



SERANGOON GARDENS COUNTRY CLUB



ANNUAL REPORT

2019 / 2020



VISION

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

MISSION

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

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PRESIDENT'S MESSAGE

As your President for the past two years, I look back on my tenure with great pride, especially in my General Committee, in the change mentality that we managed to effect, and in you, the Members. No doubt there were tumultuous times for us all, but that simply reminds me of the passion and drive that Members have for the good of our Club, and this spurs me on to try and achieve better results we all can be proud of that can last for future generations.

These have certainly been rather unconventional times, especially in the last few months of the financial year hitting all businesses badly due to COVID-19 restrictions. But this too shall pass; I believe we will come out stronger for it.

Darwin wrote, "It is not the strongest of the species that survive, nor the most intelligent, but the one more responsive to change." This rings true when we become complacent with the status quo, and resistant to change due to the fear of striking out. But with the world changing drastically around us, there was a need to kick-start that transformation, to unlock endless possibilities with the right first step out of our boundaries.

My two-year journey as your President started with you believing in me, in the change we could create just by making an effort to practise good corporate governance in everything we do in the Club, and abide by the laws and constitutions of this Club and of this country. I urged you to think about what is good and fair for all our Members, regardless of membership type, as well as what is in the best interest of the Club.

Is everyone cut out for this position? We now know that is not the case. Members put their votes of trust in elected Members of the General Committee to serve the Club unreservedly. For this reason, the onus was not on us to simply do as all others had, but to exceed expectations, and to strive to make things better.

When I took on this role, there was no handbook or guidance. There were, however, whispers to stick to the status quo for the sake of future voter approval. One thing was clear to me: I never intended to take up this position for the votes. Rather, I did so because it was the right thing to do for the benefit of the Club and every single Member. If this had cost me the popular vote, so be it; but the results speak for themselves – change made a positive difference to the future of our Club. A two-year tenure for any GC often makes us short-sighted to our goals, but I have looked into putting in place policies that will last the next 20 years.

Accountability leads to exposure that leads to reforms. This year, we commissioned an external audit, which brought up some red flags that were in dire need of our attention, some of which we have already addressed. But there is still a need to move into Phase

2 of the audit to fully identify these issues so we can correct them and set our Club on the right path forward. We also launched an inquiry into an update of our Constitution, which awaits your input as Members once COVID-19 restrictions are lifted.



We need to be professional in how we deal with every aspect of our Club if we want to remain competitive in the coming years to provide top-of-the-line services, amenities and provisions for our Members. We set a goal to be the best, and we have now taken steps to work towards it. Procrastination, for example, has been eating away at the multitude of opportunities laid before us, but we have now set benchmarked KPIs against which management is expected to deliver.

Throughout the year, we have been keeping a close watch on our budgets and the projections of our finances, making small adjustments along the way to ensure that we meet our targets by year's end. Barring the huge loss of income we faced with all the restrictions around this global pandemic, I am happy and optimistic about the progress we have made in keeping our finances stable. In addition, the General Committee and management explored ways to grow our financial yield, which resulted in the decision to place \$2.2 million – an amount that was sitting idly in our account – into fixed deposit accounts; that investment has earned \$98,000 in interest to date. We set aside \$2.3 million as working capital to run the operations of our Club.

The Club ended FY2019/2020 with a Net Operating Surplus of \$0.375 million (before non-operating income and expense) compared to \$0.233 million the previous year, reflecting a 60.9% (or \$142,000) improvement. Net deficit after non-operating income & expenditure and tax was \$0.289 million, compared to \$0.562 million net deficit the previous year, indicating a 48.5% (or \$273,000) improvement.

We were able to bring our F&B projections very close to break-even; however, with COVID-19 restrictions affecting our operations toward the close of the year, we were only able to log a net operating deficit of \$66,000, an amazing recovery compared to the past five years. Had it not been for the restrictions, which badly affected revenue from banquet sales of up to \$166,000, we would have achieved the goal we set two years ago. New initiatives – such as the periodic refresh of the menus, F&B rewards scheme, special seasonal offerings, and new headline events such as the After Dark series – were just some of the ideas that have brought renewed life to our F&B offerings.

Embracing diversity and a culture of inclusivity through our practices and assortment of events has also been very important in making all Members, regardless of their ethnic or cultural backgrounds, feel valued and vested in the Club.

We also set out to improve our professionalism when it came to our branding and communications portals. Many of our Members possess membership cards that now feature an RFID chip for quicker transactions and

verifications. They can also browse a brand-new Club website, which will soon have the capability for Members to make facility bookings online. These changes increase manpower efficiency while enhancing the membership experience. We will, in time, make more changes as we move to a more digitally supported Club, which not only improves efficiency but also helps us in our commitment to be environmentally friendly.

We continued to explore more green efforts, such as alternatives to the use of plastic packaging and utensils in our Club. For example, the use of disposable plastic cups at water points and plastic bags have been replaced. There is now a waste-sorting bin placed near Coffee Deli, and I encourage both staff and Members to be more conscious about the waste they are disposing. Conscious sorting can lead to more effective recycling efforts.

Most important to our agenda was to improve and revitalise the Club's amenities, environment and infrastructure, including refurbishment work around the Club that strengthened the 'Gardens' theme synonymous with our vicinity. This could not have been possible without your valuable subscriptions, which not only goes into funding day-to-day operations but also these essential upgrades to our Club.

The new Membership Cards also help us to maintain the Club for the use of Members and their guests exclusively. With routine Membership Card checks by Security, we have managed to reduce unauthorised entry into our Club by up to 12 cases every month.

This year, we reflected a much tighter workforce – at just 117 staff – than in previous years, with the onus on our Human Resource Department to expand the capabilities of all staff through effective and relevant training. More than 60% of our training budget was supported by government grants. Furthermore, as we embraced more digital solutions for the Club, we prepared our staff so that these digital solutions enhanced and supported their work.

The Membership Relations Department managed to close the year with an increase in the value of our membership in the open market to \$12,500 – the highest in the last few years. This, on top of many other reasons, was due largely to the many sponsorship and partnership deals initiated by the team to increase membership benefits not just within the Club but also with like-minded external businesses. In total, the department secured close to \$15,000 worth of sponsorship, which went towards enhancing all Club-level events throughout the year.

