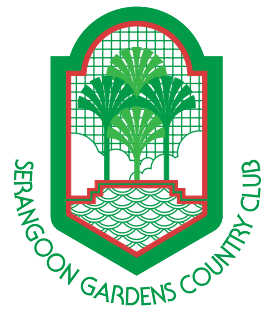


SERANGOON GARDENS COUNTRY CLUB

—

ANNUAL REPORT 2017/2018



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



CONTENTS

- 004 General Committee
- 005 Patrons, Trustees and Convenors
- 006 President's Message
- 010 Food & Beverage
- 014 Sports & Recreation
- 022 Membership Relations
- 028 Security
- 030 Facilities, Maintenance & Safety
- 034 Finance
- 038 Human Resource
- 042 Minutes of the 60th Annual General Meeting
- 054 Financial Statements

GENERAL COMMITTEE



MR RANDY SNG YONG HOE

PRESIDENT
—
CHAIRPERSON
Human Resource



MR LEE SAY YEOW

VICE PRESIDENT
—
CHAIRPERSON
Project & Tender
—
CHAIRPERSON
Membership Relations
& Service Excellence



DR EDMOND TAN CHOK JUEH

PBM
HONORARY SECRETARY
—



MS WONG SOOK YEE

HONORARY TREASURER
—
CHAIRPERSON
Finance & Purchasing



MR PETER CHIA KWANG HAI

ASSISTANT HONORARY SECRETARY
—
CHAIRPERSON
Security & Disciplinary



MR FREDERICK KANG HONG CHEE

ASSISTANT HONORARY TREASURER
—
CHAIRPERSON
Food & Beverage



MR GILBERT LOW TECK HIAN

CHAIRPERSON
Sports & Recreation
—



MR ANSBAND TAN WAH HONG

CHAIRPERSON
Facilities, Maintenance
& Safety
—



MR TERENCE FERNANDEZ

COMMITTEE MEMBER
—



MR KOH JIN KIT

COMMITTEE MEMBER
—



MR JOSEPH KOH THUAN JOO

COMMITTEE MEMBER
—



MR CHRISTOPHER TAN TEOW HIN

COMMITTEE MEMBER
—



MR TAN YEW TEONG

COMMITTEE MEMBER
—

PATRONS



MR GOH CHOK TONG

PATRON-IN-CHIEF
Emeritus Senior Minister



MR GEORGE YEO



MRS LIM HWEE HUA



MS SYLVIA LIM

TRUSTEES



MR HENDRICK KOH

PPA BBM PBM



MR ANTHONY TAN



MR PAO KIEW TEE

CONVENORS

MR EMRYS PHUA

Billiard Convenor

MR EDWARD TAN

Bowling Convenor

MR RONNIE NG

Chess Convenor

MR RAMEL ANG

Darts Convenor

MR EDDIE NG

Fitness Convenor

MR AARON LIM

Golf Convenor

MR EDWIN LEE

Squash Convenor

MR STEVEN LEE

Tennis Convenor

MESSAGE FROM THE PRESIDENT



Randy Sng | PRESIDENT

Dear Members,

My four years journey as President is coming to an end. I would like to take a moment to thank my fellow General Committee members and the Management team for working hard to meet the Club's objectives. It has been a challenging journey, but our resilience, passion and attitude made the difference. My appreciation to the Club Trustees for their guidance, and the Sports Convenors and their Sub-Committee for their dedication and passion in promoting our sports talents.

It has been an honour to serve the Club, and thank you once again to all my fellow members and friends.



FOOD & BEVERAGE

The Food & Beverage (F&B) team has worked hard the past year. Their initiatives to boost patronage in Atrium Café yielded results when they implemented the "Chef's Specials" which changes on a regular basis. Festive promotions such as the **MOTHER'S DAY PERANAKAN BUFFET** held in May was also extremely popular, resulting in the Atrium Café to be fully booked for the two weekends that it was held. The Garden Grill remains the top venue among diners for special occasions. **THE JAPANESE SAKE DINNER** was oversubscribed and had good reviews all round.

Our Banquet sales have also been encouraging due to various marketing efforts, including the participation in wedding shows. The F&B saw declining revenue due to critical renovation works, such as the upgrading of the lift at Heliconia wing, and improvement works at Atrium Café's kitchen.



SPORTS & RECREATION

Our sporting fraternities have always done well and this year was no different. Samuel Ho and Edwin Koh clinched the first and second places respectively in the **3RD SENIOR INTER-CLUB BOWLING LEAGUE** Men's category, while Winnie Ng came in second in the Ladies' category.

Our junior bowlers were equally impressive, with Chan Jing Wen emerging top in the Under 15 category at the **18TH MILO INTERNATIONAL JUNIOR ALL-STARS BOWLING CHAMPIONSHIP**.

We would also like to give a special mention to Arielle Tay and Arianna Tay who finished 3rd and 9th respectively. Our swimmers continue to do us proud by defending the championship title at the **ANNUAL INTER-CLUB MEET, SWIMMING (AIMS)** for the ninth consecutive year.

SGCC hosted the **SQUASH COSMOPOLITAN LEAGUE** last year, where our players competed with six other clubs and did exceptionally well to claim the Championship title.



MEMBERSHIP RELATIONS

The promotion to encourage NTOM Members to convert to Ordinary Membership which we launched in December 2017 met with encouraging results, with more than 20 NTOM members taking up the offer. This resulted in one of the highest conversion take-up rates we have seen so far. The MR team continues to organise plenty of social and recreational activities throughout the year - classes, workshops, talks and outings.

Our **JUNIOR GEMS CLUB** has also grown over the last year and now comprises 233 children - 23% of the children population in the Club.

One of the most significant projects that the MR team undertook last year was the **COFFEE TABLE BOOK - SERANGOON GARDENS COUNTRY CLUB - OUR HERITAGE, OUR PRIDE, OUR JOY**. Our rich heritage was showcased in the book and was launched in conjunction with the Club's early **NATIONAL DAY CELEBRATION**, graced by Club Patron Ms Sylvia Lim. Our aim is to continue deepening our engagement with our members and to make SGCC a better Club for all to enjoy.



SECURITY

Despite the lack of major security incidents at the Club over the past few years, our Security Team does not take our members' safety for granted. 2017 saw us installing new closed circuit television cameras (CCTV) to improve coverage in the Club.

This has paid off, with the cameras capturing videos that assisted us in investigations and solving problematic situations that happened in the Club. Procurement of Hand-held metal detectors and vehicle under-carriage mirrors were introduced to (randomly) check on vehicles entering the Club premises. The Security team is also considering implementing a **VISITOR REGISTRATION ACCESS CONTROL SYSTEM** to better administer members and guests entering the Club.



FACILITIES, MAINTENANCE & SAFETY

Providing a safe and pleasant environment in the Club for members and guests to enjoy has always been the Maintenance & Housekeeping team's priority. In the last year, multiple upgrading works were carried out, including the Modernisation of the "Schindler Lift" and the beautification of the lift lobby at Heliconia Wing.

In line with the Government's emphasis on workplace safety, the Club makes it a point to constantly educate staff on safety and reaction. Two fire drills were conducted last year and on top of that, the Club participated in the **NATIONAL FIRE AND CIVIL EMERGENCY PREPAREDNESS COUNCIL'S (NFEC) MASS FIRE DRILL 2017**. We received a Certificate of Appreciation from its Chairman on 25 September 2017 at Temasek Polytechnic for our efforts. As the Club's infrastructure ages and goes through wear and tear, we will continue to carry out upgrading and maintenance works on a regular basis.



FINANCIAL HIGHLIGHTS

As at 31 March 2018, the Club is out of the Transition Period with our Financial Reserve at \$5.657 million. The cash reserves (comprising cash in banks and Fixed Deposits) increased to \$9.911 million, up from \$9.205 million in FY 16/17.

The Minimum Financial Reserve threshold determined for FY2018/2019 remains at \$3.8 million. The Club's net surplus after tax took a tumble from last year's \$701k to \$62k, due largely to the unforeseen new regulations imposed by the Ministry of Home Affairs relating to Jackpot operations, with effect from November 2017. The implementation of the new Jackpot regulations affected the Club's patronage and contribution dropped drastically from \$1.294 million to \$755k in FY17/18. Another contributor to the drop in surplus was the temporary closure of some F&B outlets due to improvement works at April 2017 (Heliconia lift upgrading) and March 2018 (Atrium Café kitchen). The closures led to a loss in business estimated at \$100k.

The Constitution states that the budgeted Operating Expense shall not exceed the budgeted Operating Income. With the expected shortfall of \$1.2 million from Jackpot operations and the projected increase in utilities, manpower and maintenance expenses, the combined shortfall is estimated to be \$1.5 million. This shortfall will challenge the coming years planning for a balanced budget. Steps have been taken to engage members in dialogue session to address this shortfall.

NOTE OF APPRECIATION

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

61ST ANNUAL GENERAL MEETING

At the upcoming AGM, we will be proposing a resolution to amend the constitution Clauses 26A.2(d), 26A.2(f) and 26C.2(c) to allow the use of operating surpluses to offset shortfall in planning for a balanced budget.

The details of the above-mentioned resolutions are sent together with this Annual Report to all voting members. Please take some time to read through all the details. This year's AGM will be held on **SUNDAY, 24TH JUNE 2018, 1PM AT THE KENSINGTON BALLROOM**. Lunch will be served from 11.30am. I would like to encourage all members with voting rights to attend this meeting. I look forward to seeing you.



FOOD & BEVERAGE

NOTE FROM THE CHAIRPERSON



I would like to thank members for their continuous support and constructive feedback to improve service and food quality.

My heartiest appreciation goes to the F&B team, led by Senior Manager Adrian Chew, for their hard work and dedication in making the F&B scene an enjoyable one for our members.

FREDERICK KANG
Chairperson
Food & Beverage

The past year has been a busy but fulfilling one for the Food & Beverage team, who has been working towards providing the best quality food and service to all the members and guests. Some of the things that the team have been doing in order to keep members and guests interested in revisiting the various F&B outlets include, rolling out promotions and events throughout the year, which have all been proven successful.

Atrium Café for one, has reported an increase in the number of diners after the team implemented the “Chef’s Specials” on the menu, which changes on a regular basis. This gives diners more reason to patronise the outlet to try out the new dishes. Diners who enjoy variety will also be glad to know that the team has also expanded the offerings on the a la carte menu, featuring new vegetarian and non-vegetarian items.

The festive promotions that we rolled out also helped to draw the crowds, such as the Mother's Day Peranakan Buffet held in May, which was fully booked for the two weekends that it was held.

To ensure that the Atrium Café is always in good running order, the team recently upgraded the exhaust system in the kitchen. Other improvement works include changing the ceiling boards and replacing some of the tiles to non-slip ones in some areas for added safety.

Coffee Deli continues to be one of the most favoured spots for members to chill over a cup of coffee or some ice cream. To ensure that members have the best experience, the team of staff is always working towards maintaining the cleanliness of the space and delivering top level service.

The club's fine dining restaurant—**Garden Grill** remains the top venue among diners for business lunches, festive celebrations and special occasions. Besides the special set menus that were created for Christmas and New Year's Eve, which have always been a hit with diners, the establishment also rolled out monthly themed menus and wine dinners over the past year, which have been very popular among our members.



The *Japanese Sake dinner*, held in April, was oversubscribed, and many shared that it was

a great event. Guests not only got to taste excellent food and sake, but they had the opportunity of witnessing something special—the breaking of the Kagami Biraki, a Japanese traditional ceremony which literally translates to 'Opening the Mirror'.



To cater to a larger group of diners, we also introduced the weekday salad lunch buffet with an option to top up for a main course.

At **Club Twenty-Two**, we have been offering regular 'live' band performances with members' band rotation on Fridays, and professional band performances on Saturdays to keep members and their guests entertained.



The promotion on guests' cover charge was also introduced to boost patronage on band nights. Themed parties such as *Fiesta Friday*, *Zumba Halloween*, *Summer Heat* and *Easter Dance Party*, provided members with the opportunity to dress up and have a fun time with their family and friends. Another notable event was the one-day Karaoke Challenge, introduced in November after a brief hiatus.



The Crossroads Lounge is a popular spot for members to unwind and gather with friends, so the team has been making it a point to offer more entertainment throughout the week to cater to different groups of members, in addition to the regular programme on Wednesday and Friday nights.



Apart from providing regular entertainment on Wednesday and Friday nights, some of the events that were held in the past year include a series of whiskey workshops, and an interactive tour to Asia Pacific Breweries for members to experience how beer is brewed.

On the **Banquet** front, our marketing efforts were focused on the building-up of corporate business to fill the low occupancies on weekdays. We advertised on TV and radio, and even participated in both indoor and outdoor wedding shows, which have delivered good results. Moving forward, we will focus our marketing initiatives on various digital platforms to promote our banquet facilities to potentially generate more sales. We will also promote our incentive schemes to encourage members to introduce their friends and family to host events in the Club.



Besides the usual birthdays, anniversaries and festive celebrations held at our F&B outlets, the Kensington Ballroom also plays host to a slew of club events such as *Elvis 40th Anniversary*, *Shanghai Night with Dragonfly*, *Christmas Eve Dinner & Dance* and *New Year's Eve Countdown* to ring in the New Year.

OVERVIEW OF FOOD & BEVERAGE FINANCIAL RESULTS

HIGHLIGHTS OF THE F&B RESULTS FOR THE PAST FIVE YEARS

| | FY 17/18 | FY 16/17 | FY 15/16 | FY 14/15 | FY 13/14 |
|--|-----------|-----------|-----------|-----------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Total Sales | 5,322,672 | 5,470,499 | 5,830,399 | 5,805,492 | 5,551,806 |
| Total Food & Beverages Costs | 2,102,325 | 2,171,759 | 2,358,489 | 2,175,632 | 2,221,171 |
| Ratio: Total F&B Cost per Sales | \$ 0.38 | 0.40 | 0.40 | 0.37 | 0.40 |
| Total Manpower Costs | 2,599,305 | 2,640,389 | 2,653,341 | 2,681,966 | 2,491,100 |
| Ratio: Total Sales per Manpower | \$ 2.05 | 2.07 | 2.20 | 2.16 | 2.23 |
| Ratio: Manpower Costs per Sales | \$ 0.49 | 0.48 | 0.46 | 0.46 | 0.45 |
| Other Overheads Costs | 990,422 | 884,916 | 946,140 | 1,001,635 | 972,184 |
| Ratio: Other Overheads per Sales | \$ 0.19 | 0.16 | 0.16 | 0.17 | 0.18 |
| Total Operating Costs | 5,692,052 | 5,697,063 | 5,957,970 | 5,859,233 | 5,684,455 |
| Ratio: Total Operating Costs per Sales | \$ 1.07 | 1.04 | 1.02 | 1.01 | 1.02 |
| Net Loss | (369,380) | (226,614) | (127,571) | (53,742) | (132,649) |
| Ratio: Net Loss per Sales | \$ (0.07) | (0.04) | (0.02) | (0.01) | (0.02) |

THE YEAR AHEAD

The F&B team will continue to increase our efforts to provide exciting programmes to boost patronage and make the F&B scene a vibrant one for members. We look forward to another fruitful year ahead and your support to patronise our F&B outlets for every occasion.





SPORTS & RECREATION

**NOTE FROM
THE CHAIRPERSON**

On behalf of the Club, I like to register my appreciation to my Deputies, Vice-President Lee Say Yeow, Committee members Ansband Tan and Terrence Fernandez including our Convenors and their sub-committees for their continuous support and invaluable contributions towards their respective sports fraternities.



I would also like to thank our champions for bringing glory to our Club and to all athletes, coaches, seniors, the S&R department and the athletes' parents for their contributions. I give my heartfelt appreciation to our valued sponsors who have supported us in our annual events.

GILBERT LOW
Chairperson
Sports & Recreation

The past year has been a busy and fruitful one for the Sports & Recreation (S&R) team, with almost all fraternities yielding encouraging results for most events and competitions.

The S&R team will continue to work closely with the Convenors and Sub-Committees to promote sports to new members, while retaining interest(s) in their sport(s) through more inter-club events and activities.

