can come from members, some of whom may be engineers, architects and other highly qualified professionals. Involving members would also be a good way to reduce the number of complaints since opinions have been sought for major decisions that involve the change to the face of the Club.

On another note, Mr Surajan said he was pleased that following his past feedback with regards to closure of facilities for the purpose of banquet functions, the Club has now been updating members on such closures in advance.

## *AGM Minutes*

- 6.2.1 The President brought to mind the three thrusts he shared with the members in his incoming President's speech at the last AGM. The third thrust, "upgrading the existing New Wing of the Main Clubhouse with further expansion of some facilities", would be a challenge for him to accomplish during his term. He added that there would be a master plan in place but in the event that he is not able to carry it to fruition, the next successor would follow it through. He agreed that the Club should have a master plan to be carried out in the next 5 to 10 years, and the GC would look into it.
- 6.2.2 The President sought Mr Surajan's understanding on non-members booking the Club's facilities, adding that it is the responsibility of the Committee to ensure that the facilities are well utilized and that the Club is generating revenue. The Committee would need to allow non-members to patronize and spend money at the Club. By not doing anything, the Committee may be compelled to raise subscriptions to sustain the Club's financial viability.
- 6.3 Mr Surajan replied that he found it quite disturbing that the Committee keeps talking about increasing revenue in the context of a family club. He added that expenses should be reduced and that each new President should not keep spending more money. He reckoned that revenue could be generated if the savings are not spent.
- 6.3.1 The President replied that sometimes spending is necessary to enhance and upgrade the Club's facilities in order to increase more patronage and revenue. The Committee sees it as its responsibility to come up with new initiatives for members' enjoyment, and to reap the best returns.
- 6.3.2 Mr Jimmy Ng (Vice-President) thanked Mr Surajan for his feedback and added that he too, was serving in the Singapore Navy. He agreed with Mr Surajan on the need for a holistic master plan. Touching on the special camaraderie in SGCC, he said the current President and the former three Presidents who are also sitting among the audience, each of them has a different personality and worked with a different GC, each made different improvements to help the Club shine through the years. These present and former Presidents are good friends, and have in a way, worked in tandem on plans that cater to the greater good of the Club. He added that changes are necessary in order to move forward with the times and as expectations change. He assured members that the GC would exercise prudence in spending to ensure the financial well-being of the Club, especially in challenging times. While the GC is embarking on a Club-wide assessment on how the Club could improve its financial viability in the next 5 to 10 years, the GC is also mindful that membership subscriptions have to be kept as low as possible. All things considered, the GC would take cognizance and look at things more holistically as it analyses the financial trend, and makes careful plans along the way to improve the Club. The Vice-President thanked members for hearing him out.
- 6.3.3 There being no comments or questions from the floor, the Annual Report and Accounts for the year ended 31 March 2013 were received and passed as proposed by Mr Ong Poh Lim (O1866) and seconded by Mr Seet Choo Chua (S0289).

## **7.0 TO APPOINT AUDITORS FOR THE ENSUING YEAR**

- 7.1 Ms Genie Sugene Gan (Honorary Treasurer) reported that the General Committee was satisfied with the services of the present auditors, HLB Atrede LLP (previously called B H Tan & Associates) who had been the Club's auditors for the past five years. She then gave a short profile of the firm.

There being no objection, she proposed that HLB Atrede LLP be re-appointed as the Club's auditors for the ensuing financial year. This was seconded by Mr Lee Hock Lye (L3884).

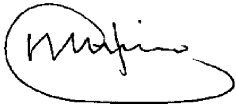
**8.0 TO TRANSACT ANY OTHER BUSINESS OF WHICH 7 CLEAR DAYS' NOTICE HAS BEEN GIVEN IN WRITING TO THE HONORARY SECRETARY**

- 8.1 The President informed the House that no notice has been received under item 7 of the Agenda. Before drawing the general meeting to a close, a short dialogue session, which would not be part of the AGM, was held with members in the usual tradition.

**9.0 ADJOURNMENT**

After the dialogue session, the President thanked members for their attendance and invited the House to the Crossroads Lounge for drinks. The meeting ended at 2.03pm

A CORRECT RECORD

A handwritten signature in black ink, appearing to read 'Anthony Lim', enclosed within a hand-drawn oval.