These efforts were the areas that my General Committee and I had been looking into to improve our Club's bottom line so we can fulfil my original promise to you, that there will be neither increase in subscription fees nor minimum spend for our Members.

Moving forward, we will need to keep our focus on our next generation of Members – our youth – who already have been showing their loyalty to the Club, winning critical acclaim, many through our sports fraternities. These Members and other youths will eventually inherit the Club from us, and it is right that we take steps to leave them something that they will be proud to receive and treasure. We will look into engaging more with families that have kids through the

Junior Gems Club, which organises many kids-centric activities, such as the highly successful Halloween party last year and our annual sports camp.

We will also look into focusing support for working-class Members, offering more options and services that support careers and businesses. Our Networking Group database is slowly growing, and I strongly encourage you to be part of it. Through that group, we hope to create a supportive and collaborative working environment for our Members through workshops and networking sessions. We will also look at enhancing our infrastructure to create an environment more conducive for your business needs, be it client lunches at Garden Grill, or business meetings in one of our function rooms. In this currently uncertain economic climate, start-ups may face overwhelming overhead costs; those renting shared workspaces will find the Club a pocket-saving respite.

As we now navigate through the COVID-19 pandemic, our infrastructure will need to adapt to changes. We will update our strategies to tackle the pandemic so as to stay operational for our Members. This may include manpower optimisation and retraining to help our workforce adapt to the new normal.

As we journey forward, we can only grow with Members' support. Acknowledging the diversity of talent among our Membership, I would like to invite more of you to step forward to share your talents, connections and expertise, and collaborate with us on various aspects in and around our Club. More active participation is necessary for us to have a variety of options, opinions and feedback in order to grow as a community. This can come by way of joining our sub-committees to support the management and GC, or simply stepping forward to offer a service you feel could be of value to the Club, such as talks/workshops, expertise with our various amenities, and so on. We do not have a deficit of ideas but a deficit of courage.

I would like to thank the various Members who served during my tenure as President for their trust in my leadership, and for their love and passion for the Club. I would also like to thank you, the Members, many of whom have pulled me aside to encourage me to make this Club one we can all be proud of.

To the Management team, thank you for your support throughout these two years, for your undying dedication to this Club, and steering us forward towards meeting our goals. And to my family, thank you for being my pillar of strength and source of abundant love, thus fuelling my determination to always do what is right, not what is easy.

We should never be afraid of change. We should step away from complacency and always ask ourselves, "How can we do things better?" Together, we can make a difference.



Terrence Fernandez

President

GENERAL COMMITTEE



Mr Terrence Fernandez
PRESIDENT



Mr Lee How Giap
ASSISTANT HONORARY TREASURER



Mr Peter Karsono Lee
ASSISTANT HONORARY SECRETARY



Mr Arulananthan Subramaniam
COMMITTEE MEMBER



Mr Ng Teng Hee
COMMITTEE MEMBER



Mr Kabilan S/O Subramaniam
COMMITTEE MEMBER



Mr Emrys Phua Kang Sheng
COMMITTEE MEMBER



Mr Shaun Chen Zhi Hui
COMMITTEE MEMBER

PATRONS



Mr George Yeo



Ms Sylvia Lim



Mrs Lim Hwee Hua

TRUSTEES



Mr Hendrick Koh
PPA PBM BBM



Mr Anthony Tan



Mr Pao Kiew Tee

CONVENORS

Mr Steven Lee
TENNIS

Mr Edward Tan
BOWLING

Mr Ronnie Ng
CHESS

Mr Eddie Ng
FITNESS

Mr Aaron Lim
GOLF

Mr Edwin Lee
SQUASH



FOOD & BEVERAGE

The F&B team endeavours to provide Members and their guests with a great place to wine, dine, and be entertained with good food, good drinks, and excellent service.

This year, we took a more pro-active approach towards increasing interest in our F&B establishments among Members. This included the introduction of a new a la carte menu at Atrium Café that changes every quarter to keep our

menu fresh in the minds of our patrons, value-added meals, and special promotions across all establishments, as well as special themed nights and unique activities to increase more traffic and sales.

These tactics proved to have a positive impact on our revenue, bringing our projections very close to break-even, and on track with our objective to erase the red from the F&B Department's ledger, a feat not achieved over the past several years.

However, as a result of the Government's advisory on various restrictions imposed due to the COVID-19 pandemic, several Banquet events were cancelled or postponed, resulting in a loss of revenue from February to March 2020 amounting to \$166,000. This impacted the F&B bottom line by about \$77,000. Had that not been the case, we would have achieved our objective to break even in our F&B results for 2019/2020.