SPORTS & GAMES HIGHLIGHTS

BOWLING



The year 2017 was a fulfilling one for the Bowling fraternity, with most of our bowlers achieving great results at local and regional competitions.

In the **3RD SENIOR INTER-CLUB BOWLING MIXED LEAGUE**, our players bowled exceptionally well, with Samuel Ho and Edwin Koh clinching the first and second spot respectively in the Men's category. The female players did well too, with Winnie Ng achieving second place in the Ladies' category. Our club has been crowned champions for the third consecutive year, no small feat indeed!



Our bowlers also delivered great results at the **18TH MILO INTERNATIONAL JUNIOR ALL-STARS BOWLING CHAMPIONSHIP**, held in Kuala Lumpur, Malaysia. Despite the high standard of competition, three of our junior bowlers qualified for the finals in their respective divisions.

Our young rookie Chan Jing Wen came in 1st overall in the under 15 category, while Arielle Tay and Arianna Tay finished third and ninth respectively.

On the recreation front, our Convenor and his sub-committee introduced Cosmic Bowl, featuring glowing balls and pins with overhead UV lighting and pumping music, which has attracted many seasoned and new bowlers.

Our Bowling Convenor, Mr Edward Tan and his Sub-Committee will continue to creatively introduce more events and activities that will cater to members of all ages, and groom more bowlers.

AWARDS AND GLORIES

POSITION: CHAMPION



BOWLING

3rd Senior Inter-Club Bowling Mixed League 2018



TENNIS

MEN'S & LADIES
STA Inter-Club Doubles League 2017



SQUASH

Squash Cosmopolitan League



SWIMMING

9TH CONSECUTIVE YEAR
Annual Inter-Club Meet, Swimming (AIMS)

BILLIARDS



The Billiards fraternity continues to grow in numbers with members regularly occupying the Billiards Room for training and friendly games. Billiards Convenor Mr Emrys Phua and his Sub-Committee are heartened to see the strong bonds within the fraternity and will continue to engage members through snooker and pool events within the Club and with other Clubs. The organization of friendly matches with other Clubs also gave our members the chance to forge friendships beyond the Billiards Room.

BRIDGE



This is our small interest group comprising of enthusiasts who meet every week for their bridge session. A handful of bridge events are held regularly to keep members interested, and to attract new players. In the year ahead, we hope to attract new players to the game through various competitions and events.

DARTS



Darts Convenor Mr Ramel Ang and his Sub-Committee continue to organise in-house quarterly challenge games to attract new members to the existing competitive team. Their efforts have proven successful, with more members, both senior and younger, reported to have taken part in the events in the past 12 months. Some of the in-house events include 301, 501 and "cricket".

The Darts Convenor and his Sub-Committee will continue to work with other Clubs to organise more friendly matches to promote the game and keep members interested in the sport.

CHESS



Our Chess calendar started with the **TCA JUNIOR CHESS OPEN TOURNAMENT**, which attracted 220 young players across different categories: *Under 8, Under 10, Under 12* and *Open Category*.

We were pleased to see many young players competing in the Open Category, with seasonal players below the age of 18, as this will give them greater exposure.

Chess events like **CHES OPEN, ALLEGRO CHES** and **BLITZ CHES** also had a good participation rate throughout the year.

To create more awareness for the sport, chess workshops were held on the 2 and 9 December 2017. Our Chess Convenor Mr Ronnie Ng and his Sub Committee look forward to organising more activities of such nature in the year ahead to attract new players for the fraternity.

FITNESS

Led by Fitness Convenor Mr Eddie Ng and his Sub-Committee, the Fitness fraternity continues to grow in numbers with members showing keen interest in the various fitness classes offered by the Club, such as *Muay Thai, Boxing, Dance* and more.

The Gym continues to be a popular facility among members, with an average of 130 users daily. To provide members with a more pleasant and conducive environment to work out, we installed new flooring at the weights area and replaced a few old machines.



On the events front, the **BATAM CYCLING TRIP** attracted a great turnout, while the **SGCC FAMILY FUN WALK**, held on 6 August 2017 at Marina Bay, was also a hit with 270 registered participants.



The **EXPLORING SINGAPORE SERIES**, covering *St John's Island, Lazarus Island* and *Kusu Island* was well attended by a total of 80 members and their guests.

Continued efforts will be put in to ensure members have a calendar full of activities to keep them engaged and interested in maintaining a healthy lifestyle.

GOLF

The Golf fraternity enjoyed another wonderful year packed with a slew of fun-filled events and tournaments, such as the **DR LAU TEIK SOON CUP, RECREATION CHAIRMAN CUP, PRESIDENT CUP** and **THE CONVENOR CUP**.



In April 2017, a 2-day-1-night golf trip to Batam, Indonesia was organised in conjunction with the Dr Lau Teik Soon Golf Challenge.

The Golf fraternity also continued their participation in the **INTER-SOCIAL CLUBS GOLF TOURNAMENT** and the friendly matches with the Singapore Recreation Club and Singapore Swimming Club.

Golf Convenor Mr Aaron Lim and his Sub-Committee will continue to plan more golf events, including some overseas trips in the coming year, and we look forward to members' continued support and participation.

SQUASH

The Squash fraternity did well at both in-house tournaments and external leagues. A major event in our Squash calendar, **THE SGCC-PRINCE SQUASH OPEN TOURNAMENT**, held in June 2017, attracted a great turnout of 158 players from both Singapore and Malaysia. Our players fared well, with Joven Lee achieving Second Place for the Under 15 Boys category.

Another notable event, the **SQUASH COSMOPOLITAN LEAGUE**, hosted by SGCC, and with six participating clubs from Singapore, witnessed our players claiming the Championship title after 10 years. Beyond the competition, the event provided a great platform for our members to forge friendships with the other participating teams.

Squash Convenor Mr Edwin Lee and his Sub-Committee will continue to promote the sport by organising more events and competitions to garner more interest from members.

SWIMMING



The Swimming fraternity continues to grow and excel, with our swimmers achieving exceptional results at various swim meets and competitions.

We hosted the **16TH ANNUAL INTER-CLUB MEET, SWIMMING (AIMS)** on 3 September 2017, and beat other swimmers from Warren Golf Country Club and Keppel Club to defend the championship title for the 9th consecutive year.

The **ANNUAL AGE-GROUP SWIM MEET**, held on 30 July 2017, attracted over 180 participants, including guests from *Olympia Swimming Club*, *Art Aquatic Swim School*, *Yvonne Swim School* and *Aquarian Aquatic School*.

Other swim events held include the **INVITATIONAL SWIM MEET**, held on 26 February 2018, and the **PREPARATORY SERIES**, held on the 18 and 19 November 2017.

The Swimming Sub-Committee will continue to do their best to promote the sport to members through various events and swim meets.

TENNIS

It has been a wonderful year for the Tennis fraternity. For the first time in SGCC's Tennis Sporting history, both the Men's and Ladies' B Team emerged Champions after a gruelling one-month competition at the **STA (SINGAPORE TENNIS ASSOCIATION) INTERCLUB DOUBLES LEAGUE 2017 TOURNAMENT**.



There were several in-house events organised for members, such as the **ONE-DAY TENNIS BLIND DOUBLES**, which was held over three Saturdays on 27 May, 3 June and 10 June 2017. The format provided players the opportunity to interact as they partnered up with different players, allowing them to forge new friendships and exchange tips.

The Tennis Sub-Committee is committed to training and developing junior tennis players (aged 3 years old and above), and their efforts have proven worthwhile, as the number of young tennis students has increased significantly from 40 students last year to 80 students in March 2018.

A **TENNIS APPRECIATION DINNER** was held at Garden Grill on 24 November 2017 to thank all the players for representing the Club at various tournaments and events over the past year. It was a lovely night for the Tennis fraternity to bond over great food and drinks.

Tennis Convenor Mr Steven Lee and his Sub-Committee will continue to work towards increasing awareness for the sport, and they will continue to organise more events to retain interest among existing players.

YOUTH

The Club makes it a point to engage the youths in all activities, regardless whether they are taking part in the sport competitively or for leisure.

The Club will continue to help them reach their full potential whilst ensuring they continue to enjoy the various sports and activities.

SPORTS APPRECIATION NITE



The **SPORTS APPRECIATION NITE 2018**, held on 23 February 2018 at the Kensington Ballroom, was attended by over 200 members. The theme for this year was 'Wild Wow Red', to tie in with the Chinese New Year festivities.

Some highlights of the night included a performance by our very own students from the Taekwondo class, led by chief instructor, Mr Patrick Tan, a stunning performance by a contortionist, an appearance by the God of Fortune, and a LED lion dance performance.

In the usual tradition, the *Sports Merit Award*, which recognises outstanding sportsmen and sportswomen in SGCC, was presented to all winners. Club representatives from the *Bowling, Swimming, Tennis, and Squash* fraternities were called up on stage for a group photo to recognise their efforts in their respective sports.

SPORTS MERIT AWARD 2018



CHAN JING WEN



JOVAN LEE



GARETH QUEK KENG YEE
XAVIER LIM JUN RUI
LEROY LOCK
SAMUEL LEE JIA YI

SPORTS SPECIAL AWARD 2018



PATRICK TAN

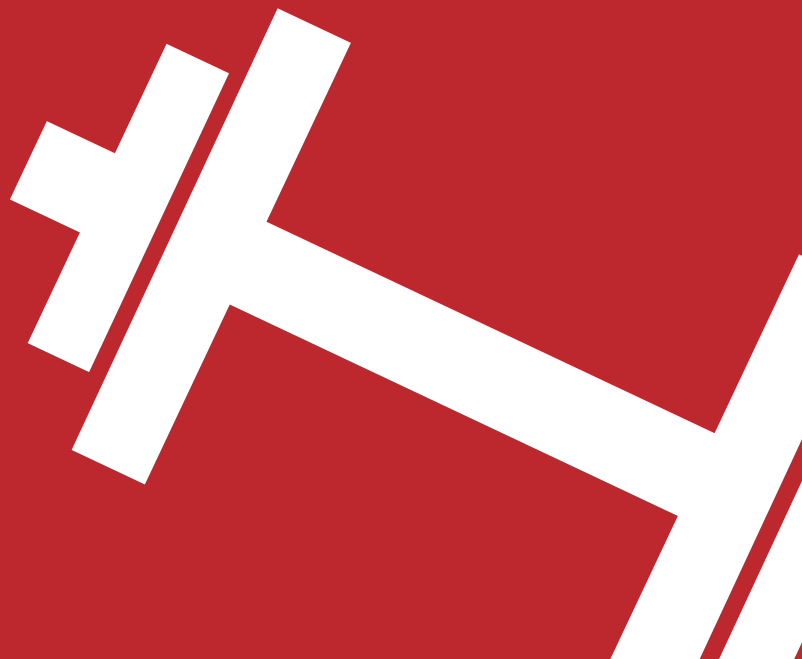


ACTIVITIES FOR THE ENTIRE FAMILY

Apart from offering health and fitness benefits, taking part in sports or recreational activities is also a great way to bond with your loved ones, which is why the Sports & Recreation department takes great pride in ensuring there are activities for everyone in the club.

THE YEAR AHEAD

The S&R Sub-Committee, the respective Sports Convenors and their sub-committees, as well as the S&R Team will continue to nurture and groom young talents in their quest for sporting excellence. We will also work towards enhancing members' experience through the various sports activities and programmes.





MEMBERSHIP RELATIONS

NOTE FROM THE CHAIRPERSON



I would like to thank my MR sub-committee, Management and MR staff for their contribution in meeting the Club's objectives. The MR team will continue to create and promote more bonding and interaction with members. The key mission of the team is to continue to work towards creating an awesome and delightful experience for all members.

LEE SAY YEOW
Chairperson
Membership Relations
& Service Excellence

MEMBERSHIP RELATIONS

Apart from promoting membership sales, the Membership Relations (MR) team is responsible for engaging members through various activities to foster better relationships with them. The team also handles feedback and suggestions from members, and keeps them updated with the Club's happenings through various communication channels. Membership services, membership relations and communications are the three primary focal points of the MR department.

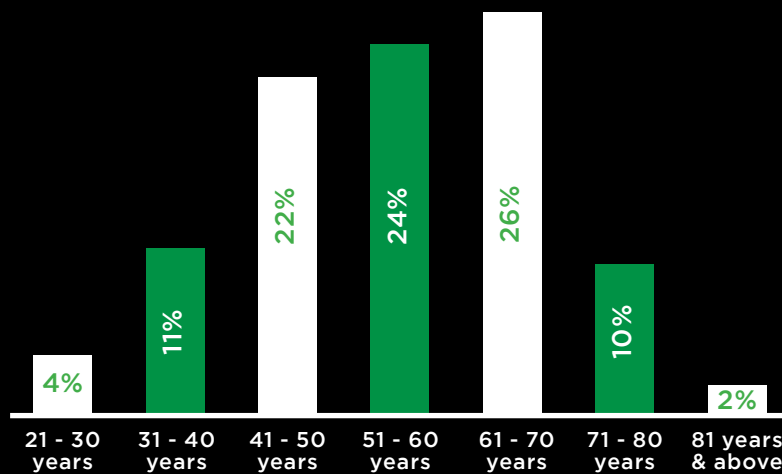
MEMBERSHIP PROFILE

| TYPE OF MEMBERSHIP | NO. OF MEMBERS AS AT 31 MARCH 2018 | NO. OF MEMBERS AS AT 31 MARCH 2017 |
|---------------------------|------------------------------------|------------------------------------|
| Honorary | 6 | 6 |
| Life | 7 | 7 |
| Founder | 8 | 8 |
| Corporate | 42 | 43 |
| Ordinary | 3,381 | 3,358 |
| Term | 197 | 205 |
| Non-Transferable Ordinary | 354 | 382 |
| Grand | 148 | 126 |
| Total Member | 4,143 | 4,135 |

This year, we observed a slight increase in Club membership, from 4,135 to 4,143. This is despite a drop in Term Membership sign-up rate due to fewer renewals as many of our expatriate members relocating back to their home countries.

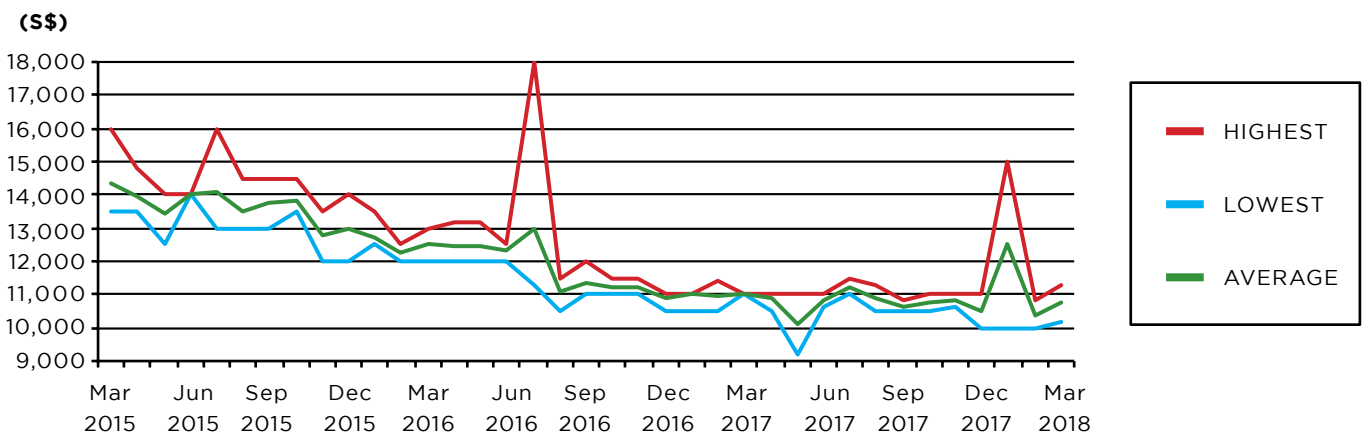
Voting members constitute about 84% of the membership base. The age profile of the membership differs from that of the last year, with majority in the age group of 61 - 70 (26%), followed by those in the age group of 51 - 60 (24%).