**Anthony Lim**  
*President*

# **General Committee's Report & Audited Financial Statements**

## **Serangoon Gardens Country Club**

(Reg. No. UEN S55SS0010E)

**For the year ended 31 March 2014**

### **General Committee Members**

|                              |   |   |
|------------------------------|---|---|
| President                    | : | Anthony Lim Seng Chye                                       |
| Vice-President               | : | Jimmy Ng Hwee Khoon (Resigned on 8 July 2013)               |
| Honorary Secretary           | : | Alvin Ong Siau Wah (Resigned on 10 July 2013)               |
| Honorary Secretary           | : | Randy Sng Yong Hoe (Assumed the position from 10 July 2013) |
| Honorary Treasurer           | : | Genie Sugene Gan  |
| Assistant Honorary Secretary | : | Randy Sng Yong Hoe (Held the position till 9 July 2013)     |
| Assistant Honorary Treasurer | : | Kevin Kwek Chok Yen   |
| Committee Member             | : | Lee Say Yeow  |
| Committee Member             | : | Peter Chia Kwang Hai  |
| Committee Member             | : | Serena Goh Mui Hoon   |
| Committee Member             | : | Andy Lau Kian Koon  |
| Committee Member             | : | Tracy Peck Lee Fong   |
| Committee Member             | : | Bob Mong Tiang Seng   |
| Committee Member             | : | Benjamin Leo Wong Van Tse                                   |

### **Independent Auditor**

HLB Atrede LLP

### **Contents**

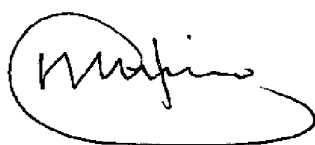
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**Statement by General Committee**

In the opinion of the General Committee,

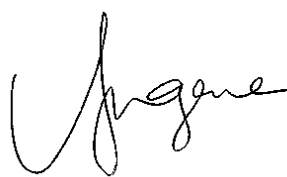
- (a) the accompanying balance sheet, statement of comprehensive income, statement of changes in funds and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of Serangoon Gardens Country Club (the "Club") as at 31 March 2014 and the results of the operations, 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,



Anthony Lim Seng Chye  
President

Singapore  
20 May 2014



Genie Sugene Gan  
Honorary Treasurer

**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 2014, 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 of financial statements that give a true and fair view in accordance with the provisions of Societies Act Chapter 311 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheet and to maintain accountability of assets.

*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 Management, 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 provisions of the Societies Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Club as at 31 March 2014 and the results, changes in funds and cash flows of the Club for the year ended on that date.

*Other matters*

The financial statements for the year ended 31 March 2013 were audited by another auditor whose report dated 21 May 2013 expressed an unqualified opinion on those statements.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Club have been properly kept in accordance with the provisions of the Act.



**HLB Atrede LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
20 May 2014

## *Financial Statements*

### **Balance Sheet as at 31 March 2014**

|   | Note | 2014<br>\$               | 2013<br>\$               |
|---|------|--------------------------|--------------------------|
| <b>Assets</b>                               |      |                          |                          |
| <b>Non-current</b>                          |      |                          |                          |
| Property, plant and equipment               | 3    | 24,654,676               | 25,206,574               |
| Members' receivables                        | 5    | <u>534,591</u>           | <u>233,910</u>           |
|   |      | <u>25,189,267</u>        | <u>25,440,484</u>        |
| <b>Current</b>                              |      |                          |                          |
| Inventories                                 | 4    | 135,175                  | 145,133                  |
| Members' receivables                        | 5    | 1,334,668                | 1,425,666                |
| Sundry receivables, deposits and prepayment | 6    | 343,678                  | 557,632                  |
| Interest receivables                        |      | 3,791                    | 3,763                    |
| Fixed deposits                              | 7    | 2,660,562                | 2,652,011                |
| Cash and cash equivalents                   | 7    | <u>2,757,456</u>         | <u>2,582,783</u>         |
|   |      | <u>7,235,330</u>         | <u>7,366,988</u>         |
| <b>Total assets</b>                         |      | <u><u>32,424,597</u></u> | <u><u>32,807,472</u></u> |
| <b>Funds</b>                                |      |                          |                          |
| Accumulated funds                           | 8    | <u>28,957,220</u>        | <u>29,137,575</u>        |
|   |      | <u>28,957,220</u>        | <u>29,137,575</u>        |
| <b>Liabilities</b>                          |      |                          |                          |
| <b>Current</b>                              |      |                          |                          |
| Creditors and accruals                      | 9    | 2,080,117                | 1,942,594                |
| Subscriptions charged in advance            |      | 281,145                  | 274,260                  |
| Members' credit balances and deposits       |      | 772,808                  | 740,350                  |
| Property tax payable                        |      | 196,449                  | 587,123                  |
| Tax payable                                 |      | <u>136,858</u>           | <u>125,570</u>           |
|   |      | <u>3,467,377</u>         | <u>3,669,897</u>         |
| <b>Total funds and liabilities</b>          |      | <u><u>32,424,597</u></u> | <u><u>32,807,472</u></u> |