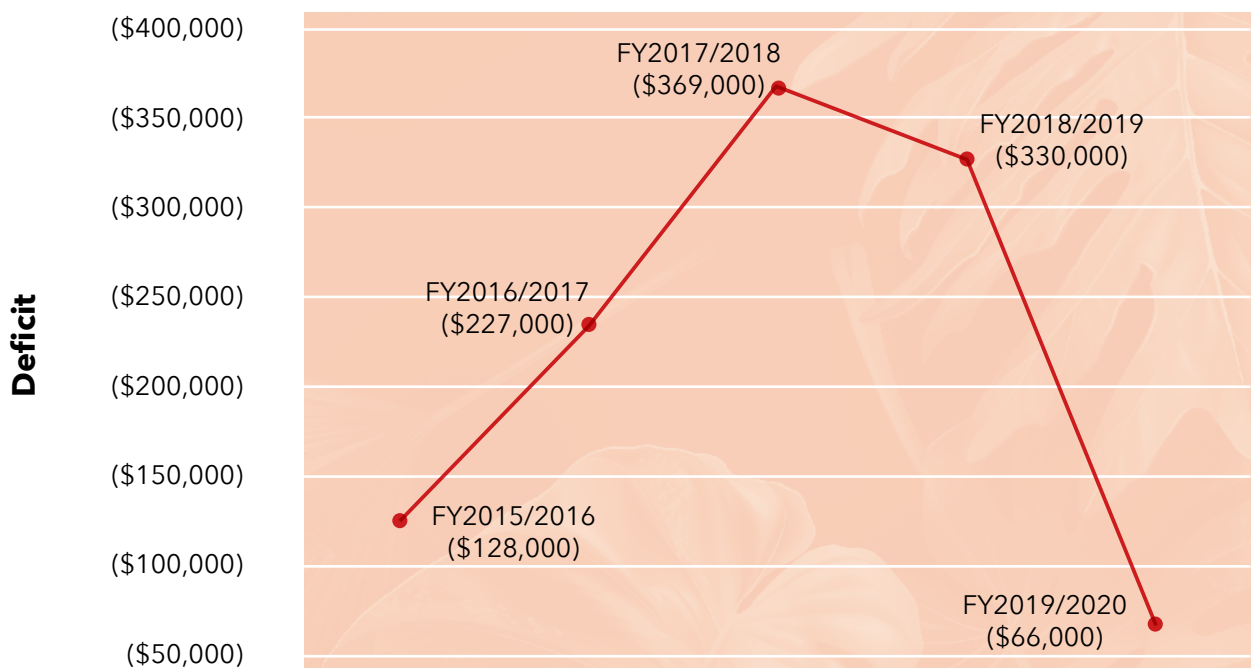
OVERVIEW OF F&B FINANCIAL RESULTS

Food & Beverage	Total Actual for FY (\$'000)		Variance Fav/(Unfav)	
	2019/2020	2018/2019	\$'000	%
Sales	4,626	5,141	(515)	-10.0
Less: Cost of Sales	(1,744)	(2,017)	273	13.5
Gross Contribution	2,882	3,124	(243)	-7.8
Less: Operating expenses	(2,948)	(3,454)	506	14.7
Net Operating Surplus/(Deficit)	(66)	(330)	264	79.9

HIGHLIGHTS OF F&B PERFORMANCE FOR THE PAST 5 FYs

Food & Beverage	Total Actual for FY (\$'000)				
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Sales	5,831	5,470	5,323	5,141	4,626
Less: Cost of Sales	(2,358)	(2,172)	(2,012)	(2,017)	(1,744)
Gross Contribution	3,472	3,299	3,221	3,124	2,882
Less: Operating expenses	(3,600)	(3,525)	(3,590)	(3,454)	(2,948)
Net Operating Surplus/(Deficit)	(128)	(227)	(369)	(330)	(66)

F&B NET OPERATING DEFICIT FOR PAST 5 FYs



Net Operating Deficit	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
	(\$128,000)	(\$227,000)	(\$369,000)	(\$330,000)	(\$66,000)



ATRIUM CAFÉ

The new a la carte menu included new dishes we felt would appeal to our Members, as well as several favourites from the old menu. These included Arugula Salad with Shaved Parmesan, Beef Lasagna, Three Cup Chicken in Claypot, and Eight Treasures Porridge, to name a few. We also offered a Monthly Specials menu. This was a selection of affordable daily/weekly dishes from interesting new cuisines to test their appeal among our Members; dishes that proved popular may then be added to the quarterly a la carte menu. These included dishes such as Grilled Pork Chop on Hot Plate, Chilli Prawn Spaghetti, Cantonese Beef Brisket Noodle, Seafood Char Kway Teow, and many more. In March 2020, we commenced a home delivery service to Members living within Serangoon Gardens that was well received by Members, especially in light of restricted movements due to the COVID-19 pandemic.

COFFEE DELI

Coffee Deli continued to be one of the most favoured spots for Members to gather over a cup of coffee in the morning, especially with the One-for-One Kopi Tiam set

offer. To ensure that Members had the best experience, the staff here worked towards maintaining the cleanliness of the space while delivering top-quality service. We also introduced a slew of other promotions, including the Tea Time Special, Dim Sum Special, and Good Things Come in Pairs.

GARDEN GRILL

The monthly themed set menus featuring cuisines from around the world proved the most appealing with Members. On special occasions – such as Mother's Day, Father's Day, Christmas, New Year, Valentine's Day, and Chinese New Year – Garden Grill offered special set menus to attract celebratory crowds. This was very popular, with most events selling out fast. We even experienced over-booking for some events, such as the

Japanese Sake Dinner in April 2019, which featured guest chef Chikara Yoshigawa, formerly from Haru Yoshi restaurant. There was a good pick-up rate for the takeaway Christmas Goodies bundles. We also introduced 'Where to throw your year-end party' in Garden Grill.

CLUB TWENTY-TWO

In our bid to contain operating cost, changes were made to the line-up of evening programmes. We sustained our regular live performances on Tuesday afternoons, on Wednesdays, and on Saturdays with monthly live bands such as Locomotion and Muzik Line.



For headliner bands, we introduced a new Clubwide concept called the After Dark series, which welcomed bands such as Matthew & The Mandarins, Night of the Beatles, and Cliff Richard, all of which were sold-out events. We also included interesting themed parties, such as Raya and Easter Dance Party, and Country & Western Night. Other events included Hits of Yesteryear featuring John Cher & Friends with Romito, and Hongbao Musical Afternoon. We collaborated with Le Bottin Singapour, a network for the French-speaking community in Singapore, to organise Get Into The Groove, which featured French DJ Steph and guest band, The French Buns.

To boost patronage, we promoted a minimum-spending incentive, which entitled Members to a waiver of guest cover charges.

CROSSROADS LOUNGE

While Crossroads Lounge remained a watering hole in which Members could unwind, it was an excellent place for casual business



meetings in the afternoons. We experimented with afternoon tea-time events to cater to our Members who hang out in the Club at that time. These included jewellery-appreciation events, and a regular musical trip to the past hosted by Larry Lai.

Besides screening BPL matches, we introduced live band performances to provide more variety for Members. The Friday line-up of bands included Lynn & The Lovebirds, Muzik Line, and Jerry & The Neufaces. Romeo Duo performed at our Oktoberfest Tuesday Special. We added Mandopop Night with Daphne & Mathew every second Tuesday of the month, which commenced in January 2020.

Apart from the activities and promotions at the F&B outlets, we also organised dance parties, such as Oktoberfest Music Festival, Tuesday Christmas Musical

Afternoon, Christmas Eve Dinner & Dance by Muzik Line, Lo Hei Dinner & Dance, and Chap Goh Meh Dinner & Dance with Locomotion.