MEMBERSHIP AGE PROFILE



Total of 4083 memberships, excluding Corporate membership (42) and memberships held in abeyance (18)

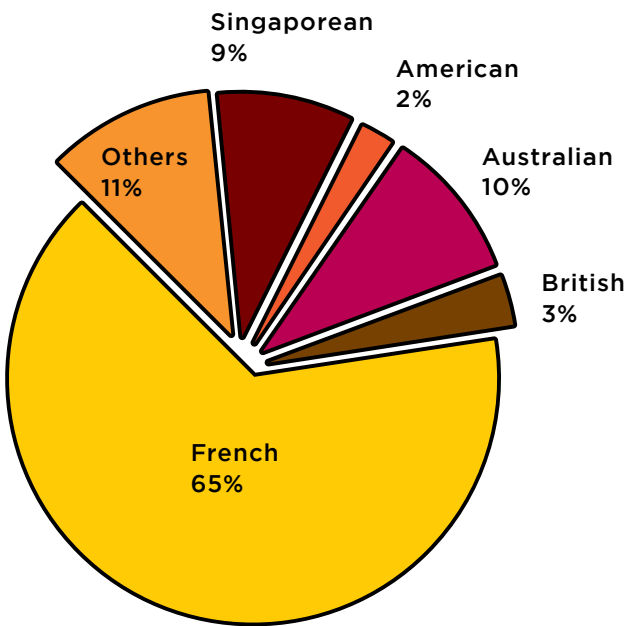
SGCC OPEN MARKET TRANSACTION PRICES APRIL 2015 TO APRIL 2018 (3-YEAR DATA)



**NON-TRANSFERABLE
ORDINARY MEMBERSHIP (NTOM)**

In December 2017, we launched a promotion to encourage NTOM Members to convert to Ordinary Membership more than 20 members taking up the offer. This initiative has resulted in one of the highest conversion take-up rate we have seen as compared to previous years.

TERM MEMBERSHIP



As at 31 March 2018, there were **197** Term Members as compared to 205 a year before, with foreigners making up about 91% of this category. In terms of nationalities, French members still form the majority (65%) in this category.

GRAND MEMBERSHIP

We continue to see interest in our Grand Membership, noting an increase from 126 to **148** members in this category. Grand Membership is only offered to Ordinary Members aged 70 years and above, and they have to be a member of the club for at least 25 years to be eligible.

SOCIAL ACTIVITIES



Besides hosting the New Members' Gatherings for new members to get acquainted with other members and to familiarise them with the Club, the MR team organises plenty of social activities throughout the year to foster member bonding.

Dance is a popular activity among our members, hence we have a variety of dance classes that cater to members of all ages.

KIDS

We continue to engage the young ones through various **WORKSHOPS** such as the Lego Robotics & Science of Magic Workshop, Clay Sculpting, Bun Making and many more. To provide families with more opportunities to bond over fun activities, we rolled



out **PYJAMAS MOVIE NIGHT** last year, which has received good participation from members.



Our **JUNIOR GEMS CLUB**, which is open to members' children aged between 4 to 12, has grown over the past year, and now has a base of 233 children, constituting to 23% of the children population in the Club.



Junior Gems members receive a bi-monthly newsletter, comprising information on upcoming events and activities that they can take part in. We recently revamped our Junior Gems newsletter and included some

interactive games for the young ones to attempt. A major event that we organised last year was the **ANNUAL KIDS DINO PARTY**, held at the Kensington Ballroom on 9 September 2017. The theme of the event was dinosaurs, and the ballroom was transformed to look like a scene from prehistoric times, with a ginormous dinosaur balloon arch, and plenty of dinosaur decorations. Close to 700 members and guests attended the event, which offered a lot of fun games, great music and delicious food.

YOUTH

THE STUDY ROOM continues to be frequented by our youth members, so the room is outfitted to create a cosy and conducive environment for them to study and do their work. A popular programme among them is the **NIGHT OWL OVERNIGHT STUDY**, which is made available for them yearly from August to December. Over the years, we have made significant improvements to the Study Room and will continue to do our best to provide the best space for youths to study, while meeting the needs of other users too.

THE HANGOUT, located at the Club's main lobby, is a new space created for youths to hang out with friends. The space offers a variety of entertainment such as board games, Playstation and X-Box consoles, and a pool table. Families looking to have a great time together will enjoy the games offered here.

SENIOR MEMBERS

In our continuous efforts to engage our senior members, we constantly organise interesting activities that are centred around their interest.

THE SENIOR MEMBERS' BREAKFAST GATHERING, held on every first Saturday of the month, has always been a popular activity among our senior members and continues to garner strong participation. We often see familiar faces at these gatherings and we find that it provides a good platform for our senior members to socialise with other members and stay connected. Apart from being a social gathering, we often weave in informative and insightful talks, exercises and workshops, which are held after breakfast. In the past year, we've organised health screenings, standard first aid and AED awareness workshops, talks that cover common health issues among elderly such as joint pain and dementia, a basic workshop on how to use iOS and Android software, Chinese Painting workshops, ukulele classes and many more.



Our annual **SENIOR MEMBERS' HIGH TEA PARTY** continues to be a popular event with our senior members. During this leisurely high tea session, members are treated to an afternoon filled with music, dancing, food, and great conversations with like-minded individuals.



MAJOR SOCIAL EVENTS



One of the significant milestones of 2017 was the launch of our **COFFEE TABLE BOOK - SERANGOON GARDENS COUNTRY CLUB - OUR HERITAGE, OUR PRIDE, OUR JOY**. Being one of the oldest Clubs in Singapore, SGCC boasts a rich heritage. The book was launched in conjunction with the Club's early National Day celebration, and was graced by Club Patron Ms Sylvia Lim.

Some of the highlights of the day included a family walk, and a carnival filled with lots of treats and games, held at the main lobby area. It was a truly special and memorable day for the Club, as members and staff gathered to celebrate both the Nation's independence and SGCC's heritage.



This popular annual event was held on 25 November 2017, with the main lobby transformed into a bustling Christmas market. **THE CHRISTMAS BAZAAR** saw vendors selling an array of items, and there were plenty of activities for members to take part in.

Following the light-up ceremony, the evening programme continued with an entertaining magic show performance. The night concluded with a Santa Claus handing out goodie bags to every attendee, as well as a photo-taking ceremony.

As part of our annual Corporate Social Responsibility (CSR) commitment in 2017, we managed to raise 100 gifts for the less fortunate children from our adopted beneficiary - **FAITH ACTS**, a non-profit community service that serves the needs of children, youth and families in Singapore.



The theme for the **COUNTDOWN TO 2018** event was *Dollies & Knights*, which attracted over 300 members and guests. The night was filled with lots of music, dancing, and fun activities. Another high point of the night include a splendid performances by Yati, and emcee-singer Alex Tan.



An annual event that takes place on the second day of the **LUNAR NEW YEAR**, this year's edition continues to be hugely popular with our members. Some highlights of the day include the lion dance performance, and the distribution of goodies by the God of Fortune to members and guests.

ENGAGING AND REACHING OUT TO MEMBERS



Our aim is to continue deepening our engagement with our members, and to make SGCC a better Club for all to enjoy. Our membership profile spans different age and interest groups, hence we will do our best to cater to all of them, ensuring that their needs are met and that they always feel at home at SGCC.



The **CLUBSPIRIT MAGAZINE AND SUPPLEMENT**, the website and Facebook page remain our main platforms to communicate with members. In order to improve our engagement with members, we will be revamping our bi-monthly ClubSpirit magazine in the months ahead, tweaking the design, layout and content to attract more readers. Apart from ClubSpirit, we will also continue to work on our other communication platforms and better reach out to members.

THE YEAR AHEAD

The MR team will continue to look at ways to enhance members' Club experience, and strive towards making SGCC a place where everyone can come together and connect. To foster a close-knit community and promote the kampong spirit, we encourage members to support and participate in the activities that they organise. Members will not only get to have a fun time, but they will get to make new friends too.

In working together to make SGCC an inclusive Club in Singapore, we will continue to find ways to cater to members and their evolving needs and expectations. By giving members a head start in establishing new friendships through the events and activities, we hope that members will continue their engagement with other members even after the activities and events end. Members could even possibly form their own interest groups over time, as beautiful relationships and friendships can be fostered with like-minded individuals.

We hope that everyone can work together in making SGCC a better Club and a more cohesive place for all to enjoy.



SECURITY

NOTE FROM THE CHAIRPERSON



The security team has put in a lot of effort to constantly keep the Club safe and secure for members and their guests to enjoy the facilities. I would like to seek members' understanding and cooperation to abide by the Club's rules and regulations, and to immediately report any unusual activities and suspicious character they come across to the security team for their action. With the increasing security threats, we should all stay united and help prevent any unpleasant incident from occurring within the Club's premises.

A big thank you to all members, the management and the security team for their combined effort in making SGCC a safe and secured Club for everyone to enjoy.

“SECURITY AND SAFETY IS
EVERYBODY'S RESPONSIBILITY”

PETER CHIA
Chairperson
Security



While there have been no major security incidents at the Club for the past years, we cannot take safety for granted, especially with increasing security threats. In fact, we have to always be on our guard and double our efforts to deter would-be perpetrators from creating incidents on our premises. We strive to provide a safe and secure environment for members and their guests to enjoy the various facilities and activities at the Club.

In 2017, we installed new closed circuit television cameras (CCTV) to improve coverage of various areas in the Club. These CCTV cameras have proven useful as they have assisted us in our investigations in a few incidents that occurred in the Club. We will continue our efforts to upgrade the system to better serve members and guests.



Over the past year, the security team continued to conduct regular patrols and clocking around the Club with the aim of detecting perimeter breaches, and to ensure the premises are always well secured. We will continue with conducting random 100% checks on members, guests and vehicles entering our Club, ensuring that only bona fide members and their guests are permitted to enter and use our facilities. We have procured hand-held metal detectors and vehicle under-carriage checking mirrors to conduct more thorough checks on anyone or vehicles entering our premises should the situation warrant.



Besides sending our team of security officers for mandatory security courses required by the Police Licensing Regulatory Department, they are also sent for other upgrading courses, such as the *Recognizing Terrorism Threats, Conduct Security Screening of Person and Bag, Handle Counter Terrorism Activities, First Aid and CPR, and Customer Service course*. Non security personnel are also sent for security courses like

the Bomb Threat and Attending to Unattended Parcel etc., conducted by the Police under the Safety and Security Watch Group Scheme.

Our Security measures and procedures are regularly reviewed to keep abreast with current security threats. For the coming years, more CCTV cameras will be installed at key locations to improve coverage of the Club. We are also considering to implement a **VISITOR REGISTRATION ACCESS CONTROL SYSTEM** to better administer members and guests entering the Club and usage of Club's facilities.

In our pursuit of excellence, we welcome any feedback from members on how we can improve, and we will not take our peace and security for granted, and will always be ready to respond to any incidents or emergencies.

THE YEARS AHEAD

The Security Team will continue to upgrade their knowledge and skills, to stay operationally ready to respond to any incident and emergency that may occur within the Club's premises. In addition, the team will continue to embrace technology to improve over-all productivity and effectiveness. In their pursuit of excellence, the team welcomes suggestions and feedback from members, and will be open to making improvements to ensure members and guests enjoy the Club's facilities in a safe environment.



FACILITIES, MAINTENANCE & SAFETY

NOTE FROM THE CHAIRPERSON



I wish to extend my heartfelt appreciation to all members for their feedback and suggestions on how we can further improve the Club's facilities.

Lastly, I would like to express my gratitude to Mr Charles Ling, the Facilities, Maintenance & Safety Manager, and his team for all the hard work in maintaining all the facilities in our Club.

ANSBAND TAN
Chairperson
Facilities, Maintenance & Safety

The Maintenance & Housekeeping team strives to provide a safe and pleasant environment in the Club for members and guests to enjoy. To achieve their objectives, the team conducts periodic inspections, maintenance and upgrading works on the Club's facilities.

UPGRADING OF FACILITIES



In the past year, multiple upgrading works were carried out to ensure the Club continues to run in tip-top condition. Among them was the **MODERNISATION OF THE “SCHINDLER LIFT”** at Heliconia Wing on 4 May 2017, and the beautification of the lift lobby at the basement and level 2 of Heliconia Wing on 27 April 2017.



Another significant project was the replacement of multiple air conditioners within the Club due to wear and tear. For instance, the one at the Aerobic Studio was starting to malfunction and needed to be replaced, and the one in Teochew restaurant Swatow has been operating for more than two decades so we decided to change it before it breaks down. The air conditioners in Kensington Ballroom, too, were due for replacement as they were installed in 2010, and in accordance to the government’s policy on phasing out the use of air conditioners that cause ozone depleting substances, we had to get them replaced.

A closed Tender for the replacement of air conditioners for Swatow Garden and Kensington Ballroom was conducted on 13 April 2017. The contract was awarded to the lowest tenderer, Daikin Air conditioning (S) Pte Ltd, who also offered us extended warranty on the air conditioners. **THE REPLACEMENT OF THE AIR CONDITIONER** at Swatow Garden was carried out on 21 August 2017 and completed on 31 August 2017, while the replacement of the air conditioners at Kensington Ballroom commenced on 5 March 2018 and were completed by 21 March 2018.

The Kensington Ballroom plays host to an array of events, celebrations and weddings, hence it is a venue that is heavily used and must be maintained regularly. Two projectors had to be repaired, as they were damaged due to wear and tear.

To enhance our members’ experience at **CROSSROADS**, we recently installed two speakers on the wall and replaced one of the power amplifiers due to wear and tear. Over at Atrium Café, we replaced one of the ceiling suspended air conditioners due to wear and tear, and installed pin boards on all the walls to address the acoustic problem.

Other technical works that were done to ensure the Club’s operation continues to run smoothly include the replacement of two Grundfos Vertical inline centrifugal pump at the roof top of Heliconia Wing on 4 July 2017, due to wear and tear. We also had to replace two Calpeda Vertical multi stage in-line pump for the Solar Hot Water System due to wear and tear. The outdoor controllers for four of the outdoor spa pools were damaged due to regular wear and tear, so they were replaced as well on 3 October 2017.

Some works were done at the Security Guard House on 13 July 2017 – we had to arrange for a cement platform to be constructed to replace the damaged timber deck.

SAFETY AWARENESS

In line with the government's emphasis on workplace safety, the Club makes it a point to constantly educate staff on the importance of safety and how to react in times of an emergency. Fire drills are carried out twice a year. The first fire drill was carried out on 9 March 2017 at 10:19 am, and a total of 126 staff participated in the drill. The total time recorded for all the staff to assemble was 4 minutes and 22 seconds.



The second fire drill was carried out on 14 September 2017, with 143 staff taking part in the exercise. This time, the total time taken for all the staff to assemble was 4 minutes and 20 seconds.

Some works were carried out at the main driveway for safety reasons. We painted three additional "STOP" signs on the road, "foot prints" on the pedestrian walkway to guide members and guests and a "vehicles holding area" on the floor in front of the three flag poles to better facilitate the traffic. We also installed a convex mirror to assist drivers with blind spots.



The Club also participated in the **NATIONAL FIRE AND CIVIL EMERGENCY PREPAREDNESS COUNCIL'S (NFEC) MASS FIRE DRILL 2017**, and received a Certificate of Appreciation from its Chairman on 25 September 2017 at Temasek Polytechnic.

We schedule regular replenishment of supplies in the first aid boxes on a monthly basis. The first aid boxes are located at the *Admin Office, Gymnasium, MR Office, Café Deli, Crossroads, Atrium Café, Garden Grill, Jackpot Room, Guard House, Garden Bowl, Banquet Kitchen, Club 22, and the Billiard Room.*

Checks on emergency equipment are also conducted on a monthly basis to ensure that they are always in good working condition. They include the Oxygen Resuscitators, Stretchers, Adult/Child Automatic External Defibrillators and Oval Silicon Face mask, and Wheelchairs.