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



## *Financial Statements*

### **Statement of Comprehensive Income for the financial year ended 31 March 2014**

|  | Note | 2014<br>\$              | 2013<br>\$              |
|--|------|-------------------------|-------------------------|
| <b>INCOME</b>  |      |                         |                         |
| Subscriptions  |      | 3,351,142               | 3,214,223               |
| Transfer fees  |      | 354,500                 | 516,845                 |
| Entrance fees  |      | 1,732,195               | 1,712,959               |
| Interest income – fixed deposits                         |      | 10,189                  | 9,376                   |
| Miscellaneous income                                     | 10   | 158,654                 | 146,826                 |
| Lease rental income                                      |      | 484,233                 | 470,798                 |
| Contributions/(deficits) from:                           |      |                         |                         |
| Fruit machines   | 11   | 765,623                 | 1,113,050               |
| Facilities booking                                       | 12   | 234,803                 | 268,662                 |
| Other activities   | 13   | 461                     | (56,669)                |
| Food and beverage  | 14   | <u>(132,593)</u>        | <u>(373,267)</u>        |
|  |      | <u>6,959,207</u>        | <u>7,022,803</u>        |
| Less:  |      |                         |                         |
| <b>EXPENDITURE</b>                                       |      |                         |                         |
| Operating and administrative                             | 15   | 3,959,479               | 4,759,921               |
| Repairs, maintenance and housekeeping                    | 16   | 476,531                 | 477,629                 |
| Water and electricity                                    |      | <u>1,011,257</u>        | <u>962,969</u>          |
|  |      | <u>5,447,267</u>        | <u>6,200,519</u>        |
| <b>NET SURPLUS BEFORE DEPRECIATION</b>                   |      | 1,511,940               | 822,284                 |
| Depreciation of property, plant and equipment            |      | (1,673,342)             | (1,584,664)             |
| Gain/(loss) on disposal of property, plant and equipment |      | <u>24,307</u>           | <u>(7,008)</u>          |
| <b>NET DEFICIT BEFORE TAX</b>                            |      | (137,095)               | (769,388)               |
| Income tax (expenses)/credit                             | 17   | <u>(43,260)</u>         | <u>51,565</u>           |
| <b>NET DEFICIT AFTER TAX</b>                             |      | (180,355)               | (717,823)               |
| Other comprehensive income                               |      | <u>–</u>                | <u>–</u>                |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>             |      | <u><u>(180,355)</u></u> | <u><u>(717,823)</u></u> |

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

## *Financial Statements*

### **Statement of Changes in Funds for the financial year ended 31 March 2014**

|                                       | <b>Total accumulated funds<br/>\$</b> |
|---------------------------------------|---------------------------------------|
| Balance at 1 April 2012               | 29,855,398                            |
| Total comprehensive loss for the year | <u>(717,823)</u>                      |
| Balance at 31 March 2013              | 29,137,575                            |
| Total comprehensive loss for the year | <u>(180,355)</u>                      |
| Balance at 31 March 2014              | <u><u>28,957,220</u></u>              |

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

## *Financial Statements*

### Cash Flow Statement for the financial year ended 31 March 2014

|  | <b>2014</b>             | <b>2013</b>             |
|--|-------------------------|-------------------------|
|  | <b>\$</b>               | <b>\$</b>               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>              |                         |                         |
| Net deficit before tax                                   | (137,095)               | (769,388)               |
| Adjustments for:   |                         |                         |
| Depreciation of property, plant and equipment            | 1,673,342               | 1,584,664               |
| (Gain)/loss on disposal of property, plant and equipment | (24,307)                | 7,008                   |
| Interest income  | <u>(10,189)</u>         | <u>(9,376)</u>          |
| <b>Surplus before working capital changes</b>            | 1,501,751               | 812,908                 |
| Decrease/(increase) in inventories                       | 9,958                   | (21,487)                |
| Decrease/(increase) in operating receivables             | 4,243                   | (292,250)               |
| (Decrease)/increase in operating payables                | <u>(213,808)</u>        | <u>735,844</u>          |
| <b>Cash generated from operations</b>                    | 1,302,144               | 1,235,015               |
| Income tax paid  | <u>(31,972)</u>         | <u>(43,232)</u>         |
| <b>Net cash flow from operating activities</b>           | <u>1,270,172</u>        | <u>1,191,783</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>              |                         |                         |
| Purchase of property, plant and equipment                | (1,149,790)             | (696,270)               |
| Proceeds from disposal of property, plant and equipment  | 52,653                  | 2,000                   |
| Increase in fixed deposits                               | (8,551)                 | (9,159)                 |
| Interest received  | <u>10,189</u>           | <u>9,376</u>            |
| <b>Net cash flow used in investing activities</b>        | <u>(1,095,499)</u>      | <u>(694,053)</u>        |
| Net increase in cash and cash equivalents                | 174,673                 | 497,730                 |
| Cash and cash equivalents at beginning of year           | <u>2,582,783</u>        | <u>2,085,053</u>        |
| <b>Cash and cash equivalents at end of year (Note 7)</b> | <u><u>2,757,456</u></u> | <u><u>2,582,783</u></u> |

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

## Notes to the Financial Statements – 31 March 2014

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 that 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 does not result in any changes to the Club's accounting policies and have no material effect on the amounts reported for the current or prior financial years.