BANQUET

Over the last year, we focused on the MICE (Meetings, Incentives, Conferencing, Exhibitions) segment to fill up the ballroom and function rooms, especially on weekdays. We continued to focus on the Malay and Indian wedding markets by actively participating in bridal shows, coming up with new promotions as well as revising wedding packages to stay competitive. We also have a referral incentive scheme for Members who recommend friends to host events in the Club.



THE YEAR AHEAD

We will continue to ramp up efforts to sustain and grow the banquet business as well as improve service levels across all F&B outlets. There are plans in the pipeline to upgrade the Garden Grill to improve the dining experience, and to make improvements to the kitchen to ensure better efficiency and consistency in food production.

The COVID-19 outbreak has had significant impact on F&B businesses around the world. While there are challenging times ahead, we will adopt innovative business models and productive formats to remain competitive.

SPORTS & RECREATION

Glories and triumphs have made this year a proud and eventful one for the Sports & Recreation Department. As a Club actively engaged in sports, it is vital that we consistently maintain an energetic and lively atmosphere of sportsmanship and healthy competition for our Members.

The Sports & Games fraternities continuously seek creative ways of

engaging our Members and their families in a wide and diverse range of activities. In our efforts throughout the year, we saw an estimated 70% increase in participation across the board, which serves as great encouragement for the work that we do moving into the next FY.

As we celebrate the achievements of our accomplished athletes, let us not forget our young and aspiring ones, whom we

will continue to groom and nurture towards achieving sporting excellence at Club and National levels.

Together with the Convenors, its Sub-Committee Members, and the staff of the Sports & Recreation Department, we can look forward to more recreational activities for our Members and their families, as well as highly competitive tournaments aimed at achieving glory for the Club.



NOTABLE VICTORIES

TEAM	EVENT
Bowling	25 th Adult Inter-Club Bowling Mixed League • SGCC: Champion Club 19 th Kaohsiung International Open Bowling • Arianne Tay: Champion, Women's Masters
Golf	SEA Games 2019 • James Leow: 1 gold (men's individual), 1 silver (men's team) Singapore's top national golfer
Swimming	2 nd X Lab Pro Swim Series 2019 • Phoebe Ng Tan Yi (11-12 age group): 5 gold, 1 silver • Gwen Ng Kai Lin (9-10 age group): 1 gold

BRIDGE

The weekly bridge sessions are a platform for bridge enthusiasts to meet and spar with one another. The Club hopes to see more Members joining the sessions to keep this interest going.

The in-house bridge events – such as Ang Pow Bridge, Blind Doubles, and Sparkling Diamond tournaments – continued to have the support of regular Members.



BOWLING

The bowling calendar was once again packed with events throughout the year: 10 in-house competitions and two Inter-Team Bowling Mixed Leagues were organised for our Members.

In 2019, SGCC hosted for the second time both the Adult and Youth Inter-Club Bowling Mixed Leagues. The 25th Adult Inter-Club Bowling Mixed League 2019 saw eight clubs competing for the championship title.



Team SGCC managed to secure the championship, with Tay Hui Chiang emerging Champion in the Men's Master category. Meanwhile, five clubs competed in the 19th Youth Inter-Club Bowling League. After an intense competition, SGCC managed to secure third place. Our strongest bowlers, Arianne Tay and Derrance Chua, were Champion in the Girls' Event and Runner-up in the Boys' Event respectively. We applaud Members of our two Inter-Club teams for their outstanding achievements. We also wish to acknowledge Team Captain Ms Lily Leow for her hard work.

At the 19th Kaohsiung International Open Bowling Championships, our Youth Bowler Arianne Tay became the youngest ever person to win the Ladies' Masters title after the 15-year-old defeated Yang Su Jin of Wondo Haengseong City, South Korea, twice in the final. The Asian School Singles gold and quadruple silver medallist from Singapore took the first match 207-197 to force the top-seeded Yang into a second deciding game. The Korean bounced back from defeat with three strikes in a row, while Tay rolled a double in the third and forth frames to trail by 10 pins. But Yang failed to maintain her strong pace as Tay added another double in the sixth and seventh frames to move five pins ahead. The tie went down to the wire. It was only in the 10th frame that the winner could be decided: after an intense game, Tay was crowned Champion.

Bowling Convenor Edward Tan and his Sub-Committee would like to thank the bowlers for supporting events they organised.

BILLIARDS

The billiards fraternity is on track to make the Club proud once again, with their Division 4 team leading at the moment in the National Snooker League, which is led by Sub-Committee Member Eden Tan.

A total of six in-house Snooker & Pool events were organised, all of which – even the two relatively newer events, Snooker 6 Red Blind Doubles and Snooker Number Balls – had good participation throughout the year. However, the Billiards

Sub-Committee postponed two in-house tournaments to support the fight against the COVID-19 virus.

The well-patronised billiards room was a constant gathering place for aspiring cueists, resulting in the billiards fraternity growing in numbers. Boosting this number was the Billiards Sub-Committee's successful effort to bring back past players into the fraternity.

Billiards Convenor Emrys Phua and his Sub-Committee are heartened to see the strong bonding within the Billiards fraternity, and hope that Members will continue to enjoy and have fun in the game.



CHESS

The SGCC chess calendar started with the TCA Junior Chess Open Tournament, which attracted a record 246 young chess players across the different age groups of Under 8, Under 10, Under 12, and Open Category. Although the Open Category was opened to all chess players below the age of 18 years, it was heartening to see many young players take up the challenge and compete in this category instead of in their respective age groups.

Having organised the TCA Chess Tournament for the past 19 years, SGCC has received much positive feedback from both junior chess players and parents; they rate it as one of the best junior chess events in Singapore. Supported by the Singapore Chess Federation, SGCC's TCA Junior Chess Open Tournament is one of the most anticipated junior chess events on Singapore's chess calendar.

The SGCC chess team emerged victorious in the inaugural friendly match against Tanglin Club; the event was hosted by SGCC in our Club on 14 April 2019. Tanglin Club reciprocated and invited the SGCC chess team to another friendly game, played on their premises on 10 November 2019.