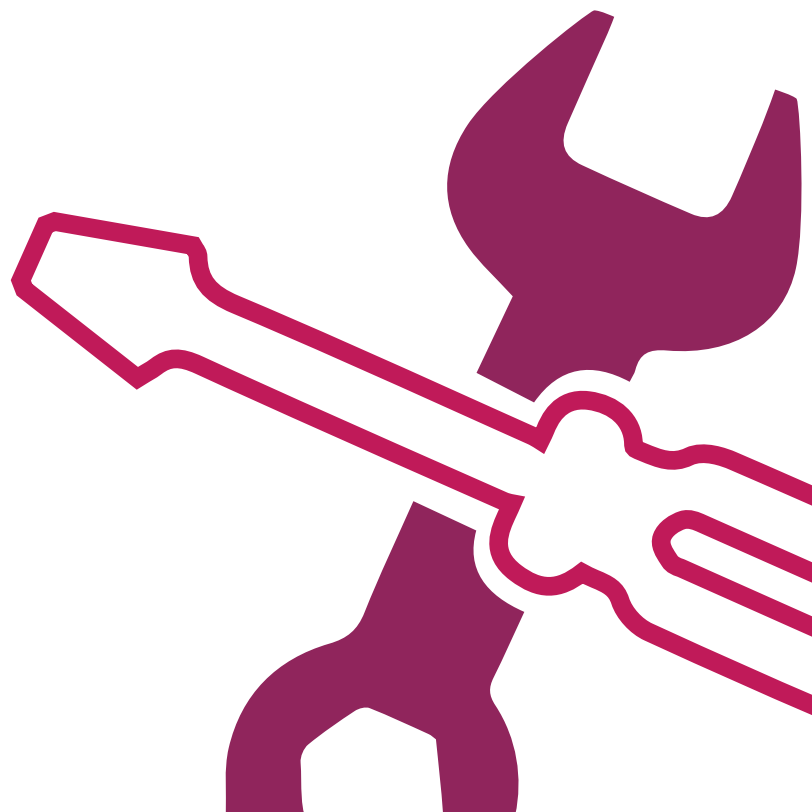


For safety reasons, a number of upgrading works were carried out at Atrium Kitchen - **THE KITCHEN EXHAUST SYSTEM** had to be upgraded, while partial replacement of floor tiles and false ceilings were required. The replacement works were carried out on 5 March 2018 and was completed by 26 March 2018. The Kitchen resumed operation on 2 April 2018.

To improve our processes, we upgraded our Public Address System on October 2017 with a digital voice recorder, which comes with a one year recording capacity.

THE YEAR AHEAD

As the Club infrastructure ages and goes through wear and tear, it is necessary for upgrading and maintenance works to be carried out on a regular basis.



FINANCE & TREASURY



NOTE FROM THE CHAIRPERSON

As I step down as Honorary Treasurer, I would like to thank the members of the General Committee and the Finance Sub-Committee for their valuable contributions, as well as to the staff of the Finance Department (not least the Finance Manager, Ms Jamie Lai) for their dedication and unflinching support over the last two years.

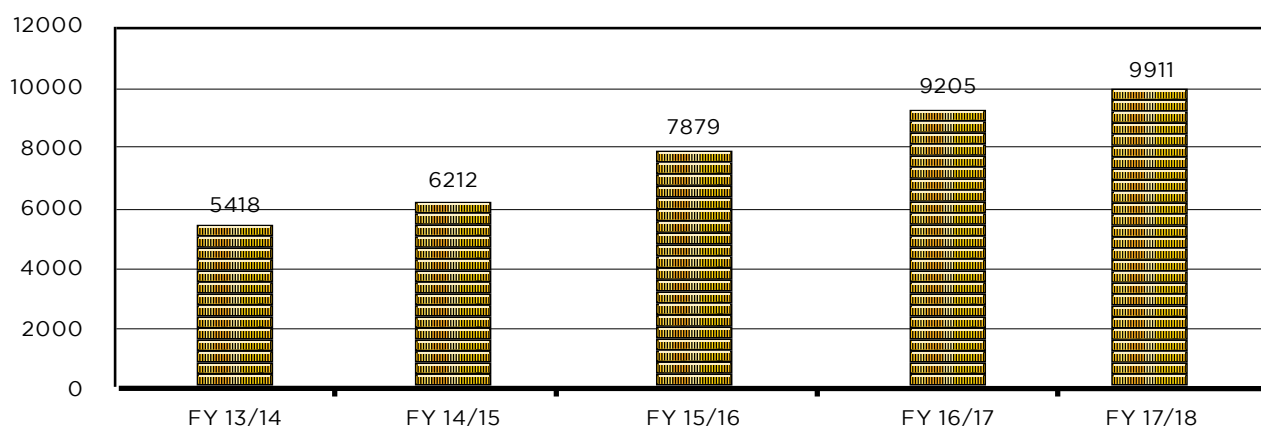
WONG SOOK YEE
Chairperson
Finance & Purchasing

TREASURY SAFEGUARDING FRAMEWORK

At this time last year, we had reported that the Minimum Financial Reserve threshold had been determined for this financial year (FY 2017/2018) to be \$3.8 million, i.e., the Financial Reserve would need to be at least \$4.3 million for the Club to be out of the Transition Period. As at 31 March 2018, the Financial Reserve stood at \$5.657 million, so we're comfortably out of the Transition Period, the significance being that the Club's acquisition of capital items is not restricted to only critical or urgently needed items. The Minimum Financial Reserve threshold determined for FY2018/2019 remains at \$3.8 million.

As at 31 March 2018, the Club's cash reserves (comprising cash at banks and Fixed Deposits) stood at \$9.911 million, up from last year's \$9.205 million. In early May 2018, the Club invested \$500,000 in triple-A rated bonds issued by a statutory board of the Singapore government.

CASH RESERVE FOR PAST 5 YEARS (\$'000)



FY 2017/2018 FINANCIAL PERFORMANCE

CONTRIBUTION FROM FRUIT MACHINES GRAPH

| | FY 14/15 \$'000 | FY 15/16 \$'000 | FY 16/17 \$'000 | FY 17/18 \$'000 |
|---|--------------------|--------------------|--------------------|--------------------|
| FRUIT MACHINES | | | | |
| Collections | 13,323 | 14,467 | 13,365 | 8,999 |
| Less: Payouts and taxes | (11,705) | (12,792) | (11,690) | (7,937) |
| Gross: Contribution | 1,618 | 1,675 | 1,675 | 1,062 |
| Less: Operating Expenses | (380) | (384) | (381) | (307) |
| Contribution from Fruit Machines (a) | 1,238 | 1,291 | 1,294 | 755 |

Whilst the Club managed to stay in the black, the net surplus after tax took a tumble from last year's \$701k to land at \$62k this year, due in large part to the regulatory changes announced by the Ministry of Home Affairs to guard against problem gambling. These rules took effect from November 2017, as a result of which the contribution from Jackpot operations fell from \$1.294 million last year to just \$755k this year. [We expect Jackpot operations in the next financial year to break even, at best]

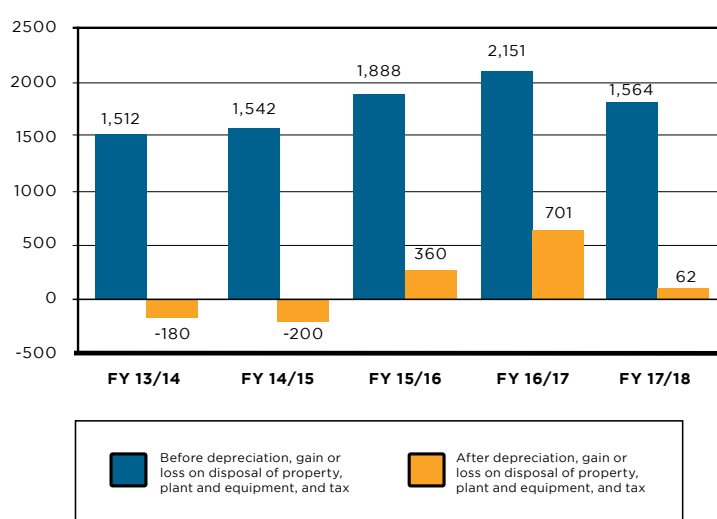
At a glance, here are some of the New jackpot regulations:

- Shorter operating hours
- Guests of members no longer allowed to enter the Jackpot Room
- Promotions no longer allowed (e.g., lucky draws)
- Complimentary food and drinks no longer allowed (apart from coffee/ tea)
- NETS terminal no longer allowed within or near the Jackpot Room

[From 1 May 2018, the number of fruit machines was reduced from the current 30 down to 17, and the Club must obtain the written consent from each member accessing the Jackpot Room for the Club to verify with the National Council on Problem Gambling (NCPG) whether the member is the subject of the NCPG self-exclusion scheme]

Another contributor to the drop in surplus this year is the temporary closure of some F&B outlets necessitated by improvement works at the beginning and end of the financial year – our banquet business was affected by the lift modernisation works in the Heliconia wing for the whole of April 2017 and the first week of May 2017, as well as by the air-conditioning works which were carried out over 16 days in March 2018. In addition, the kitchen upgrading works affected business at the Atrium Café and Coffee Deli for almost the whole of March 2018. All these closures led to a loss in business estimated at \$100k.

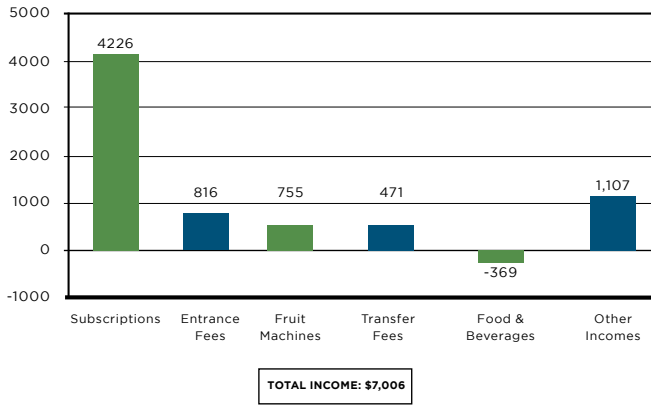
NET SURPLUS/ (DEFICIT) FOR YEARS ENDED 31 MARCH (\$'000)



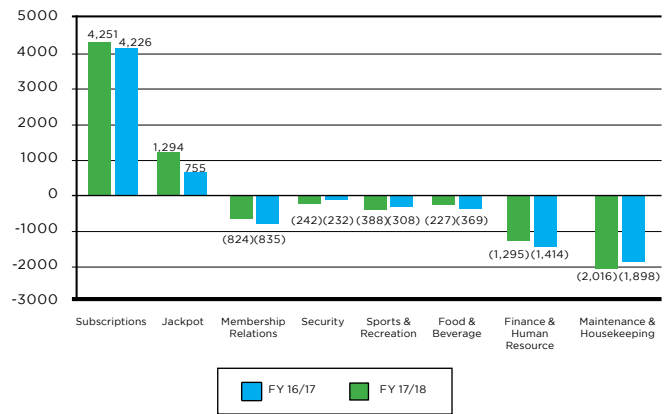
| |
|--|
| HIGHLIGHTS OF FINANCIAL RESULTS BEFORE DEPRECIATION AND TAX FOR THE PAST FIVE YEARS |
|--|

| | FY 13/14 | FY 14/15 | FY 15/16 | FY 16/17 | FY 17/18 | Variance Fav/ (Unfavorable) FY 17/18 vs FY16/17 \$'000 |
|---|----------------|----------------|----------------|----------------|----------------|---|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| FRUIT MACHINES | | | | | | |
| Collections | 11,325 | 13,323 | 14,467 | 13,365 | 8,999 | (4,366) |
| Less: Payouts and taxes | (10,185) | (11,705) | (12,792) | (11,691) | (7,937) | 3,754 |
| Gross: Contribution | 1,140 | 1,618 | 1,675 | 1,674 | 1,062 | (612) |
| Less: Operating Expenses | (374) | (380) | (384) | (380) | (307) | 73 |
| Contribution from Fruit Machines (a) | 766 | 1,238 | 1,291 | 1,294 | 755 | (539) |
| FOOD & BEVERAGE | | | | | | |
| Sales | 5,552 | 5,805 | 5,830 | 5,470 | 5,323 | (147) |
| Less: Cost of Sales | (2,221) | (2,176) | (2,358) | (2,172) | (2,102) | 70 |
| Gross: Contribution | 3,331 | 3,629 | 3,472 | 3,298 | 3,221 | (77) |
| Less: Operating Expenses | (3,464) | (3,682) | (3,600) | (3,525) | (3,590) | (65) |
| Deficit from Food & Beverage (b) | (133) | (53) | (128) | (227) | (369) | (142) |
| OTHER DEPARTMENTS | | | | | | |
| Subscriptions | 3,351 | 3,423 | 4,132 | 4,251 | 4,226 | (25) |
| Transfer Fees | 355 | 427 | 485 | 424 | 471 | 47 |
| Entrance Fees | 1,732 | 1,219 | 816 | 842 | 816 | (26) |
| Interest income - fixed deposits | 10 | 11 | 22 | 28 | 27 | (1) |
| EPS Fees | 126 | 155 | 141 | 128 | 125 | (3) |
| Miscellaneous income | 33 | 51 | 39 | 39 | 74 | 35 |
| Lease rental income | 484 | 479 | 483 | 524 | 515 | (9) |
| Others | 394 | 426 | 451 | 378 | 366 | 12 |
| Income from Other Departments (c) | 6,485 | 6,191 | 6,569 | 6,614 | 6,620 | 6 |
| TOTAL INCOME (a+ b+c) | 7,118 | 7,376 | 7,732 | 7,681 | 7,006 | (675) |
| Less: Expenditure | | | | | | |
| Operating and administrative | (4,012) | (4,303) | (4,413) | (4,208) | (4,244) | (36) |
| Repairs, maintenance & housekeeping | (494) | (551) | (605) | (596) | (618) | (22) |
| Water and electricity | (1,099) | (980) | (826) | (726) | (580) | 146 |
| Total Expenditure | (5,606) | (5,834) | (5,844) | (5,530) | (5,442) | 88 |
| Net Surplus/ (Deficit) before depreciation, gain or loss on disposal of property, plant and equipment, and tax | 1,512 | 1,542 | 1,888 | 2,151 | 1,564 | (587) |

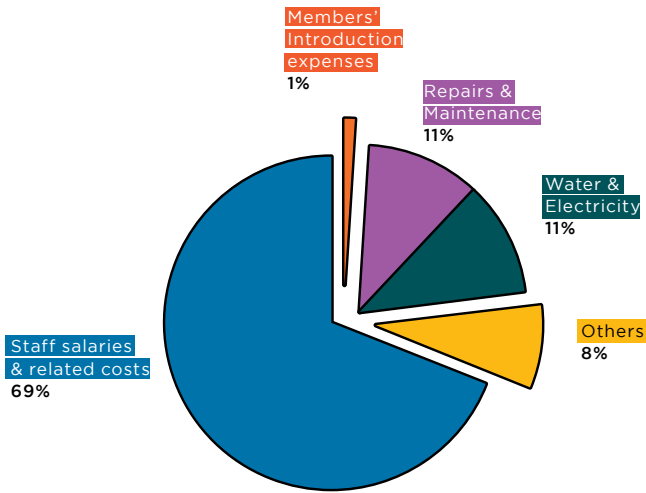
INCOME CONTRIBUTION FOR FY 17/18



NET OPERATING INCOME (EXPENSES) BY DEPARTMENT FOR FY 17/18 VS FY16/17 (\$'000)



EXPENDITURE MIX FY 17/18



CAPITAL EXPENDITURE

As part of the Club's continuing efforts to improve the enjoyment and comfort of the members, \$797k was incurred on capital expenditure, with some of the major items being:

| | \$ |
|--|------|
| Aircon upgrading (Heliconia Wing) | 278k |
| Lift modernisation (Heliconia Wing) | 107k |
| Kitchen upgrading (Atrium Cafe) | 106k |
| Gym Equipment | 33k |
| LED Lights at Tennis Court | 25k |
| POS hardware upgrading | 23k |
| Spa pools (Retiling and upgrading of Control system) | 23k |
| High fencing at Heliconia Wing | 16k |
| Interlocking tiles at driveway | 13k |

WHAT LIES AHEAD?