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

The preparation of the Club's financial statements requires Management 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 Management'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 each 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**(i) Key sources of estimation uncertainty (continued)**

• *Useful lives of plant and equipment*

The cost of plant and equipment is depreciated on a straight-line basis over the 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 plant and equipment at the end of each 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 2% (2013: 1%) variance in the profit before tax.

**(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 have the most 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 other than freehold and leasehold properties 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, respectively. 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  |

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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) **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) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Club that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets 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 assets are recognised in profit or loss.

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) **Financial assets (continued)**

#### **Subsequent measurement (continued)**

##### (ii) *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.

##### (iii) *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.

##### (iv) *Available-for-sale financial assets*

Available-for-sale financial assets include equity and debt securities. Equity investment classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses arising from changes in the fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

#### **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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) ***Impairment of financial assets***

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

(i) *Financial assets carried at amortised cost*

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

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

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.



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

(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.

(iii) *Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

(f) ***Financial liabilities***

***Initial recognition and measurement***

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Financial liabilities (continued)**

**Subsequent measurement**

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

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

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

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

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

**(ii) Financial liabilities at amortised cost**

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

**Derecognition**

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

**(g) Inventories**

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

Consumable stocks and stores – weighted average basis

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(g) ***Inventories (continued)***

The amount of any write-down of inventories to net realisable value and all losses of inventories shall be 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, shall be 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 of completion and the estimated costs necessary to make the sale.

(h) ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits.

(i) ***Trade and other payables***

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

(j) ***Provisions***

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(k) **Employee benefits**

(i) *Defined contribution plans*

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

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

(ii) *Employee leave entitlement*

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

(l) **Leases**

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

(m) **Revenue**

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

(i) *Revenue from food and beverage*

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

(ii) *Rental income*

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(m) **Revenue (continued)**

(iii) *Interest income*

Interest income is recognised using the effective interest method.

(iv) *Subscription fees*

Subscription fees are recognised when they are due for payment.

(v) *Entrance and transfer fees*

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

(vi) *Fruit machines income*

Fruit machines income is recognised on receipt basis.

(n) **Taxes**

(i) *Current income tax*

The Club's income tax is subject to 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 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 corporate income tax of 17%.

(ii) *Goods and services tax*

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

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

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

## *Financial Statements*

### 3. PROPERTY, PLANT AND EQUIPMENT

|                                      | <b>Clubhouse<br/>buildings<br/>and<br/>underpass<br/>\$</b> | <b>Furniture,<br/>fittings<br/>and office<br/>equipment<br/>\$</b> | <b>Pool,<br/>gymnasium<br/>and electrical<br/>equipment<br/>\$</b> | <b>Amusement<br/>equipment<br/>\$</b> | <b>Renovation<br/>\$</b> | <b>Computer<br/>\$</b> |
|--------------------------------------|---|--|--|---------------------------------------|--------------------------|------------------------|
| <b>Cost:</b>                         |   |  |  |                                       |                          |                        |
| At 1 April 2012                      | 34,099,048  | 2,187,705  | 3,752,248  | 769,560                               | 4,356,700                | 996,748                |
| Additions                            | –   | 160,504  | 136,162  | 50,150                                | 267,898                  | 48,218                 |
| Disposal/written off                 | –   | (8,356)  | (36,976)   | (26,400)                              | (4,496)                  | (6,406)                |
| At 31 March 2013 and<br>1 April 2013 | 34,099,048  | 2,339,853  | 3,851,434  | 793,310                               | 4,620,102                | 1,038,560              |
| Additions                            | 89,848  | 169,447  | 352,456  | 91,000                                | 323,901                  | 78,348                 |
| Disposal/written off                 | (3,320)   | (45,439)   | (10,086)   | (22,680)                              | –                        | –                      |
| At 31 March 2014                     | 34,185,576  | 2,463,861  | 4,193,804  | 861,630                               | 4,944,003                | 1,116,908              |
| <b>Accumulated<br/>depreciation:</b> |   |  |  |                                       |                          |                        |
| At 1 April 2012                      | 10,480,964  | 1,773,023  | 3,409,587  | 573,446                               | 3,118,502                | 902,997                |
| Charge for the year                  | 694,016   | 149,017  | 124,288  | 93,334                                | 387,810                  | 73,160                 |
| Disposal/written off                 | –   | (4,393)  | (35,003)   | (26,400)                              | (1,424)                  | (6,406)                |
| At 31 March 2013 and<br>1 April 2013 | 11,174,980  | 1,917,647  | 3,498,872  | 640,380                               | 3,504,888                | 969,751                |
| Charge for the year                  | 696,143   | 171,148  | 135,617  | 94,788                                | 460,662                  | 53,862                 |
| Disposal/written off                 | (1,848)   | (39,174)   | (10,086)   | (22,680)                              | –                        | –                      |
| At 31 March 2014                     | 11,869,275  | 2,049,621  | 3,624,403  | 712,488                               | 3,965,550                | 1,023,613              |
| <b>Net carrying amount:</b>          |   |  |  |                                       |                          |                        |
| At 31 March 2013                     | 22,924,068  | 422,206  | 352,562  | 152,930                               | 1,115,214                | 68,809                 |
| At 31 March 2014                     | 22,316,301  | 414,240  | 569,401  | 149,142                               | 978,453                  | 93,295                 |