SGCC chess events were well supported by Members and their friends. Chess Convenor



Ronnie Ng and his Sub-Committee will continue to explore new events to raise interest among Members.

DARTS

The Darts fraternity had a reasonably good year, with eight tournaments organised in FY2019/2020: Blind Doubles Cricket, Convenor Cup, 301 Individual, SC Shield Challenge, Darts Ladder, 501 Blind Doubles, Christmas Challenge, and Ang Pow Darts.

A group of 13 darters participated in the KPRM-CARLSBERG Inter-Club Invitational Darts Tournament in Kelab Rahman Putra Malaysia on 3 and 24 November 2019. It was the first visit to that club by the darters, who received a warm welcome from the organiser. While the tournament was in full swing, female darters from our team were invited to participate in the Ladies' Category; our ladies responded admirably and managed to reach the quarterfinals.



Darts Convenor Rick Seah and his Sub-Committee urge more Members to come forward and participate in games held at the Darts Lounge.

FITNESS

New classes were introduced constantly as the Fitness Sub-Committee aimed to introduce a variety of different lessons to the Club so as to cater to all the different age groups, needs and interests.

For our Exploring Singapore series, we organised a trip to the Green Corridor, which saw the participants trekking from Commonwealth to the old Bukit Timah railway station, where they were able to get up close to Mother Nature.

As for the gym, we continued to maintain the practice of quarterly closure for the maintenance of equipment and facilities. We also noticed an increase in daily patronage: 135 users, up from 115 users the previous year. This year, we also brought in the new Cable Jungle machine to replace a few obsolete machines. This Cable Jungle Machine allows up to three users at any one time, and has been positively received by Members since it was installed.

The annual Family Fun Walk event was organised as part of the Club's week-long National Day Celebration. Club President Mr Terrence Fernandez and General Committee Member Mr Lee How Giap together flagged off more than 310 participants, who made their way past Tanjong Rhu Promenade, Sports Hub, Marina Barrage, Gardens by the Bay, and Marina Bay.

Fitness Convenor Eddie Ng and his Sub-Committee are dedicated to organising and arranging fitness activities that incorporate a touch of fun. They also aim to regularly upgrade the facilities to serve Members better.

GOLF

The golf calendar was fully packed. Apart from holding events locally, a 2-day-1-night trip to Batam was also organised in conjunction with the Dr Lau Teik Soon Golf Challenge in May 2019.



Nine clubs participated in the Inter-Social Clubs Golf Tournament 2019 (ISCGT), which was renamed the Social Clubs Annual Golf (SCAG).

In November 2019, the golf section held its annual Golf Section Tournament cum Champion of Champions at the Orchid Country Club, with a Dinner & Dance held at the club's Ballroom 2. The overwhelming and positive response from Members bodes well for the golf section, as they continue to attract more Members to the game of golf.

In a friendly match against Singapore Cricket Club on 25 June 2019, SGCC emerged victorious after a hard-fought game.

Last but not least, SGCC's James Leow, Singapore's top national golfer, won the Men's Individual gold medal at the 2019 SEA Games! His one-shot victory over Thailand's Tanapat Pichaikool ended a 30-year

wait since Samson Gimson won individual gold in 1989. Congratulations, James!

Golf Convenor Aaron Lim and his Sub-Committee would like to thank the golfers for their great support and readiness to represent the Club in the SCAG and friendly matches.

SQUASH

It has been an eventful year for the Squash fraternity.

From 26-28 April 2019, 11 squashers made their way to Malacca and pitted their skills against the junior players from Nic's Squash Academy at Tiara Golf & Country Club. They also took some time to enjoy Malacca's famous dishes. Special thanks to Mr and Mrs Tio Hong Tjoen, who graciously hosted the team in their beautiful home, and offered many glasses of whiskey, which made the trip even more unforgettable.

In July 2019, the squashers interacted with players from the Singapore Swimming Club



(SSC). The friendly game saw a competitive streak among the more established players. SGCC returned the favour and hosted SSC in November 2019. Overall, it was a good workout, and rekindled talks of past glory among the players.

The squash fraternity celebrated World Squash Day in October 2019. At the Cosmopolitan Squash League, they fought hard to come in fifth among the seven participating clubs. Kudos to all the league players for giving their best.

The Club continues to enjoy steady revenue from renting courts to the Raffles Institution and Singapore Management University squash teams. Special thanks to the resident coach, Allan Chang, for arranging this deal.

Finally, the squashers welcomed the Year of the Rat with a big bang by organising the Annual Ang Pow Squash on 1 February 2020. For the first time, instead of the usual buffet, there was steamboat, suckling pig, roast pork, and roast duck, not forgetting a spectrum of alcoholic beverages. It was a joyous occasion enjoyed by all who attended.

Squash Convenor Edwin Lee and his Sub-Committee will continue serving the squashers to the best of their ability.

SWIMMING

The 30th Age Group Swimming Meet, held in July 2019, saw 134 competitors. Swimmers and



spectators were able to view the results live through the Meet Mobile app.

At the 2nd X Lab Pro Swim Series, held in August 2019, 13 swimmers participated. Phoebe Ng Tan Yi won five gold medals and one silver medal in the 11-12 age group, while Gwen Ng Kai Lin won a gold medal in the 9-10 age group.

Swimming Convenor Carole Ng is pleased with the performance of Team SGCC, and will continue to promote the sport and strive to improve.

TENNIS

A representative from each of our Club's Men's and Ladies' teams were sent to compete

in the Men's D & Ladies' A division of the STA Inter-Club Doubles League in 2019.

There was an increase in participation in the Junior Tennis Championship: the November 2019 event received 70 competitors.

As usual, all participants and prize winners who had taken part in tennis tournaments during the year were treated to a grand Dinner & Dance to reward them for their achievements and participation.

Tennis Convenor Steven Lee and his Sub-Committee are pleased with the Junior Tennis Championship turnout, and will continue to promote the sport and strive to improve.

THE YEAR AHEAD

It has been a year of tremendous achievements, with the Club's athletes recognised at Club and National levels. The S&R Department will continue to organise events that raise the standard of competitiveness among the Club's athletes, and encourage recreation-level Members to participate in healthy physical activities.