Clause 26A.2 of our Constitution states that the budgeted Operating Expense (excluding depreciation and amortisation of assets) shall not exceed the budgeted Operating Income. With the expected shortfall of \$1.2 million from Jackpot operations and the projected increase in utilities of \$100k (following a rise in water and electricity tariffs) and manpower costs of \$200k (the Club complies with NWC recommendations), we are looking at an estimated total shortfall of about \$1.5 million. Steps have been taken to engage members in dialogue sessions to address this shortfall.

As mentioned earlier, we can no longer count on Jackpot as a contributor to the bottom-line. (This is going to seriously challenge the way we look at revenue streams.) In May 2018, the reduction in the number of fruit machines has freed up some space which the Club has earmarked for F&B business. The next GC will have to continue to monitor the returns from Jackpot operations and conclude whether it is viable for the Club to carry on operating fruit machines.



HUMAN RESOURCE

NOTE FROM THE CHAIRPERSON



I would like to extend my appreciation to my Sub-Committee, the Management, and the HR team for their contribution in their relentless effort in supporting the Club's objectives. The HR team will continue to enhance human resource management, value-adding in the aspect of employee engagements, manpower planning, aligning changing employment standards. The HR key objective remains to ensure our human capital competencies and skillsets stay relevant in achieving the Club's vision as the best family Club in Singapore.

RANDY SNG
Chairperson
Human Resource

Our human resources are our most valuable capital, they play important roles in delivering and fulfilling our mission and vision statements. They are motivated and passionate to always give their very best to meet our members' needs with delightful services and transforming our Club into a vibrant family club excelling in social, recreational, sporting, dining, and networking experience.

STAFF STRENGTH & STAFF DEVELOPMENT



Our overall staffing as at 31 March 2018 is 134. Our HR policy is optimal staffing, with well-trained, effective and productive employees. We conduct and implement continual training and development programs to grow them to their potential and to enhance their life-long employability. These include: in-house and external training, job rotation and special

assignments. In so doing, we provide our employees with rewarding and satisfying careers, and enthusiasm for life-long learning. This further enables the Club to achieve minimum staffing with enhanced productivity and innovation, thus keeping our staffing costs at optimum level.

STAFF COMMUNICATION



We encourage open and direct communication among all employees. The respective department managers and the GM are always available should employees need to discuss any issue. All employees' inputs are welcome, and grievances are always promptly resolved. Our usual communication channels are: the quarterly staff newsletter—**"TEAMSPIRIT"** and regular staff meetings. These are platforms to inform and encourage collaborative sharing, team building and problem solving. They include: *HR sessions, special staff events, training workshops, policies & SOP updates and staff news updates*. Informal bonding sessions include: happy employee occasions & celebrations and orientation of new employees.

TOTAL CLUB TRAINING PLAN



Our President Randy Sng together with HR team launched the **TOTAL CLUB TRAINING PLAN (TCTP)** in August 2017. This is to ensure a more systematic, integrated and targeted training and development roadmap for the whole Club.

It commenced with a comprehensive Training Need Analysis (TNA) conducted by our President, HR Manager and Heads of Departments by interviewing employees to assess their development needs and interests. Based on their needs identified a Total Club Training Plan (TCTP) was developed and rolled out from August 2017. To date we had conducted 1460 training hours with 111 participants across all departments. On the average we had achieved 10.8 training hours per employee. Employees' feedback was that the sessions were very useful and relevant on the job and for personal effectiveness.



In addition, employees were regularly enrolled for external seminars, WSQ programs, courses and professional networking conferences to update their functional skillsets, and stay relevant with industry best practices, enhancing their overall personal professional effectiveness.

We are also proud to announce that additional 24 employees recently qualified and obtained the **CPR & OCCUPATIONAL FIRST AID LICENSE**. With that, the Club now have a substantial pool of qualified First Aiders ready to attend to any medical emergencies should the need arises.

Mr Randy Sng also did his part to help equip our staff with the tools and knowledge to better perform in their role by conducting a **WSQ LEADERSHIP & PEOPLE MANAGEMENT COURSE**, which was attended by 15 staff, comprising Heads of Departments and their subordinates.

The above programs demonstrate our Club's commitment as a life-long learning partner with our employees in their functional and personal development.

STAFF APPRECIATION DAY 2018



Held on 19 March 2018 at the Hilton Hotel, this year's Staff Appreciation Day was well attended by 131 employees. Everyone turned up in their best outfits and had a great time bonding together over great food and music. Beyond being a fun night out, the event provided the Management and General Committee an opportunity to show their appreciation to the staff for all their hard work and dedication.



A notable highlight of the night was a song performance by the GC members—the song was specially composed by Dr Edmond Tan, PBM and dedicated to the staff. It was definitely a night to remember, filled with lots of love and laughter.

STAFF LONG SERVICE AWARD



In recognition for their long and loyal service, our General Manager Goh Juak Kin presented Long Service Awards to the following employees. Each award comprised of a commendation certificate, a crystal plaque and a token cash award.



WANG HUAI FANG
FOOD &
BEVERAGE

LIU JIANI
FOOD &
BEVERAGE

DHANABALAN
FOOD &
BEVERAGE



SEE CHWEE HUA
JENNIFER
JACKPOT

CHEH WAI SENG
FOOD &
BEVERAGE

CHANG CHAN KAM
FM&S



LOO SOH TIN
JACKPOT

RAJA SEGKAR
SECURITY

DANSAM BUJYA
SPORTS &
RECREATION

HASLINDA BINTE
MOHAMED SHARIFF
SPORTS &
RECREATION



CHOO HIN KUM
FINANCE

LING CHAT PING
CHARLES
FM&S

THE YEAR AHEAD

In today's fast-changing world, it is important for our staff to acquire more broad-based skillsets and competencies, enabling them to transit and function effectively in their future roles. Hence our HR priority is to promote training & development and life-long learning for our employees, and equally important, to ensure that the Club will have the right mix of employees with the relevant competencies to deliver effective Club operations & progress through the future.

We will continue to invest in talent management strategies to better serve the club's foreseeable changing needs. We hope to finally build a learning organization, a culture of life-long learning among employees to realize their career aspirations with the Club.

We will also continue to work effectively in partnership with the GM and all the Head of Departments (HODs) to achieve the Club's vision and mission, and to uphold our club as a choice family club.



**MINUTES OF 60TH ANNUAL GENERAL MEETING
HELD ON 24 JUNE 2017**

GENERAL COMMITTEE (GC)

| | |
|-------------------------|--|
| President | Mr Randy Sng (Chairman) |
| Vice-President | Mr Lee Say Yeow |
| Honorary Secretary | Dr Edmond Tan |
| Honorary Treasurer | Ms Wong Sook Yee |
| Asst Honorary Treasurer | Mr Frederick Kang |
| Committee Members | Mr Terrence Fernandez Mr Joseph Koh Mr Gilbert Low Mr Ansband Tan Mr Christopher Tan Mr James Tan |
| Trustees | Mr Hendrick Koh Mr Pao Kiew Tee Mr Anthony Tan |
| Public Accountants | HLB Atrede LLP Public Accountants Chartered Accountants |
| Legal Adviser | Lee & Lee Advocates & Solicitors |

IN ATTENDANCE

| | |
|----------------------|-----------------|
| General Manager | Mr Goh Juak Kin |
| Heads of Departments | |

ABSENT WITH APOLOGIES

| | |
|------------------------------|------------------|
| Assistant Honorary Secretary | Mr Peter Chia |
| Committee Member | Mr Tan Yew Teong |

TOTAL NUMBER OF VOTING MEMBERS PRESENT : 148

1.0 PRELIMINARIES

With a quorum present as confirmed by the General Manager, the President called the meeting to order at 1.03 pm. He welcomed and thanked members for taking the time to attend the 60th Annual General Meeting (“AGM”).

1.1 PRESENTATION OF TOKENS OF APPRECIATION

Before proceeding with agenda item one - Election of the General Committee (“GC”) member, the President called upon Club Trustee Hendrick Koh, to present a token of appreciation to outgoing GC member James Tan who completed his term of office from June 2015 to June 2017.

The President also took the opportunity to express his heartfelt appreciation to Mr James Tan, Chairman of Human Resource. A person of high integrity, Mr James Tan is a team player who worked harmoniously with the HR team, Management and GC members. The Club has benefited tremendously from his contributions over the past two years when he was in office.

2.0 TO ELECT A MEMBER TO THE GENERAL COMMITTEE

2.1 The President announced that a total of two nominations were received for the election of one seat (Committee Member) in the General Committee at the close of nominations on 16 June 2017. They were:

- Mr Koh Jin Kit
- Mr James Tan Jee Hai

Before commencement of the voting process, the President called upon the nominees seeking office to introduce themselves.

2.2 Following the introduction, the House was given a walk through of the voting procedure. Two scrutineers were invited to witness all stages of the voting process including the vote counting. They were Mr Rick Seah and Mr Kevin Kwek

The President also invited the three Trustees and the auditors’ representatives to witness the voting process. Thereafter, he announced the commencement of voting. After everyone voted, there was a short break before the meeting resumed.

3 PRESIDENT’S ADDRESS

3.1 Highlights of Key Initiatives & Improvements

The President resumed the meeting by taking attendees through the financial charts, to aid members in understanding the Club’s financial position. Looking back at the fiscal year, the Club embarked on a few major projects. These include the following :

- Lift modernization project at Heliconia Wing to comply with the Singapore Civil Defence Force (“SCDF”) and Building & Construction Authority (“BCA”) lift safety and operational requirements. It will now serve all levels of the Heliconia Wing
- Replacement of bowling lanes to meet competition standards (a requirement to be sanctioned by the Singapore Bowling Federation) as well as to enhance members’ bowling experience
- Replacement of air-conditioners at Gardens Bowl, Gym, Aerobics Studio, Atrium Café and Garden Grill’s kitchen

AGM MINUTES

3.2 Treasury Status

The President said the Club closed with a healthy treasury position for the financial year (“FY”) 2016/2017, as follows:

| | FY 16/17 Actual | FY 15/16 Actual | FY 14/15 Opening Position |
|-------------------|--------------------|--------------------|------------------------------|
| Financial Reserve | \$ 4.99m | \$ 4.21m | \$ 3.17m |
| Working Capital | \$ 4.21m | \$ 3.67m | \$ 3.04m |
| Cash Reserve | \$ 9.20m | \$ 7.88m | \$ 6.21m |

- The Total Cash Reserve (sum of Financial Reserve and Working Capital) amounted to \$9.20m for FY 2016/2017, which reflects a healthy trend with all the three components accruing a year-on-year increase
- The Minimum Financial Reserve threshold (“MFR”) for FY 2016/2017 was \$3.77m (round up to \$3.8m)

3.3 A point of clarification, the President said the MFR threshold computed for the new FY 2017/2018 should be \$3.8m and not \$3.7m as announced in the President’s message and Treasury & Finance report. According to the Club’s Constitution 26C.6, the MFR of a financial year cannot be lower than any of the preceding financial year. The President apologised for the error.

3.4 The Club is now well positioned and out of the transition period given that the Financial Reserve of \$4.99m at reporting time is above \$4.3m (i.e \$3.8m plus threshold of \$500k to be out of transition period).

3.5 Club’s Financial Performance & Trends

The Club has achieved a net surplus of \$2.151m (before depreciation and tax) for the year ended 31 March 2017. This was \$263k higher than the previous year. After factoring depreciation and tax, the net surplus was \$701k compared to \$360k for FY 2015/2016. The net surplus per income dollar increased from \$0.24 cents to \$0.28 cents, representing a \$0.04 cents increase. Based on the trend chart, the financial performances revealed a healthy trend.

3.6 From a cost performance ratio (per dollar of sales) chart, figures showed that revenue was in line with what was planned with cost containment. It also depicted a healthy trend.

- Operating cost per income – reduced from \$0.57 cents to \$0.55 cents, a drop of \$0.02 cents, or 3.5% better than the previous year
- Repair & Maintenance cost was well maintained at \$0.08 cents
- Utilities cost registered a year-on-year decrease of \$0.02 cents, or 18% better than the previous year

3.7 More trend charts on F&B’s financial performance were presented. In essence, F&B recorded a challenging trend as outlet sales did not perform well as planned. Banquet also saw a dip of about \$302k in FY 2015/2016. Due to lift modernization works from mid-February 2017 to the first week of May 2017, the Club had to turn down banquet orders during this period. This resulted in a significant drop in banquet orders, which contributed largely to the overall F&B deficit. Notwithstanding, the President shared that the Banquet department has so far secured to-date sales of \$1.75 million for FY 2017/2018, which is 70% of its target of \$2.5 million.

3.8 Concluding his address, the President applauded the S&R team who did remarkably well, recording a rising trend on the net income performance. This was made possible through individual sports section driving new programmes and activities. Almost all S&R fraternities performed better than FY 2015/2016.

4.0 TO CONFIRM THE MINUTES OF THE 59TH ANNUAL GENERAL MEETING ON 26 JUNE 2016

4.1 The minutes of the 59th Annual General Meeting, held on 26 June 2016, which were circulated as part of the Annual Report, were duly confirmed as proposed by Mr Vincent Tan and seconded by Mr Roger Yap.

5.0 TO RECEIVE THE ANNUAL REPORT AND ADOPT THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

5.1 Noting from the Membership profile that 58% of the Club's members are aged 51 years old and above, Mr Vincent Tan requested for staff to be trained in first-aid to better cater to the needs of these members.

5.1.1 The President acknowledged Mr Tan's concern, adding that the Club is committed to putting staff through such trainings including CPR and life-savings skills, to ensure the staff are equipped with the necessary skills to respond in times of emergency. The Club will also consider organizing such programmes for members if there is a demand for it.

5.2 Mr Roger Yap referred the House to note 16 "Bad Debts under Operating and Administrative Expenses" (page 62), and questioned the increase in bad debts from the previous year of \$1,617 to \$12,544 this fiscal year.

5.2.1 Finance Manager, Ms Jamie Lai explained that the total number of members expelled due to arrears in payment rose from 3 (FY 2015/16) to 12 (FY 2016/17), which led to the increase in bad debts. Ms Lai assured members that the Management had taken reasonable steps to contact members for payment before they reached the expulsion stage and to avoid bad debts from occurring.

5.2.2 Mr Yap opined that since the memberships were taken back by the Club, the amount owed should be written off and recorded in the books. He said that the Club should consider putting the said membership for sale and use the money from the sale to clear the bad debts. Otherwise, the figures would make it seem as though the Club was not controlling its bad debts well.

5.2.3 In response, Ms Lai clarified that these were monies due and owed to the club due to defaulting members. Under accounting practices, these had to be treated as bad debts. The sale of additional membership cannot be used to offset such bad debts.

5.3 Mr Vincent Tan also queried on the Club's accounts receivable collection efforts as he noted that the Club had past due receivables amounting to \$101k, made up of: <60 days' receivables (\$86k); and > 60 days' receivables (\$15k). He was surprised that there was such a large number of late payers, and wanted to know if there was any incentive to encourage members to pay on time.

5.3.1 Ms Lai explained that penalties of \$10 and \$50 are imposed for 2nd and 3rd reminders should members not pay within the given time period. She noted that most members would usually pay within the 30 days period. For those who don't, there would be some form of follow-up before it reaches the 3rd reminder stage and members would no longer be allowed to charge any payments to their cards.

For the accounts receivable aged not more than 60 days, the receivables were seemingly collected much slower than normal as members tend to spend more during the festive season which coincide with the closing of the financial year.

5.4 Referring to the Club's cash reserves, Mr Seck Pow Foo wanted to know if the Club could invest in higher yielding instruments given that the cash reserves increased by 20% from the previous year.

5.4.1 The Honorary Treasurer, Ms Wong Sook Yee responded that under the Constitution, the cash reserves of the Club may only be invested in fixed deposits, bonds and guaranteed capital funds. The Club has to take a cautious approach as an unwise investment could mean heavy losses for the Club. Given these constraints, the Club's excess funds are currently only invested in fixed deposits.

AGM MINUTES

5.4.2 Mr Vincent Tan felt that an amendment to the Constitution would be worth considering to make the Club's funds work harder for the members.