## *Financial Statements*

### 3. PROPERTY, PLANT AND EQUIPMENT (continued)

|                                   | <b>Kitchenware,<br/>crocery<br/>and utensils<br/>\$</b> | <b>Motor<br/>vehicles<br/>\$</b> | <b>Container<br/>\$</b> | <b>Bowling<br/>equipment<br/>\$</b> | <b>Total<br/>\$</b> |
|-----------------------------------|---|----------------------------------|-------------------------|-------------------------------------|---------------------|
| <b>Cost:</b>                      |   |                                  |                         |                                     |                     |
| At 1 April 2012                   | 117,903   | 112,799                          | 27,304                  | 1,031,714                           | 47,451,729          |
| Additions                         | 33,338  | –                                | –                       | –                                   | 696,270             |
| Disposal/written off              | –   | –                                | –                       | –                                   | (82,634)            |
| At 31 March 2013 and 1 April 2013 | 151,241   | 112,799                          | 27,304                  | 1,031,714                           | 48,065,365          |
| Additions                         | 15,550  | –                                | –                       | 29,240                              | 1,149,790           |
| Disposal/written off              | (2,109)   | (52,403)                         | –                       | (27,976)                            | (164,013)           |
| At 31 March 2014                  | 164,682   | 60,396                           | 27,304                  | 1,032,978                           | 49,051,142          |
| <b>Accumulated depreciation:</b>  |   |                                  |                         |                                     |                     |
| At 1 April 2012                   | 37,229  | 70,789                           | 27,304                  | 953,912                             | 21,347,753          |
| Charge for the year               | 27,400  | 13,226                           | –                       | 22,413                              | 1,584,664           |
| Disposal/written off              | –   | –                                | –                       | –                                   | (73,626)            |
| At 31 March 2013 and 1 April 2013 | 64,629  | 84,015                           | 27,304                  | 976,325                             | 22,858,791          |
| Charge for the year               | 32,941  | 6,240                            | –                       | 21,941                              | 1,673,342           |
| Disposal/written off              | (1,125)   | (35,809)                         | –                       | (24,945)                            | (135,667)           |
| At 31 March 2014                  | 96,445  | 54,446                           | 27,304                  | 973,321                             | 24,396,466          |
| <b>Net carrying amount:</b>       |   |                                  |                         |                                     |                     |
| At 31 March 2013                  | 86,612  | 28,784                           | –                       | 55,389                              | 25,206,574          |
| At 31 March 2014                  | 68,237  | 5,950                            | –                       | 59,657                              | 24,654,676          |

## *Financial Statements*

### 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. INVENTORIES

|   | <b>2014</b>      | <b>2013</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| Consumable stocks and stores  | <u>135,175</u>   | <u>145,133</u>   |
| Statement of comprehensive income:<br>Inventories recognised as an expense in cost of sales | <u>2,221,171</u> | <u>2,070,196</u> |

### 5. MEMBERS' RECEIVABLES

|                          | <b>2014</b>      | <b>2013</b>      |
|--------------------------|------------------|------------------|
|                          | <b>\$</b>        | <b>\$</b>        |
| Entrance fee receivables | 957,933          | 760,710          |
| Members' receivables     | <u>911,326</u>   | <u>898,866</u>   |
|                          | <u>1,869,259</u> | <u>1,659,576</u> |
| <b>Current:</b>          |                  |                  |
| Entrance fee receivables | 423,342          | 526,800          |
| Members' receivables     | <u>911,326</u>   | <u>898,866</u>   |
|                          | <u>1,334,668</u> | <u>1,425,666</u> |
| <b>Non-current:</b>      |                  |                  |
| Entrance fee receivables | <u>534,591</u>   | <u>233,910</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.