MEMBERSHIP RELATIONS

The Membership Relations (MR) Department acts as the voice of the Club, and is the main communications driver for all Club matters to Members and those outside the Club. In order to foster stronger relationships and build a quality Membership experience, the MR Department is also responsible for organising a wide range of social and kids' activities, and maintaining effective communications and feedback channels.

In June 2019, we launched a Club-wide census to encourage Members to update their personal

details with us. This process was necessary as we noticed that communications to the larger Membership was increasingly difficult with the lack of updated contact information. This was also in line with our Club's upgrading project to switch Membership Cards to a dual RFID and Magnetic Strip card, paving the way for more innovative Membership initiatives around the Club in 2020. A secondary purpose of the census was to better understand our Membership demographic so that we could create more relevant activities, promotions and events.

From the data collated, we found that, while our Senior Members (aged 41 years and above, forming nearly 50% of our Membership) were being engaged by most of our activities, a majority of new Members, mostly aged below 40 years old, felt disconnected from the Club. This included Members' children reaching adulthood at 26 years of age, who were reluctant to purchase or inherit a Membership after their Supplementary Memberships lapsed. The census also showed that a number of Club facilities, such as the Gardens Bowl, Karaoke Rooms and Club Twenty-Two, were not regularly used by Members.



With that knowledge, we launched a campaign to refocus our efforts on young families and youth, as well as promotions to increase the appeal of the other facilities across the Club. We also engaged in more external marketing initiatives to publicise our Club to a wider audience through targeted flyer and balloon distributions to neighbourhoods in and around Serangoon Gardens; as well as conceptualised more family-friendly and youth-centric activities to increase participation among our younger Members.

To strengthen the public profile of the Club, we focused on beefing up our communications channels to showcase the sophisticated, family-friendly atmosphere and branding of the Club in our effort to attract young families to join as new Members. This included a revamped website, a fresh and more professional-looking *ClubSpirit* magazine, more relevant

and vibrant content on our Facebook pages, and even the introduction of a bi-weekly e-newsletter called *Gardens Connection*. The team also introduced a brand-new Membership Sales Kit, which showcases the Club in a more sophisticated fashion to all prospective Members. We also aimed to introduce more value-added activities benefiting the working professionals through networking opportunities and business-related talks and courses.

This year, there was a drop of 0.3% compared to last financial year for the total number of Members. This shift was primarily from Term and Grand Memberships. The 3.5% dip in Term Memberships was prompted by COVID-19 and the facilities refurbishment project, which greatly reduced the appeal of the Club when the time came for Membership renewal; whereas there was an increase in Grand Memberships by 4.1% due to the department's proactive encouragement of qualified

Membership Profile

Type of Membership	No. of Members as at 31 March 2019	No. of Members as at 31 March 2020
Honorary	6	6
Life	6	6
Founder	8	8
Corporate	42	42
Ordinary	3,379	3,379
Term	171	165
Non-Transferable Ordinary	339	325
Grand	172	179
Total Members	4,123	4,110



Members to take up the Membership. Non-Transferable Ordinary Membership (NTOM) continued to drop as more Members chose to convert their Memberships to Ordinary or terminate due to a change in residence, leading to a drop of 4.1%.

XCHANGE SCHEME

The Open Market values of Country Club Memberships across the island continued to work against us, with our value borderlining at \$10,500 despite our best efforts. However, in March 2020, with the launch of the exchange scheme, our Club managed to increase our open market performance, closing the year on a high of \$12,577.50.

INCREASED MEMBERSHIP BENEFITS

The team worked hard to increase the value of our Membership beyond the confines of our Club by building on Membership Privileges. Below is a list of privileges Members could take advantage of in the year:

- 20% off or exclusive rates on vehicle-grooming service

- 10% off or exclusive rates on theatre shows
- 10% off and exclusive rates on beauty and aesthetics services
- 15% off on *Royal Albatross* dinner cruise
- Exclusive members-only price for studio photography sessions

MEMBERS' ENGAGEMENT (EVENTS / ACTIVITIES)

This year, we doubled the activity options in a move to

engage more young families and youth. These included:

- Club-level celebrations, such as Hari Raya Aidilfitri, Deepavali, Halloween and Anzac Day (special meal promotion by the poolside)
- a collaboration with a major sponsor for National Day, thus showcasing our Club in its best light to potential Members
- movie screenings held in both Crossroads Lounge and the Main Lobby