5.5 On a different note, Mr Tan also sought clarification on the "Accumulated Funds" as the amount of \$51,148,715 under note 9 of the financial statements was more than the accumulated funds of \$29,817,349 reflected in the Balance Sheet. He also wanted to know if a portion of these funds could be parked in some other financial instruments that could give the Club higher returns. He felt that the Club should maximise the returns from spare funds rather than confine itself to low-yield investments like fixed deposits. He suggested that the Club consider investing in REITs.

5.5.1 Responding to Mr Vincent Tan, Ms Wong reiterated that the cash reserves of the Club may only be invested in fixed deposits, bonds and guaranteed capital funds, but the Club could explore other forms of investments apart from fixed deposits, and propose amendments to the Constitution if deemed appropriate.

As for the accumulated funds, Ms Wong clarified that the accumulated funds reflected under note 9, included funds derived from operating the Club's fruit machines and tombola (after netting off related expenditure and depreciation), and these funds are to be donated to the approved charities in the event of Club dissolution. This regulatory requirement to donate the net profits (from the accumulated funds) is not specific to SGCC. It also applies to other Clubs.

5.5.2 Mr Moses Tan said he had differing views and was not in support of the suggestion proposed by Mr Vincent Tan. He pointed out that it would be easy for members to request the GC members serving on the board to take more risk but when something goes wrong, they would come under scrutiny.

Members were asked to be mindful that SGCC is a membership club and the objective is not to make money. Unlike Fund Managers who take risks and are well compensated when they achieve high returns, GC members are volunteers who may not be equipped with the necessary training and expertise.

Mr Tan also felt that the Club's finances have gone through ups and downs and while there have been concerns regarding spending and governance, the GC have taken prudent steps to achieve or maintain the financial well-being of the Club. And today, members are seeing the fruition of the accumulated surplus for the Club. He felt that the GC should continue with its conservative approach.

5.5.3 Mr Anthony Tan stated that all investments carry some degree of risk. He cautioned that REITS can be very risky and have the potential to produce negative returns, when interest rates go up. As a risk-averse individual, he said a more viable option would be to go for government bonds. Mr Sam Choo, too, shared his experience and said that Forex is one example of a highly volatile investment instrument that should be avoided. He said he was not for such investments.

5.5.4 Mr Tony Lim also spoke against taking investment risks. He urged the house to go back to basics – achieving the Club's mission, vision and fundamentals of a family club. He have seen the Club's financials trending up and down, and the GC working exceedingly hard to bring it to a surplus. He said he would rather put these surpluses in a savings fund, and put any excess funds to better use, e.g., for upgrading the old club house, which will benefit all members. Hence, he asked for consideration to set aside money in a sinking fund that the Club could use at some point, for the Club's future enhancement and building maintenance in view of the dated infrastructure, and also for rainy days when times are bad.

5.5.5 The President thanked everyone for their collective views. He said the Treasury Safeguard Framework put in place was already a good mechanism to safeguard spending controls. He stated that with the TSF in place, spending is now more regulated and structured.

5.6 Referring to the F&B's outlets' performance, Mr Teng Leng Hock wanted to know what contributed to the drop, in terms of F&B sales at the outlets, and if a study was done to identify the causes. He asked if the drop was due to increase in price previously, resulting in less patrons.

5.6.1 Vice-President Lee Say Yeow acknowledged that the price increase did trigger a drop in patronage for the first few months, but the Club could not catch up with the lost sales for the remaining months of the year, despite observing a gradual increase in patronage subsequently. The issue was raised at a dialogue session held on 1 October 2016 and acutely addressed by the F&B Sub-Committee. Following the dialogue session, there was a subsequent review of the prices on the menu which saw some of the prices reduced, mainly due to the drop in food ingredients cost following the food tender exercise. As a way forward, the F&B Sub-Committee would continue to look into price controls and also be mindful not to raise prices unnecessarily.

5.6.2 Mr Teng felt that there should be some communication to members on the price adjustment. In the same vein, Dr Mark Leong suggested that an announcement of the F&B price reduction should be better publicized, to draw back the customers.

5.6.3 Mr Lee replied that the subject matter was fully addressed and given considerable discussion. It would be inappropriate to announce a price adjustment that was implemented three months ago in retrospect.

5.7 Mr Pua Neo Peng Chew expressed the need to check the current capacity utilization of the F&B outlets to track covers at certain period of the day and determine how the capacity can be best maximized through promotions during lull period, to increase covers and boost sales.

He also expressed the need to carve out SGCC's own specialty dishes in order to be uniquely different from other food joints outside the Club.

5.8 The President thanked all for their feedback. He stated that the issue on price increase have been deliberated and dealt with. Notwithstanding, he noted some of the members' comments, and he would leave it to the Sub-Committees of F&B and Membership Relations to look into the promotions and communications aspect.

5.9 Mr Koh Jin Kit sought clarification on the omission of the Gross Total Cost (GTC) and Gross Total Revenue (GTR) information in the Annual Report 2016/17. He opined that it was useful information to Union for ratio computation of staff bonuses set out in the Collective Agreement (CA). He recalled that this basis actually resulted in certain corrections to the computation and consequent savings of about \$90k for the Club, when he was a member of the GC (Honorary Treasurer) then. Mr Koh stated that he had written to Management for an explanation of the absence of the data but was told that they were unable to elaborate further relating to the terms of the CA that were highly sensitive. Mr Koh said he merely wanted to know why the information was not incorporated in the annual report of 2016/2017.

Mr Koh further said that he had also asked for a more detailed report on how the capital expenditures were managed in terms of priority spending, in compliance with the Treasury Safeguarding Framework.

5.9.1 On Mr Koh's first query, the President declined to elaborate the matter, citing confidentiality concerns for the terms of CA negotiations because it involves staff pay and bonus-related information.

5.9.2 Mr Lee Say Yeow assured Mr Koh that the formula for the computation as suggested by the latter to Union was adopted, except that the savings were not determined and announced.

As for Mr Koh's query relating to the Club's capital expenditure, Mr Lee affirmed that the Club had been strictly following the Treasury Safeguarding Framework.

5.9.3 Mr Koh clarified that he had not asked for the savings to be published in the annual report. He simply wanted to know why the information (as published in the annual report 2015/2016) was not carried in the report.

5.9.4 Mr James Tan (HR Chairman) explained that Mr Koh's query related to a bonus scheme tied to the financial performance of the Club. The components used for calculation of the ratio formula was set out in the CA and adopted by the Club for many years, but it has been corrected. There was a reclassification of what should be constituted under revenue / cost in the ratio formula and

AGM MINUTES

it was subsequently agreed and accepted by Union that the incremental revenue from the monthly subscription hike implemented in 2015 was to be excluded from the ratio computation. Mr Tan said that while such information may not be published, it could be made available to Union upon request.

5.9.5 On the point of confidentiality and non-disclosure of information, Mr Tony Lim felt that in a Club's context, the board had a duty to disclose information to its members or shareholders in a company, for greater transparency and better governance. He contended that the members had the right to know. Mr Roger Yap shared the same sentiment.

5.10 Mr Vincent Tan observed that a fair amount of subsidy went into golf and wondered how many members would actually benefit from this subsidy as opposed to utilizing the fund for the larger member community. He felt that if it would be good to cap the subsidy for each sport.

5.11 Mr Roger Yap noted a deficit of \$254.00 under Chess for FY 2016/17 (note 14 "Other Activities", page 61 of the financial report), and sought explanation.

He also questioned the decision not to organise an Open Tournament, thus denying the opportunities for the members and chess enthusiasts to play.

5.11.1 Mr Lee Say Yeow (Deputy of S&R) explained that a major annual chess event, The TCA tournament that was planned in FY 2014/2015 was held near to the closing of the FY accounts, and the income generated was, therefore, carried forward to the following financial year 2015/2016, the two events were then captured under the same year; meaning that no tournament was recorded for FY2016/17, giving rise to the anomaly.

As for the Open Tournament, Mr Ansband Tan (Deputy of S&R) reasoned that the Chess Open was cancelled as the minimum number of participants required to proceed with the event was not met. Mr Gilbert Low (Chairman of S&R) took the opportunity to encourage members to sign up for Club notifications to receive timely updates on the Club's sports programmes and activities.

5.12 Mr Vincent Tan requested further information on the following:

- "Miscellaneous" under Other Activities (note 14, page 61)
- "Donations" under Operating & Administrative Expenses (note 16, page 62)
 - there was a "nil" expense in 2017 as compared to \$76k (2016)

5.12.1 Ms Jamie Lai replied that the Miscellaneous related to the expense incurred for Sports Appreciation Night, an annual dinner and dance event to celebrate sports achievements in the year.

5.12.2 Ms Wong Sook Yee explained that a charity dinner was held in the year 2015/16, but none in the following year of 2016/17. The Club will continue to keep in mind its role in corporate social responsibility in addition to its commitment to its members and other stakeholders.

5.13 There being no further comments or questions from the floor, the Annual Report and Accounts for the year ended 31 March 2017 were received and passed as proposed by Mr Vincent Tan and seconded by Mr Rick Seah.

6.0 TO APPOINT AUDITORS FOR THE ENSUING YEAR

6.1 Honorary Treasurer, Ms Wong Sook Yee reported that the General Committee was satisfied with the performance and services of the present auditors, HLB Atrede LLP. They were professional in their relationship with the Club while maintaining their independence. The GC also found them satisfactory in other areas, especially technical support.

6.2 There being no objections from the floor, the re-appointment of HLB Atrede LLP as the Club's auditors for the ensuing financial year 2017/2018, was approved unanimously, as proposed by Ms Wong Sook Yee, and seconded by Mr Vincent Tan.

7.0 TO CONSIDER AND, IF THOUGHT FIT, PASS THE FOLLOWING RESOLUTION AS RECOMMENDED BY THE GENERAL COMMITTEE:

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

(A set of the Constitutional Amendments was sent out to members together with the notice of meeting and annual report.)

7.1 Amendment to Rule 24.2 (c) - To allow the Honorary Treasurer and Assistant Honorary Treasurer to be re-elected to the same or related position for a consecutive term

7.1.1 The President explained that the purpose for the amendment was primarily for continuity, as well as paving a succession plan for the potential successor, Assistant Honorary Treasurer, to be elevated to the role of Treasurer position. He said the tenure of office would be similar to the position of President where it is confined to two terms.

7.1.2 The President would like to put on record that the proposal came neither from the Honorary Treasurer or Assistant Honorary Treasurer. Both of them had maintained that they did not wish to be considered for re-election for another term in the Treasurers' position.

7.1.3 There being no comments, the President called for a vote by a show of hands on the motion.

RESULT OF HAND VOTE

| | |
|------------|----|
| In Favour: | 49 |
| Against: | 9 |

The President declared the motion as passed and carried.

7.2 Amendment to Rule 27.1 - To provide for a retiring Trustee and to allow for a retiring Trustee to be accepted by the General Committee

7.2.1 The President explained that the existing Constitution does not provide for a retiring trustee, and so should a trustee desires to retire, it must go to a general meeting for acceptance of his resignation before an appointment of a selected trustee by the GC could take place; hence, the rationale for the change. According to the Club's legal adviser, the change would also be consistent with the original trust deed executed 19 January 1959.

7.2.2 Mr Vincent Tan said he was not for the proposed amendment as the move could cede too much power to the GC that it could run into a case of abuse. It would also allow the Committee unfettered power to determine the term or removal of the trustee, should the interests of the GC and trustees are not aligned or a potential conflicting situation arises. The Trustees are appointed to act in the interests of the members, and GC has a duty to inform members of the trustee's intent to step down and the reasons behind it. The original clause would require the GC to bring it up to the general meeting for a decision.

7.2.3 Mr Bob Mong echoed the same view and proposed that the Rule 27.1 be kept status quo. He was concerned that there could be a possibility of a potential abuse of the system where the GC could force a trustee to step aside or resign.

7.2.4 Mr Koh Jin Kit reasoned that the trustees are voted in by the GC and not by the members at a general meeting in the first instance. Hence, he reckoned that more emphasis should be placed on the appointment rather than the resignation of the trustee.

7.2.5 In response, Mr Teng Leng Hock said one way would be to let the general meeting decide on the appointment as well as acceptance of the resignation of the trustee, as all members have a stake in the assets of the Club. The trustees have fiduciary duties to the Club and its members, hence the importance that their role cannot be undermined by the GC. The resignation/removal of a trustee cannot be accepted without the consent of the general membership. There must be

AGM MINUTES

certain safeguards with checks and good governance. Mr Tony Lim concurred with Mr Teng's view, and asserted that the power should lie with the membership, and therefore called for the existing Rule to stay.

7.2.6 The President thanked all for their views. He said members are to be mindful that should a trustee decide to retire, as in the case of past Trustee Michael Khor's resignation due to a medical condition, due process had to be followed and a general meeting would have to be called upon for acceptance of the resignation.

7.2.7 Mr Tony Lim reckoned that the GC would have the prerogative to call for an extraordinary general meeting to resolve the matter, if need be. He added that the Club already has the contingency in place by having more than one trustee. The other two trustees would be able to act and carry out their duties even in the absence of one.

7.2.8 Ending the discussion, the President then called on the House to vote by a show of hands on the motion.

RESULT OF HAND VOTE

| | |
|------------|----|
| In Favour: | 14 |
| Against: | 39 |

The President declared the motion as not carried.

7.3 **Amendment to Rule 38.1 (d) - To provide Disciplinary Committee (or a member of the DC) the discretion to call on a member to answer charges only if there is both sufficient evidence and the allegations are of sufficient gravity to justify calling the member to answer the charges**

7.3.1 Committee member Christopher Tan, also a member of the Disciplinary Committee (DC), took the members through the current disciplinary process and explained how the present Rule 38 procedure works. A flow chart was presented on the powerpoint slide. Mr Tan also explained how the proposed change fits into the current process.

A complaint under Rule 38 of the Constitution concerns an allegation that a Member has acted in a way prejudicial to the interests of the Club or its members, or has contravened the Constitution or Bye-laws.

The process starts from a written complaint about a member acting prejudicially to the interest of the Club or a breach of the Constitution or Bye-Laws. Every written complaint would be investigated by Management. The results of the investigation would be presented to the DC.

At the first stage, the DC will have to assess and determine whether there is sufficient evidence to justify calling on the member to answer a charge, or charges.

The proposed amendment to Rule 38, if passed at the AGM, will impose an additional requirement at this first stage. That is to say, the DC will also have to consider whether the complaint is of sufficient gravity, before requiring the member to answer a charge or charges.

The rationale of the proposed amendment is because not every complaint has equally serious consequences. Mr Christopher Tan illustrated how an alleged breach of Rule 6.2 of the Bye-laws (which requires a member to conduct himself with decorum) may have consequences which range from relatively minor to very serious consequences. It could be merely a technical breach that carried sufficient evidence, but may not be serious enough to calling a member to answer a charge.

Following the stage one enquiry, if the DC feels that there is no sufficient evidence, the complaint would stop there.

However, should the DC feels that there is sufficient evidence, and the complaint is of sufficient gravity (if the proposed amendment is passed) then the process will move on to stage 2 where a substantive hearing will be called, and the member will be asked to answer the charge(s) made against him.

After the substantive hearing, the DC would have to make a decision based on the evidence adduced. Mr Christopher Tan highlighted that a decision of the DC could be appealed to the GC. The affected member aggrieved by the decision of the DC, has the right to appeal to the GC, in accordance with Rule 38.1(e) of the Constitution. The floor was then opened for questions.

7.3.2 Mr Bob Mong questioned the possibility of the Management not taking any action on a case without an official complaint despite the case being a severe one; and/or resolved among the parties themselves.

7.3.3 Mr Christopher Tan replied that Rule 38 requires a relevant allegation (of acting in a way prejudicial to the Club or of a breach). Only with such an allegation would Rule 38 be triggered. It is the Club's policy to require an allegation or complaint to be made in writing, given the seriousness of Rule 38. Without a formal written complaint, Rule 38 is not triggered and the DC has no power to act.

When a written complaint is made, the Management would review and investigate the complaint.

As a matter of good practice, the Management would explore the possibility of whether the complaint can be resolved amicably, for example if the complaint arose as a result of misunderstanding or lack of communication. This process would, of course, require the consent of both parties. If the attempt at dispute resolution fails, such that the matter cannot be resolved by an amicable discussion, then the next course of action would be to go through the full disciplinary procedures.