#### *Receivables that are past due but not impaired*

The Club has members' receivables amounting to \$157,740 (2013: \$132,077) 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:

|   | <b>2014</b>    | <b>2013</b>    |
|---|----------------|----------------|
|   | <b>\$</b>      | <b>\$</b>      |
| Members' receivables past due but not impaired: |                |                |
| Not more than 60 days                           | 122,495        | 104,058        |
| 60 to 90 days                                   | 24,909         | 19,818         |
| 90 to 120 days                                  | <u>10,336</u>  | <u>8,201</u>   |
|   | <u>157,740</u> | <u>132,077</u> |



## *Financial Statements*

### 6. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENT

|                                | <b>2014</b>    | <b>2013</b>    |
|--------------------------------|----------------|----------------|
|                                | <b>\$</b>      | <b>\$</b>      |
| Prepayment                     | 56,514         | 50,896         |
| Rental receivables             | 18,234         | 18,198         |
| Staff advances – interest free | 1,100          | 363            |
| Sundry receivables             | 65,060         | 286,536        |
| Sundry refundable deposits     | 202,770        | 201,639        |
|                                | <u>343,678</u> | <u>557,632</u> |

### 7. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

|   | <b>2014</b>      | <b>2013</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| Cash and bank balances                                | 2,256,016        | 2,082,468        |
| Fixed deposits  | 3,162,002        | 3,152,326        |
|   | <u>5,418,018</u> | <u>5,234,794</u> |
| Less: fixed deposits with maturity more than 3 months | (2,660,562)      | (2,652,011)      |
| Cash and cash equivalents as stated in cash flow      | <u>2,757,456</u> | <u>2,582,783</u> |

Short-term deposits are made for varying periods of between 3 months to 12 months (2013: 3 months and 12 months) depending on the immediate cash requirements of the Club, and earn interests at the respective short term deposit rates. The interest rates of short-term deposits range from 0.2% to 0.38% (2013: 0.25% to 0.37%) 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 must be distributed to approved charities in Singapore in the event of dissolution of the Club.

As at 31 March 2014, included within accumulated funds is an amount totalling \$47,626,415 (2013: \$46,955,579), which represents accumulated fruit machines and tombola income net of related expenditure and depreciation.

### 9. CREDITORS AND ACCRUALS

|                              | <b>2014</b>      | <b>2013</b>      |
|------------------------------|------------------|------------------|
|                              | <b>\$</b>        | <b>\$</b>        |
| Trade payables and accruals  | 1,251,353        | 1,099,839        |
| Unconsumed leave entitlement | 162,330          | 187,611          |
| Deferred revenue             | 48,560           | 70,643           |
| GST payables                 | 175,148          | 209,434          |
| Deposits received            | 442,726          | 375,067          |
|                              | <u>2,080,117</u> | <u>1,942,594</u> |

### 10. MISCELLANEOUS INCOME

|                            | <b>2014</b>    | <b>2013</b>    |
|----------------------------|----------------|----------------|
|                            | <b>\$</b>      | <b>\$</b>      |
| Electronic parking systems | 125,775        | 116,511        |
| Sundry income              | 28,699         | 27,335         |
| Advertisement              | 4,180          | 2,980          |
|                            | <u>158,654</u> | <u>146,826</u> |

## *Financial Statements*

### 11. FRUIT MACHINES

|   | <b>2014</b>    | <b>2013</b>      |
|---|----------------|------------------|
|   | <b>\$</b>      | <b>\$</b>        |
| Collections   | 11,324,915     | 10,661,530       |
| Deduction:  |                |                  |
| Payment to winners  | (7,723,372)    | (6,439,323)      |
| Government tax [including goods and services tax<br>of \$235,709 (2013: \$276,117)] | (2,461,514)    | (2,707,562)      |
| Maintenance of machines   | (24,496)       | (26,458)         |
| General supplies  | (8,132)        | (8,219)          |
| Direct staff costs  |                |                  |
| – Salaries and wages  | (177,351)      | (171,161)        |
| – Central Provident Fund contributions  | (17,982)       | (17,260)         |
| Other operating expenses  | (146,445)      | (178,497)        |
| Contribution from fruit machines  | <u>765,623</u> | <u>1,113,050</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

|   | <b>2014</b> | <b>2013</b>     |
|---|-------------|-----------------|
|   | <b>\$</b>   | <b>\$</b>       |
| Aerobics and fitness                        | 78,637      | 61,260          |
| Billiards                                   | (8,565)     | (8,163)         |
| Bowling                                     | (19,168)    | (34,661)        |
| Darts                                       | (10,231)    | (10,935)        |
| Chess                                       | (1,558)     | (1,333)         |
| Golf  | (25,850)    | (27,929)        |
| Mahjong                                     | (5,286)     | (4,808)         |
| Membership relations activities and classes | (23,029)    | (21,674)        |
| Squash/table-tennis                         | (4,504)     | (3,285)         |
| Swimming                                    | 23,337      | 13,916          |
| Youth/video games                           | 7,358       | 4,500           |
| Miscellaneous                               | (10,680)    | (23,557)        |
| Net surplus/(deficit) from other activities | <u>461</u>  | <u>(56,669)</u> |