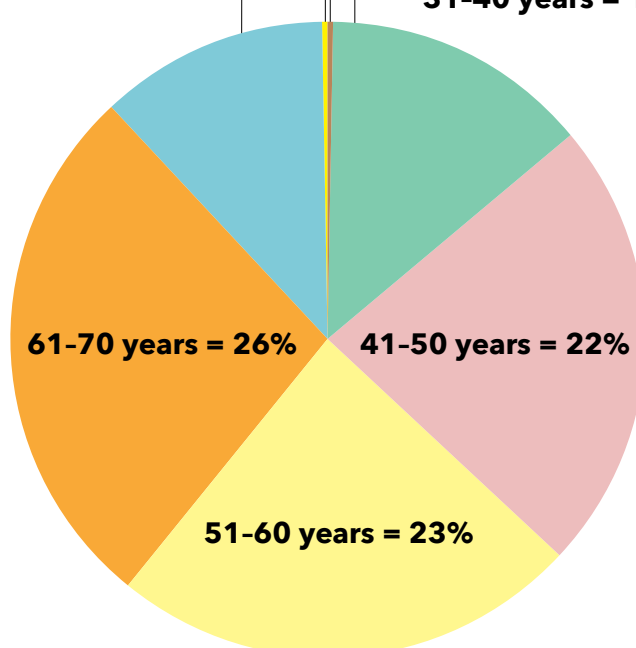
Membership Age Profile

71-80 years = 11%

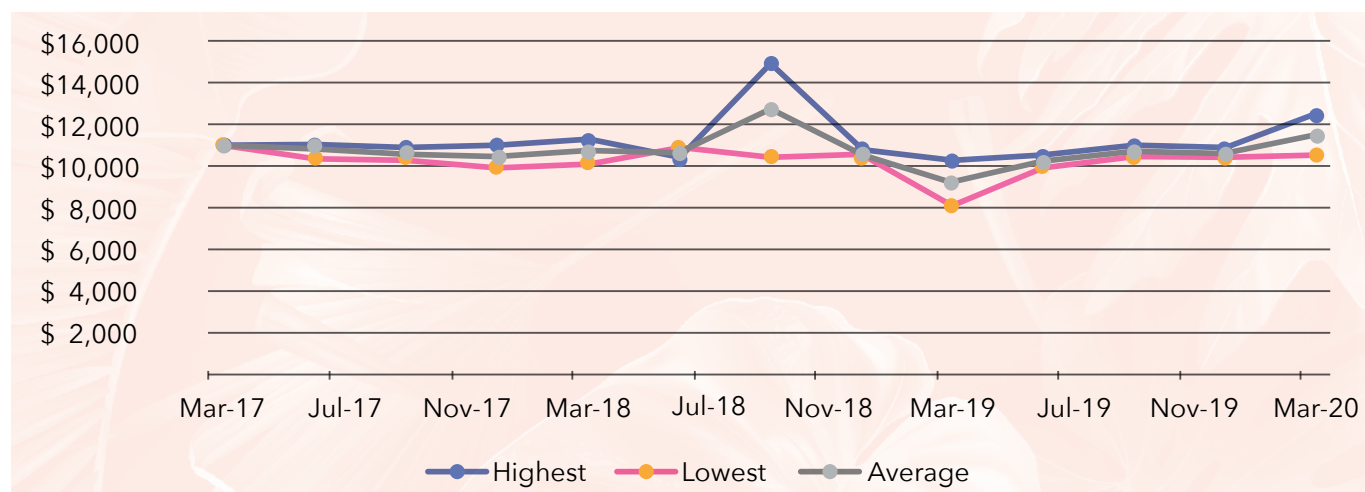
81 years & Above = 2%

21-30 years = 3%

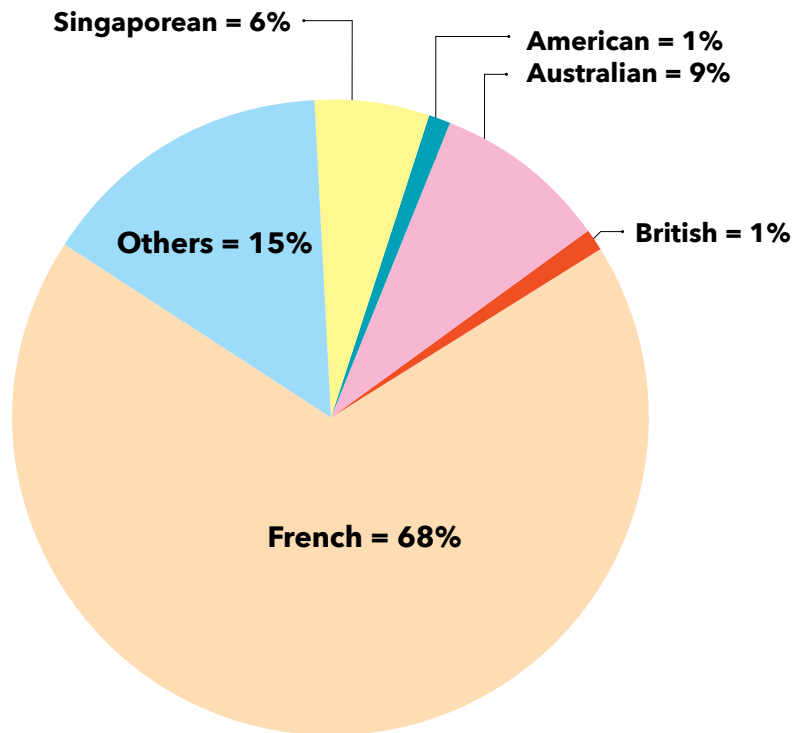
31-40 years = 13%



SGCC Open Market Transaction Prices April 2017-March 2020 (Three-Year Data)



Term Membership



One of our most appealing tour events was the **1-Night Malacca Trip**, which took place on 26 and 27 April 2019, and attracted 62 participants. The trip included a shopping spree, a visit to the famous Jonker Street, and exclusive seats to watch *Encore Melaka Impressions Series*, a 70-minute show by 200 local performers that reflected the essence of Malacca's multicultural coexistence.

Multi-Colourism, the celebration of Singapore's 54th National Day in our Club, saw SGCC's Lobby transformed into a colour-filled canvas for kids and adults to express themselves. This event saw more than 300 Members arriving at the Club to engage in a full day of activities both inside the Club and at its pool. The team also managed to secure close to \$15,000 in

sponsorship value, covering the bulk of giveaways, health talks, movies, prizes and swimming pool activities for Members throughout the day, resulting in one of the largest Club-wide celebrations in recent years. The customised colour play area received overwhelmingly positive responses from children and adults.

Through the months, we immersed Members in culturally diverse celebrations at the Club. These included celebrating **Hari Raya Aidilfitri** and **Deepavali** with live cultural music in the lobby, and complimentary ondeh ondeh cupcakes and chicken briyani respectively. These delighted Members and put everyone in a festive mood.

Our **Christmas Light-up** and **Chinese New Year**

celebrations continued to be staples on our Members' calendars. The Christmas event featured live carollers, a delightful children's choral session by Cambridge Preschoolers, energetic dance numbers by the Derrick Ee Dancers comprised of our very own Club Members, as well as a youth string orchestra accompanied by Member Ms Linda Fang and Mr Aloysius Leong. The highlight of the night was the lighting of the tree, which saw lights flickering and dancing to a rousing live orchestral performance. Other popular activities for the day included Christmas-themed movies screened at Crossroads Lounge for the whole family.

SGCC's Night at the Theatre series kick-started on 28 November 2019. That evening, a group of excited Members got to catch the latest WILD RICE production: the aptly named *Peter Pan at Serangoon Gardens* was held at WILD RICE's new theatre in Funan Centre. Through our partnership with the theatre company, Members were given the best seats in the house at a discounted rate that was exclusive to the Club.