In a situation where both parties would like to resolve the issue and not want to pursue the complaint, it may be difficult for the DC to force the parties to go through the disciplinary process.

7.3.4 Adding on to Mr Mong's query, Mr Koh Jin Kit cited a possible scenario where a complainant may not come forth with a formal complaint in fear of harassment. He opined that the Management has the responsibility to enforce law and order so that errant members who commit any of the breaches of the Rules are called upon and dealt with, even if nobody dares to complain. In a cases of violence, he felt that the Management should be seen taking efforts to uphold Rules enforcement, lest it brings discredit to the Club.

7.3.5 Mr Christopher Tan clarified that a written complaint can be made by an individual member as well as by a staff or the Management. Mr Tan personally agreed that if there is sufficient evidence and where there are no members willing to file a formal complaint for a serious matter, it is open for any staff or the Management to initiate and raise the matter as a complaint under Rule 38.

The Management and staff concerned are trained to handle members who violate or breach the bye-laws and Constitution.

In sufficiently serious cases where there is sufficient seriousness, particularly if a police report is made, such cases may advance to a full disciplinary hearing even if the members involved decide that they do not want to take it further. These would be exceptional cases.

7.3.6 Mr Bob Mong sought clarification on the definition of gravity and wanted to know at what point the offence would be deemed severe enough to be escalated to stage 2 of substantive hearing.

7.3.7 Mr Christopher Tan stated that the phrase "sufficient gravity" was deliberately left open because Rule 38 encompasses many kinds of misconduct. Cases which involve deliberate damage to property, assault, threats of physical violence, etc, would likely be considered of sufficient gravity. In a case where the DC feels that the allegation is not of sufficient gravity during the stage 1 review process and decides not to advance to stage 2, the complainant could likely appeal to the GC as the GC has oversight to what the DC is doing.

The DC would also need to look at the consequences of the breach being complained about, for example, how it has affected the complainant and members, its impact on the image and interests of the Club and its members, etc.

AGM MINUTES

What might not be of sufficient gravity would be a technical breach which is quickly remedied and does not have serious consequences. Such breaches would not be of sufficient gravity to justify calling a member to answer a charge and go through the full disciplinary inquiry. Calling a member to answer a charge is a very serious matter. However, even a technical breach could be treated as a serious misconduct and of sufficient gravity if the member repeated the offence.

7.3.8 There being no other comments, the President proceeded to ask for a show of hands to vote on the motion.

RESULT OF HAND VOTE

| | |
|------------|----|
| In Favour: | 30 |
| Against: | 13 |

The President declared the motion as passed and carried.

8 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 there were two letters received. The first letter was from Mr Thomas Cheok. His letter related to the proposed amendments to Constitution Rule 38.1(d) of which the motion was already deliberated and carried. Notwithstanding, the Club had written a letter of reply to Mr Cheok in response to his queries. The meeting noted that Mr Cheok was not present at the AGM to address his letter and SGCC does not accept proxies for General Meetings.

8.2 The other letter was from Mr Bob Mong who was seeking a Constitutional amendment that a member of the Disciplinary Committee be deleted under Rule 38.1.

8.2.1 In relation to his letter, Mr Bob Mong reiterated that the term "gravity" was far too vague. He acknowledged that the members of the DC are volunteers, and to carry out investigations and inquiries requires a lot of time and effort on their part. Mr Mong noted that it is a thankless job. Although the motion has been voted on, he hoped that the words used in the terms could be better interpreted with sufficient clarity so as to avoid a situation where the case could be easily dismissed because the alleged breach is considered not of sufficient gravity.

8.2.2 He wondered how other clubs operate their disciplinary procedures in practice. He said one way would be to classify the breaches as minor, severe or very serious. He said these classifications could serve as guidelines for the DC. Mr Mong also strongly felt that disciplinary sanction should not be decided by a "one-man" or single member of the DC, hence his proposal to have it deleted from Rule 38.1

8.2.3 Responding to Mr Bob Mong's specific proposed amendment, Mr Tan explained that the matter was of significant change that cannot be decided at this AGM as not enough notice had been served to members.

8.2.4 As to his concern on the disciplinary process whether it should be overseen by a single member of the DC instead of the entire DC, Mr Tan said the GC would review it but the plausibility of the single member stepping out of bounds and not exercising a decision in good faith is in a sense not completely eliminated because the affected member who is aggrieved by the decision of the member of the DC, has an avenue to appeal to the GC. Nonetheless, the GC would look into, and if necessary, take it up at next AGM with sufficient notice to all members to decide on the constitutional amendment.

8.2.5 Referring back to the gravity definition, Mr Tan pointed out that misconduct and breaches can take many shapes and forms and it would be difficult to have an exhaustive list. The words "sufficient gravity" might not be precise enough but the GC could look into it and see if a certain set of protocols outlining the types of misconduct that could probably be considered sufficient gravity be formulated, however significant difficulties remain.

8.2.6 From a member's viewpoint, Mr Tan said a disciplinary inquiry is a very serious matter to call upon a member to answer a charge. It is not something that has to be taken lightly; hence the reason to add on a second tier to require the DC to consider not only whether there is sufficient evidence in a complaint, but whether the alleged breach is of sufficient gravity, before calling on a member to answer a charge. Mr Tan also clarified that it was not motivated by the workload of the Management or the GC.

8.2.7 Ending the views exchanged, the President said the GC would look into Mr Mong's proposal as the constitutional change cannot be transacted at this instance.

9.0 RESULTS OF THE VOTES - ELECTION OF A COMMITTEE MEMBER

The President announced the results of the election for the position of Committee Member. A total of 124 members voted. The breakdown of votes is as follows:

| NAME OF NOMINEES | NO. OF VOTES |
|--------------------------------------|---------------------|
| Mr Koh Jin Kit | 87 |
| Mr James Tan Jee Hai | 35 |
| Total number of spoilt ballot papers | 2 |
| Total number of valid votes | 122 |

Mr Koh Jin Kit was declared duly elected as Committee Member.

10 ADJOURNMENT

There being no other business, the President thanked members for their attendance and invited everyone to adjourn to the Crossroads Lounge. The meeting ended at 4.13pm.

A CORRECT RECORD



DR EDMOND TAN
Honorary Secretary
PBM

FINANCIAL REPORTS

Serangoon Gardens Country Club

General Information

General Committee Members

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

Independent Auditor

HLB Atrede LLP

Contents

| | Page |
|-----------------------------------|------|
| Statement by General Committee | 1 |
| Independent Auditor's Report | 2 |
| Balance Sheet | 5 |
| Statement of Comprehensive Income | 6 |
| Statement of Changes in Funds | 7 |
| Cash Flow Statement | 8 |
| Notes to the Financial Statements | 9 |

Serangoon Gardens Country Club**Statement by General Committee**

In the opinion of the General Committee,

- (a) the accompanying balance sheet, statement of comprehensive income, statement of changes in funds and cash flow statement together with notes thereto are drawn up in accordance with the provisions of the Societies Act, Chapter 311 and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Serangoon Gardens Country Club (the "Club") as at 31 March 2018 and the results, changes in funds and cash flows of the Club for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

On behalf of the General Committee,



Randy Sng Yong Hoe
President



Wong Sook Yee
Honorary Treasurer

Singapore
31st May 2018

FINANCIAL REPORTS

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Serangoon Gardens Country Club (the Club), which comprise the balance sheet as at 31 March 2018, and the statement of comprehensive income, statement of changes in funds and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Club as at 31 March 2018 and of the financial performance, changes in funds and cash flows of the Club for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Club in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of General Committee for the Financial Statements

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

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

Responsibilities of General Committee for the Financial Statements (continued)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

FINANCIAL REPORTS

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

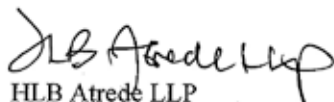
Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

Report on Other Legal and Regulatory Requirements

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



HLB Atredé LLP
Public Accountants and
Chartered Accountants

Singapore

31st May 2018

FINANCIAL REPORTS

Balance Sheet as at 31 March 2018

| | Note | 2018 \$ | 2017 \$ |
|---|------|-------------------|-------------------|
| ASSETS | | | |
| Non-current | | | |
| Property, plant and equipment | 4 | 21,224,217 | 21,886,651 |
| Members' receivables | 5 | 149,630 | 217,465 |
| | | <u>21,373,847</u> | <u>22,104,116</u> |
| Current | | | |
| Inventories | 6 | 132,130 | 177,193 |
| Members' receivables | 5 | 969,539 | 1,114,522 |
| Sundry receivables, deposits and prepayment | 7 | 269,156 | 263,445 |
| Interest receivables | | 8,564 | 8,686 |
| Fixed deposits | 8 | 3,275,323 | 3,455,636 |
| Cash and cash equivalents | 8 | 6,636,095 | 5,749,371 |
| | | <u>11,290,807</u> | <u>10,768,853</u> |
| TOTAL ASSETS | | <u>32,664,654</u> | <u>32,872,969</u> |
| FUNDS | | | |
| Accumulated funds | 9 | 29,878,856 | 29,817,349 |
| | | <u>29,878,856</u> | <u>29,817,349</u> |
| LIABILITIES | | | |
| Current | | | |
| Creditors and accruals | 10 | 1,601,427 | 1,872,322 |
| Subscriptions charged in advance | | 352,818 | 348,360 |
| Members' credit balances and deposits | | 781,553 | 784,983 |
| Income tax payable | | 50,000 | 49,955 |
| | | <u>2,785,798</u> | <u>3,055,620</u> |
| TOTAL FUNDS AND LIABILITIES | | <u>32,664,654</u> | <u>32,872,969</u> |

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

FINANCIAL REPORTS

Statement of Comprehensive Income for the financial year ended 31 March 2018

| | Note | 2018 \$ | 2017 \$ |
|--|------|------------------|------------------|
| INCOME | | | |
| Subscriptions | | 4,226,127 | 4,251,294 |
| Transfer fees | | 471,195 | 424,260 |
| Entrance fees | | 816,189 | 841,675 |
| Interest income – fixed deposits | | 27,167 | 28,135 |
| Miscellaneous income | 11 | 249,283 | 232,622 |
| Lease rental income | | 515,417 | 523,767 |
| Contributions/(deficits) from: | | | |
| Fruit machines | 12 | 754,980 | 1,294,047 |
| Facilities booking | 13 | 221,236 | 219,056 |
| Other activities | 14 | 94,189 | 92,408 |
| Food and beverage | 15 | <u>(369,381)</u> | <u>(226,614)</u> |
| | | <u>7,006,402</u> | <u>7,680,650</u> |
| Less: | | | |
| EXPENDITURE | | | |
| Operating and administrative | 16 | 4,243,699 | 4,207,672 |
| Repairs, maintenance and housekeeping | 17 | 618,181 | 596,609 |
| Water and electricity | | <u>580,124</u> | <u>725,601</u> |
| | | <u>5,442,004</u> | <u>5,529,882</u> |
| NET SURPLUS BEFORE DEPRECIATION | | 1,564,398 | 2,150,768 |
| Depreciation of property, plant and equipment | 4 | (1,433,330) | (1,397,331) |
| Loss on disposal of property, plant and equipment | | <u>(18,755)</u> | <u>(2,848)</u> |
| NET SURPLUS BEFORE TAX | | 112,313 | 750,589 |
| Income tax expense | 18 | <u>(50,806)</u> | <u>(49,955)</u> |
| NET SURPLUS AFTER TAX | | 61,507 | 700,634 |
| Other comprehensive income | | <u>–</u> | <u>–</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>61,507</u> | <u>700,634</u> |

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

Statement of Changes in Funds for the financial year ended 31 March 2018

| | Accumulated funds S |
|---|------------------------------------|
| Balance at 1 April 2016 | 29,116,715 |
| Total comprehensive income for the year | <u>700,634</u> |
| Balance at 31 March 2017 | 29,817,349 |
| Total comprehensive income for the year | <u>61,507</u> |
| Balance at 31 March 2018 | <u>29,878,856</u> |

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

FINANCIAL REPORTS

Serangoon Gardens Country Club

Cash Flow Statement for the financial year ended 31 March 2018

| | 2018 S | 2017 S |
|---|------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net surplus before tax | 112,313 | 750,589 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 1,433,330 | 1,397,331 |
| Loss on disposal of property, plant and equipment | 18,755 | 2,848 |
| Interest income | (27,167) | (28,135) |
| Bad debts written off | 15,673 | 12,544 |
| Operating cash flow before working capital changes | <u>1,552,904</u> | <u>2,135,177</u> |
| Decrease in inventories | 45,063 | 34,748 |
| Decrease in operating receivables | 191,434 | 339,888 |
| Decrease in operating payables | (269,867) | (375,043) |
| Cash generated from operations | <u>1,519,534</u> | <u>2,134,770</u> |
| Income tax paid | (50,761) | (42,176) |
| Net cash flows from operating activities | <u>1,468,773</u> | <u>2,092,594</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (796,631) | (797,353) |
| Proceeds from disposal of property, plant and equipment | 6,980 | 3,150 |
| Decrease/(increase) in fixed deposits | 180,313 | (521,290) |
| Interest received | 27,289 | 26,657 |
| Net cash flows used in investing activities | <u>(582,049)</u> | <u>(1,288,836)</u> |
| Net increase in cash and cash equivalents | 886,724 | 803,758 |
| Cash and cash equivalents at beginning of year | 5,749,371 | 4,945,613 |
| Cash and cash equivalents at end of year (Note 8) | <u>6,636,095</u> | <u>5,749,371</u> |

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

Notes to the Financial Statements – 31 March 2018

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

1. GENERAL INFORMATION

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

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

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

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

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

Standards issued but not yet effective

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

| | Effective date (Annual periods beginning on or after) |
|---|---|
| FRS 109 Financial Instruments | 1 January 2018 |
| FRS 115 Revenue from Contracts with Customers | 1 January 2018 |
| FRS 116 Leases | 1 January 2019 |

The General Committee expects that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

FINANCIAL REPORTS

Notes to the Financial Statements – 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably.

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

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

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

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

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

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

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

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.

Notes to the Financial Statements – 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(b) *Property, plant and equipment (continued)***

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

(c) *Impairment of non-financial assets*

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

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

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

(d) *Financial assets****Initial recognition and measurement***

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

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

Subsequent measurement

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

(i) *Held-to-maturity investment*

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

Notes to the Financial Statements – 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial assets (continued)*

Subsequent measurement (continued)

(ii) *Loans and receivables*

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

Derecognition

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

Regular way purchase or sale of a financial asset

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

(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.

Notes to the Financial Statements – 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Impairment of financial assets (continued)****(i) Financial assets carried at amortised cost (continued)**

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

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

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

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

(ii) Financial assets carried at cost

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

(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.

Notes to the Financial Statements – 31 March 2018

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 de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) *Inventories*

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

Consumable stocks and stores – weighted average basis.

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

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

Notes to the Financial Statements – 31 March 2018

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

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

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

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

(h) Cash and cash equivalents

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

(i) Trade and other payables

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

(j) Provisions

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

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

(k) Employee benefits**(i) Defined contribution plans**

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

FINANCIAL REPORTS

Notes to the Financial Statements – 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) *Employee benefit (continued)*

(i) *Defined contribution plans (continued)*

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

(ii) *Employee leave entitlement*

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

(l) *Leases*

(i) *As lessee*

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

(ii) *As lessor*

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

(m) *Revenue*

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

(i) *Revenue from food and beverage*

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

(ii) *Rental income*

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

(iii) *Interest income*

Interest income is recognised using the effective interest method.

Notes to the Financial Statements – 31 March 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) *Revenue (continued)*

(iv) *Subscription fees*

Subscription fees are recognised when they are due for payment.

(v) *Entrance and transfer fees*

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

(vi) *Fruit machines income*

Fruit machines income is recognised on receipt basis.

(n) *Government grants*

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

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

(o) *Taxes*

(i) *Current income tax*

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

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

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

(ii) *Goods and services tax*

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

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

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

FINANCIAL REPORTS

Notes to the Financial Statements – 31 March 2018

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

(i) *Judgement made in applying accounting policies*

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

(ii) *Key sources of estimation uncertainty*

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

▪ *Useful lives of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the property, plant and equipment at the end of the reporting period is disclosed in Note 4 to the financial statements. A 1% difference in the expected useful lives of these assets from Management's estimates would result in approximately 12% (2017: 2%) variance in the surplus or deficit before tax.