### 14. FOOD AND BEVERAGE

|  | <b>2014</b>        | <b>2013</b>        |
|--|--------------------|--------------------|
|  | <b>\$</b>          | <b>\$</b>          |
| Sales                                  | 5,551,806          | 5,111,416          |
| Less:                                  |                    |                    |
| Cost of sales                          | <u>(2,221,171)</u> | <u>(2,070,196)</u> |
| Gross contribution                     | 3,330,635          | 3,041,220          |
| Less:                                  |                    |                    |
| Direct staff costs                     |                    |                    |
| – Salaries and wages                   | (2,177,790)        | (2,148,258)        |
| – Central Provident Fund contributions | (202,714)          | (193,153)          |
| Other operating expenses               | <u>(1,082,724)</u> | <u>(1,073,076)</u> |
| Deficit from food and beverage         | <u>(132,593)</u>   | <u>(373,267)</u>   |

## *Financial Statements*

### 15. OPERATING AND ADMINISTRATIVE EXPENSES

|  | <b>2014</b>            | <b>2013</b>      |
|--|------------------------|------------------|
|  | <b>\$</b>              | <b>\$</b>        |
| Audit fee                              | 6,000                  | 5,500            |
| Bad debts                              | 4,380                  | –                |
| Decoration                             | 19,588                 | 20,902           |
| Donations                              | 1,000                  | 500              |
| General expenses                       | 63,659                 | 64,817           |
| Insurance                              | 44,395                 | 38,249           |
| Laundry                                | 9,204                  | 8,784            |
| License fees                           | 5,108                  | 4,154            |
| Medical                                | 21,805                 | 21,119           |
| Meeting expenses                       | 19,916                 | 27,099           |
| Members' introduction expenses         | 78,227                 | 86,139           |
| Membership launch expenses             | 51,874                 | 41,354           |
| New members' gathering expenses        | 10,564                 | 12,019           |
| Newsletter                             | 84,438                 | 80,165           |
| Nets/cashcard commission               | 2,413                  | 2,242            |
| Payroll – Salaries and wages           | 2,742,772              | 2,724,430        |
| – Central provident fund contributions | 281,113                | 292,445          |
| – Employee leave entitlements          | 14,017                 | 18,891           |
| Postage                                | 21,130                 | 21,620           |
| Printing, stationery and magazines     | 55,288                 | 61,616           |
| Professional and legal fees            | 61,468*                | 4,824            |
| Promotional materials                  | 109,200                | 122,888          |
| Property tax – Current                 | 339,300                | 836,633**        |
| – Over provision in prior year         | (364,617) <sup>†</sup> | –                |
| Recruitment                            | 30,264                 | 6,984            |
| Refreshment                            | 4,013                  | 2,792            |
| Staff benefits                         | 148,824                | 142,879          |
| Staff incentive                        | 42,322                 | 43,663           |
| Staff training                         | 6,193                  | 20,680           |
| Telephone                              | 29,863                 | 28,759           |
| Transport                              | 15,758                 | 17,774           |
|  | <u>3,959,479</u>       | <u>4,759,921</u> |

Explanatory notes:

\* Included in Professional and legal fees of \$61,468 is \$41,462 paid/payable for property tax consultancy services.

\*\* Included in Property tax of \$836,633 is \$497,333 additional property tax pertaining to the period from 1 January 2007 to 31 March 2012.

<sup>†</sup> Over provision of property tax of \$364,617 is as a result of negotiated settlement reached with the Inland Revenue Authority of Singapore relating to the period from 1 January 2007 to 31 December 2012.

## *Financial Statements*

### 15. OPERATING AND ADMINISTRATIVE EXPENSES (continued)

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

|                            | <b>2014</b>    | <b>2013</b>    |
|----------------------------|----------------|----------------|
|                            | <b>\$</b>      | <b>\$</b>      |
| Salaries and related costs | 842,131        | 784,481        |
| Central Provident Fund     | <u>80,832</u>  | <u>61,767</u>  |
|                            | <u>922,963</u> | <u>846,248</u> |