Notes to the Financial Statements – 31 March 2018

4. PROPERTY, PLANT AND EQUIPMENT

| | Clubhouse buildings and underpass \$ | Furniture, fittings and office equipment \$ | Pool, gymnasium and electrical equipment \$ | Amusement equipment \$ | Renovation \$ | Computers \$ |
|-----------------------------------|---|---|---|------------------------------|------------------|-----------------|
| Cost: | | | | | | |
| At 1 April 2016 | 34,225,735 | 2,560,844 | 4,077,792 | 852,923 | 5,074,019 | 784,731 |
| Additions | 24,160 | 56,357 | 379,259 | 92,738 | 15,850 | 42,380 |
| Disposal/written off | – | (313,164) | (470,752) | (57,700) | (283,193) | (11,114) |
| At 31 March 2017 and 1 April 2017 | 34,249,895 | 2,304,037 | 3,986,299 | 887,961 | 4,806,676 | 815,997 |
| Additions | 4,900 | 46,599 | 477,936 | 28,000 | 189,493 | 49,703 |
| Disposal/written off | – | (11,265) | (116,002) | (40,500) | (12,700) | (44,323) |
| Reclassification | – | – | 9,847 | – | 77,200 | – |
| At 31 March 2018 | 34,254,795 | 2,339,371 | 4,358,080 | 875,461 | 5,060,669 | 821,377 |
| Accumulated depreciation: | | | | | | |
| At 1 April 2016 | 13,291,831 | 2,263,313 | 3,543,205 | 680,613 | 4,693,144 | 718,147 |
| Charge for the year | 714,805 | 118,928 | 219,650 | 110,021 | 169,641 | 32,389 |
| Disposal/written off | – | (312,720) | (467,531) | (57,700) | (283,193) | (11,114) |
| At 31 March 2017 and 1 April 2017 | 14,006,636 | 2,069,521 | 3,295,324 | 732,934 | 4,579,592 | 739,422 |
| Charge for the year | 712,011 | 108,665 | 272,561 | 95,531 | 166,660 | 49,352 |
| Disposal/written off | – | (10,682) | (115,004) | (20,278) | (12,700) | (44,323) |
| At 31 March 2018 | 14,718,647 | 2,167,504 | 3,452,881 | 808,187 | 4,733,552 | 744,451 |
| Net carrying amount: | | | | | | |
| At 31 March 2017 | 20,243,259 | 234,516 | 690,975 | 155,027 | 227,084 | 76,575 |
| At 31 March 2018 | 19,536,148 | 171,867 | 905,199 | 67,274 | 327,117 | 76,926 |

4. PROPERTY, PLANT AND EQUIPMENT (continued)

| | Kitchenware, crocery and utensils \$ | Motor vehicles \$ | Container \$ | Bowling equipment \$ | Building improvements in progress \$ | Total \$ |
|-----------------------------------|---|-------------------------|-----------------|----------------------------|---|-------------|
| Cost: | | | | | | |
| At 1 April 2016 | 164,682 | 88,363 | 27,304 | 1,064,736 | – | 48,921,129 |
| Additions | – | – | – | 99,562 | 87,047 | 797,353 |
| Disposal/written off | – | – | – | (70,000) | – | (1,205,923) |
| At 31 March 2017 and 1 April 2017 | 164,682 | 88,363 | 27,304 | 1,094,298 | 87,047 | 48,512,559 |
| Additions | – | – | – | – | – | 796,631 |
| Disposal/written off | – | – | – | (5,487) | – | (230,277) |
| Reclassification | – | – | – | – | (87,047) | – |
| At 31 March 2018 | 164,682 | 88,363 | 27,304 | 1,088,811 | – | 49,078,913 |
| Accumulated depreciation: | | | | | | |
| At 1 April 2016 | 147,925 | 65,065 | 27,304 | 997,955 | – | 26,428,502 |
| Charge for the year | 10,818 | 6,051 | – | 15,028 | – | 1,397,331 |
| Disposal/written off | – | – | – | (67,667) | – | (1,199,925) |
| At 31 March 2017 and 1 April 2017 | 158,743 | 71,116 | 27,304 | 945,316 | – | 26,625,908 |
| Charge for the year | 5,939 | 5,594 | – | 17,017 | – | 1,433,330 |
| Disposal/written off | – | – | – | (1,555) | – | (204,542) |
| At 31 March 2018 | 164,682 | 76,710 | 27,304 | 960,778 | – | 27,854,696 |
| Net carrying amount: | | | | | | |
| At 31 March 2017 | 5,939 | 17,247 | – | 148,982 | 87,047 | 21,886,651 |
| At 31 March 2018 | – | 11,653 | – | 128,033 | – | 21,224,217 |

FINANCIAL REPORTS

Notes to the Financial Statements – 31 March 2018

4. PROPERTY, PLANT AND EQUIPMENT (continued)

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

5. MEMBERS' RECEIVABLES

| | 2018 \$ | 2017 \$ |
|--------------------------|------------------|------------------|
| Entrance fee receivables | 331,395 | 457,333 |
| Members' receivables | 787,774 | 874,654 |
| | <u>1,119,169</u> | <u>1,331,987</u> |
| Current: | | |
| Entrance fee receivables | 181,765 | 239,868 |
| Members' receivables | 787,774 | 874,654 |
| | <u>969,539</u> | <u>1,114,522</u> |
| Non-current: | | |
| Entrance fee receivables | <u>149,630</u> | <u>217,465</u> |

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

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

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

Receivables that are past due but not impaired

The Club has members' receivables amounting to \$106,465 (2017: \$101,820) 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:

| | 2018 \$ | 2017 \$ |
|---|----------------|----------------|
| Members' receivables past due but not impaired: | | |
| Not more than 60 days | 81,959 | 86,894 |
| 61 to 90 days | 24,506 | 14,926 |
| | <u>106,465</u> | <u>101,820</u> |

Notes to the Financial Statements – 31 March 2018

6. INVENTORIES

| | 2018 \$ | 2017 \$ |
|---|------------------|------------------|
| Consumable stocks and stores | <u>132,130</u> | <u>177,193</u> |
| Statement of comprehensive income: Inventories recognised as an expense in cost of sales | <u>2,102,325</u> | <u>2,171,759</u> |

7. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENT

| | 2018 \$ | 2017 \$ |
|--------------------------------|----------------|----------------|
| Prepayment | 69,845 | 73,915 |
| Rental receivables | 21,423 | 21,304 |
| Staff advances – interest free | 1,577 | 2,990 |
| Sundry receivables | 46,661 | 79,451 |
| Sundry refundable deposits | <u>129,650</u> | <u>85,785</u> |
| | <u>269,156</u> | <u>263,445</u> |

8. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

| | 2018 \$ | 2017 \$ |
|--|--------------------|--------------------|
| Cash and bank balances | 5,625,049 | 4,740,984 |
| Fixed deposits | <u>4,286,369</u> | <u>4,464,023</u> |
| | 9,911,418 | 9,205,007 |
| Less: fixed deposits with maturity more than 3 months | <u>(3,275,323)</u> | <u>(3,455,636)</u> |
| Cash and cash equivalents as stated in cash flow statement | <u>6,636,095</u> | <u>5,749,371</u> |

Short-term deposits are made for varying periods of between 3 months and 12 months (2017: between 3 months and 12 months) depending on the immediate cash requirements of the Club, and earn interests at the prevailing short term deposit rates. The interest rates of short-term deposits range from 0.10% to 1.18% (2017: 0.20% to 1.13%) per annum.

9. ACCUMULATED FUNDS

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

FINANCIAL REPORTS

Notes to the Financial Statements – 31 March 2018

9. ACCUMULATED FUNDS (continued)

The movement in the accumulated funds derived from the operation of the Club's fruit machines income net of related expenditure and depreciation is as follows:

| | Accumulated funds | |
|---|--------------------------|---------------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Accumulated surplus from fruit machines | | |
| Balance at beginning of year | 51,148,715 | 49,964,689 |
| Contribution for the year | 754,980 | 1,294,047 |
| Depreciation of amusement equipment | (95,531) | (110,021) |
| Amusement equipment written off | (20,222) | – |
| Balance at end of year | 51,787,942 | 51,148,715 |
| Accumulated deficit from other activities | (21,909,086) | (21,331,366) |
| Net accumulated funds at end of year | <u>(29,878,856)</u> | <u>(29,817,349)</u> |

10. CREDITORS AND ACCRUALS

| | 2018 | 2017 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Trade payables and accruals | 895,723 | 1,127,070 |
| Unconsumed leave entitlement | 192,448 | 169,689 |
| Deferred revenue | 50,177 | 54,994 |
| GST payable | 158,317 | 197,190 |
| Deposits received | 304,762 | 323,379 |
| | <u>1,601,427</u> | <u>1,872,322</u> |

11. MISCELLANEOUS INCOME

| | 2018 | 2017 |
|----------------------------|----------------|----------------|
| | \$ | \$ |
| Electronic parking systems | 124,665 | 128,174 |
| Sundry income | 67,512 | 33,336 |
| Advertisement | 5,978 | 4,640 |
| Reimbursement income | 51,128 | 66,472 |
| | <u>249,283</u> | <u>232,622</u> |

Notes to the Financial Statements – 31 March 2018

12. FRUIT MACHINES

| | 2018 | 2017 |
|---|----------------|------------------|
| | \$ | \$ |
| Collections | 8,999,358 | 13,364,806 |
| Deductions: | | |
| Payment to winners | (6,082,319) | (8,906,337) |
| Government tax [including goods and services tax of \$190,753 (2017: \$291,406)] | (1,855,242) | (2,784,561) |
| Maintenance of machines | (28,537) | (27,322) |
| General supplies | (14,116) | (13,757) |
| Direct staff costs | | |
| – Salaries and wages | (160,790) | (185,193) |
| – Central Provident Fund contributions | (18,017) | (19,630) |
| Other operating expenses | (85,357) | (133,959) |
| Contribution from fruit machines | <u>754,980</u> | <u>1,294,047</u> |

13. FACILITIES BOOKING

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

14. OTHER ACTIVITIES

| | 2018 | 2017 |
|---|---------------|---------------|
| | \$ | \$ |
| Aerobics and fitness | 80,726 | 78,289 |
| Billiards | (5,416) | (3,613) |
| Bowling | (18,410) | (19,556) |
| Darts | (8,943) | (13,356) |
| Chess | 2,086 | (254) |
| Golf | (16,544) | (21,841) |
| Mahjong | (2,952) | (3,909) |
| Membership relations activities and classes | (38,854) | (13,084) |
| Squash/table-tennis | 2,026 | (673) |
| Swimming | 87,278 | 77,404 |
| Tennis | 18,931 | 16,241 |
| Youth/video games | 8,192 | 10,114 |
| Miscellaneous | (13,931) | (13,354) |
| Net surplus from other activities | <u>94,189</u> | <u>92,408</u> |

Notes to the Financial Statements – 31 March 2018

16. OPERATING AND ADMINISTRATIVE EXPENSES (continued)

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

| | 2018 | 2017 |
|----------------------------|----------------|----------------|
| | \$ | \$ |
| Salaries and related costs | 776,244 | 808,453 |
| Central Provident Fund | 100,231 | 109,758 |
| | <u>876,475</u> | <u>918,211</u> |

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

17. REPAIRS/MAINTENANCE AND HOUSEKEEPING

| | 2018 | 2017 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Housekeeping and landscaping | 222,631 | 228,836 |
| Repairs and maintenance | | |
| – building | 110,856 | 98,318 |
| – equipment/furniture | 252,630 | 245,856 |
| – motor vehicle | 5,956 | 7,415 |
| – bowling alley | 26,108 | 16,184 |
| | <u>618,181</u> | <u>596,609</u> |

18. INCOME TAX EXPENSE

(i) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 March 2018 and 2017 are:

| | 2018 | 2017 |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| Current tax | 50,000 | 49,955 |
| Under provision in prior years | 806 | – |
| | <u>50,806</u> | <u>49,955</u> |

FINANCIAL REPORTS

Notes to the Financial Statements – 31 March 2018

18. INCOME TAX EXPENSE (continued)

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

The reconciliation between the tax expense and the product of accounting surplus multiplied by the applicable tax rate for the years ended 31 March 2018 and 2017 are as follows:

| | 2018 \$ | 2017 \$ |
|--|-------------|-------------|
| Surplus before tax | 112,313 | 750,589 |
| Tax expense on surplus before tax at 17% | 19,093 | 127,600 |
| Adjustments: | | |
| Tax effect of: | | |
| Non-deductible expenses | 3,489,698 | 4,141,983 |
| Tax exempt income | (3,458,791) | (4,219,628) |
| Under provision in prior years | 806 | – |
| Total tax expense | 50,806 | 49,955 |

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 2018 and 2017 relate to the income tax payable on rental and interest income received from non-members.

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

19. COMMITMENTS

(i) *Operating lease commitment*

As lessee

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

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

| | 2018 \$ | 2017 \$ |
|---|------------|------------|
| Not later than one year | 32,400 | 25,100 |
| Later than one year but not later than five years | 1,600 | – |
| | 34,000 | 25,100 |

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2018 amounted to \$46,300 (2017: \$24,654).

Notes to the Financial Statements – 31 March 2018

19. COMMITMENTS (continued)

As lessor

The Club has entered into commercial property leases. These non-cancellable leases have remaining non-cancellable lease terms of 2 to 4 years (2017: 1 to 5 years) at the end of reporting period. All leases include suitable clauses to enable appropriate revision of the rental charges either upon renewal or based on pre-agreed rates stated in the lease terms.

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

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Not later than one year | 449,272 | 369,502 |
| Later than one year but not later than five years | 879,758 | 1,007,702 |
| | <u>1,329,030</u> | <u>1,377,204</u> |

The leases on the Club's leasehold properties on which rentals are receivable will expire earliest on 30 November 2019 (2017: 30 November 2017) and latest on 1 December 2021.

(ii) *Capital commitment*

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements in respect of property, plant and equipment amounted to \$ Nil (2017: \$32,595).

20. EMPLOYEE BENEFITS

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Salaries and bonus | 5,006,767 | 5,113,852 |
| Central Provident Fund [net of Special employment credit of \$70,906 (2017: \$113,102) and Wages credit scheme of \$55,320 (2017: \$97,964)] | 382,815 | 345,980 |
| Others | 302,488 | 268,461 |
| | <u>5,692,070</u> | <u>5,728,293</u> |

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

FINANCIAL REPORTS

Notes to the Financial Statements – 31 March 2018

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

(i) *Interest rate risk*

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

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

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

Sensitivity analysis for interest rate risk

Movements in interest rates will have an impact on the Club's fixed deposit interest income. A change of 50 (2017: 50) basis points in interest rates at the reporting date would change fund and surplus before tax by \$21,432 (2017: \$22,320). This analysis assumes that all other variables remain constant.

(ii) *Credit risk*

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

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

(iii) *Liquidity risk*

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

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

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

Notes to the Financial Statements – 31 March 2018

22. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

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

23. FUND MANAGEMENT

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

24. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

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

| | 2018 \$ | 2017 \$ |
|--|-------------------|-------------------|
| <i>Loans and receivables</i> | | |
| Members' receivables | 1,119,169 | 1,331,987 |
| Sundry receivables and deposits | 199,311 | 189,530 |
| Interest receivables | 8,564 | 8,686 |
| Fixed deposits | 3,275,323 | 3,455,636 |
| Cash and cash equivalents | 6,636,095 | 5,749,371 |
| | <u>11,238,462</u> | <u>10,735,210</u> |
| <i>Financial liabilities at amortised cost</i> | | |
| Creditors and accruals | 1,392,933 | 1,620,138 |
| Members' credit balances and deposits | 781,553 | 784,983 |
| | <u>2,174,486</u> | <u>2,405,121</u> |

25. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Club for the financial year ended 31 March 2018 were authorised for issuance by the Club's General Committee on 31 May 2018.