### 16. REPAIRS/MAINTENANCE AND HOUSEKEEPING

|                              | <b>2014</b>    | <b>2013</b>    |
|------------------------------|----------------|----------------|
|                              | <b>\$</b>      | <b>\$</b>      |
| Housekeeping and landscaping | 197,640        | 189,246        |
| Repairs and maintenance      |                |                |
| – building                   | 58,901         | 83,262         |
| – equipment/furniture        | 187,478        | 167,910        |
| – motor vehicle              | 8,985          | 7,098          |
| – bowling alley              | <u>23,527</u>  | <u>30,113</u>  |
|                              | <u>476,531</u> | <u>477,629</u> |

### 17. INCOME TAX EXPENSE/(CREDIT)

#### (i) Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2014 and 2013 are:

|                               | <b>2014</b>     | <b>2013</b>      |
|-------------------------------|-----------------|------------------|
|                               | <b>\$</b>       | <b>\$</b>        |
| Current tax                   | 73,260          | 62,581           |
| Over provision in prior years | <u>(30,000)</u> | <u>(114,146)</u> |
|                               | <u>43,260</u>   | <u>(51,565)</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 2014 and 2013 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.

#### (ii) Relationship between tax expense and accounting profit

The reconciliation between the tax expense/(credit) and the product of accounting (loss)/profit multiplied by the applicable tax rate for the years ended 31 March 2014 and 2013 are as follows:

|  | <b>2014</b>      | <b>2013</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| Deficit before tax                       | <u>(137,095)</u> | <u>(769,388)</u> |
| Tax benefit on deficit before tax at 17% | (23,306)         | (130,796)        |
| Adjustments:                             |                  |                  |
| Non-deductible expenses                  | 3,955,652        | 3,861,412        |
| Tax exempt income                        | (3,859,086)      | (3,668,035)      |
| Over provision in prior years            | <u>(30,000)</u>  | <u>(114,146)</u> |
|  | <u>43,260</u>    | <u>(51,565)</u>  |

## *Financial Statements*

### 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 8 years as at 31 March 2014. All leases include suitable clauses to enable appropriate revision of the rental charges either upon renewal or based on pre-agreed rates stated in the lease terms.

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

|   | <b>2014</b>             | <b>2013</b>             |
|---|-------------------------|-------------------------|
|   | <b>\$</b>               | <b>\$</b>               |
| Not later than one year                           | 327,055                 | 388,079                 |
| Later than one year but not later than five years | 1,214,432               | 1,238,602               |
| Later than five years                             | <u>465,142</u>          | <u>744,226</u>          |
|   | <u><u>2,006,629</u></u> | <u><u>2,370,907</u></u> |

The leases on the Club's leasehold properties on which rentals are receivable will expire earliest on 30 November 2014 and latest on 1 December 2021 and the current rents stand at \$15,606 (2013: \$15,606) and \$16,151 (2013: \$16,151) per month respectively.

### 19. EMPLOYEE BENEFITS

|  | <b>2014</b>             | <b>2013</b>             |
|--|-------------------------|-------------------------|
|  | <b>\$</b>               | <b>\$</b>               |
| Salaries and bonus   | 5,027,122               | 4,974,338               |
| Central Provident Fund [net of Special Employment credit of \$57,818 (2013: net of Special Employment credit of \$56,861)] | 374,282                 | 445,998                 |
| Others   | <u>241,512</u>          | <u>250,689</u>          |
|  | <u><u>5,642,916</u></u> | <u><u>5,671,025</u></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.

**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(i) Interest rate risk**

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

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

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

**Sensitivity analysis for interest rate risk**

Movements in interest rates will have an impact on the Club's fixed deposit. A change of 50 (2013: 50) basis points (bp) in interest rates at the reporting date would change equity and profit before tax by \$15,810 (2013: \$15,762). 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 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.

## Financial Statements

### 21. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 requirement.

### 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.

|  | 2014<br>\$       | 2013<br>\$       |
|--|------------------|------------------|
| <i>Loans and receivables</i>                   |                  |                  |
| Members' receivables                           | 1,869,259        | 1,659,576        |
| Sundry receivables and deposits                | 287,164          | 506,736          |
| Interest receivables                           | 3,791            | 3,763            |
| Fixed deposits                                 | 2,660,562        | 2,652,011        |
| Cash and cash equivalents                      | <u>2,757,456</u> | <u>2,582,783</u> |
|  | <u>7,578,232</u> | <u>7,404,869</u> |
| <i>Financial liabilities at amortised cost</i> |                  |                  |
| Creditors and accruals                         | 1,869,227        | 1,684,340        |
| Members' credit balances and deposits          | 772,808          | 740,350          |
| Property tax payable                           | <u>196,449</u>   | <u>587,123</u>   |
|  | <u>2,838,484</u> | <u>3,011,813</u> |

### 24. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Club for the financial year ended 31 March 2014 were authorised for issuance by the Club's General Committee on 20 May 2014.

## Notes



## Notes

## Notes



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