JUNIOR GEMS

In recent years, the Junior Gems (JG) team has sought to provide fun, educational and exciting programmes for its Members at a nominal joining and annual renewal fees. However, while demand for better



programming has increased, fees had remained stagnant, barely covering the cost of running programmes for our Members. As such, Membership renewal rates were increased slightly, to be in line with even more value-added activities throughout the year.

As youth continued to be a key focus for us, retaining the interest of young families and their children through Junior Gems was a priority. This year saw a total Membership of 140 children due to the success of key recruitment activities, such as our very first **Halloween** event, which was exclusively for JG Members only. For children-related activities at the Club, JG Members continued to receive preferential rates or even free participation. Through this, we hope to encourage even more young families to share in the wonders of Junior Gems with their children.

Two key events for JG Members last year were the **Anniversary Party** in September and the new **Halloween Party** in October. Both events had good turnouts and received positive responses from Members.

For the inaugural Halloween Celebration, more than 30 kids were taken on a mock trick-or-treat tour across the Club. They also got to visit two locations that were turned into haunted houses – Clover Room and Gardens Bowl (in partnership with S&R) – and were entertained by our President, Terrence Fernandez, reading them ghost stories.

The complimentary **JG Christmas Light-up Craft** session taught JG kids how to make Christmas tree ornaments, such as 'Light-up Snowman' and 'Glitter Christmas Tree'. The crafts were easy to make yet engaged the children and filled them with joy and fulfilment throughout the afternoon.

SENIOR MEMBERS

Wildly successful and beloved, **Senior Breakfast Gathering**, held every first Saturday of the month, had an average attendance of 150 people. We were proud to have served at least 1,200 piping hot meals to Senior Members aged 55 years and above for the entire year. This monthly get-together created bonding opportunities for Senior Members.

We noted that a majority of Seniors spent their weekday afternoons in the Club, so we continued promoting **Musical Afternoons** on Tuesdays at Club Twenty-Two, as well as a new event called **Rewind with Larry Lai**, a trip down memory lane through music hosted by one of our renowned Club Members, Mr Larry Lai himself. This ran from May to August at Crossroads Lounge.

We introduced a **Classic Hollywood Movies** afternoon, which showcased seven famous Hollywood classics, as well as **Off the Big Screen**, which showed a variety of blockbusters based on feedback sent in by our Members. One of the Big Screen movies was the very popular *Captain Marvel*; the Lobby was packed with young families enjoying the latest superhero hit on the two days the movie was screened there.

MAJOR SOCIAL AND CHARITABLE EVENTS

Showing the true heart of our community, the Club invited 38 clients and 17 staff of the Sun Love Home to an **afternoon tea** session



at Atrium Café. The event saw our Members volunteer their time to assist Sun Love's clients in getting to and from their transportation, as well as entertaining them with an energetic ukulele and live band performances led by Mr Bob Mong. The clients thoroughly enjoyed the session, especially the sing-a-long to famous Christmas songs and old hits. Head of the Senior Sub-Committee Mr George Lim was there to welcome the clients, as well as hand out little Ang Pow packets on behalf of the Club.

Chen Su Lan Methodist Children's Home continued to be our focus during the Christmas season, with Members making both cash and gift donations that went toward the kids.

Countdown to 2020 Party at Kensington Ballroom, themed 'Beehive', was a 1960s-chic party that had 250 Members and their guests dancing and laughing the night away, even past midnight. This year, our F&B team also provided supper – a warm and earthy porridge – which lulled Members into a great mood as they headed home.

THE YEAR AHEAD

Bringing vibrancy back to the Club starts with your participation. MR will continue its plans to attract more young families and youth to the Club, while encouraging more sales through increased open house opportunities and Club tours. We will focus our efforts on retaining the interest of our Youth Members through special schemes and activities that engage this demographic, making them feel more a part of our Club's community.

We also look forward to organising more interesting events to bring even more colour and energy to our Club while being cost-conscious at the same time. This will involve increasing our efforts to work with partners and sponsors. We are very much aware of the value that our Members bring to our activities, and would like to encourage Members to step forward to support more of our initiatives through participation, encouragement, promotion and sponsorship.

Together, we will accomplish more! We thank Members for their unwavering support for the tough road ahead.





SECURITY

The safety of all Members and guests are of paramount concern to the Club. As such, the Security team conducted regular patrolling, surprise spot checks, 100% Membership verification checks, vehicle inspections, and building inspections of the Club premises. With stepped-up verification checks, we managed to circumvent an estimated nine cases of unauthorised entry each month and usage of Club Facilities (ex-Members sneaking in with invalid Membership Cards, non-Members using Membership Cards passed to them by Members, and so on).

To enhance safety and security within Club



premises, we increased the number of closed-circuit TV (CCTV) cameras at more locations/blind spots and upgraded the DVR (Digital Video Recorder) over the year. These CCTV cameras assisted us in our investigations and proved

invaluable in resolving incidents in the Club.

The tail end of the FY saw our Security team working hard, with back-end support from Admin staff, to ensure the health and safety of all entering our Club in light of



the continued progression of COVID-19 in Singapore. Management quickly put together a COVID-19 taskforce to issue effective and timely guidelines and procedures in line with the latest guidelines by the Ministry of Health for all who enter the Club premises. These included:

- 100% temperature checks at two check points (entrance gateway and lobby driveway)
- contact tracing for Members, guests and vendors entering the Club
- frequent spot checks within the Club to ensure Members are adhering to recommended safe distancing regulations



TRAINING

All Security Officers completed the compulsory courses required by the Police Licensing Regulatory Department (PLRD). Moving forward, Security Officers will attend suitable courses regularly to equip them with the necessary knowledge and skills to perform their duties in the days ahead.

THE YEAR AHEAD

The security team will continue to conduct spot checks on Membership verification, which is carried out at the main entrance on a daily basis, as well as continuing to assist with health and safety guidelines should the COVID-19 situation continue further into the new FY. We urge all Members to cooperate with the Security Department to make our Club a safe and secure place, and to report any suspicious activity immediately for our action.



FACILITIES MAINTENANCE & SAFETY

The maintenance and housekeeping teams strive to provide a safe and pleasant environment in the Club for Members and guests to enjoy. To achieve their objectives, the teams conduct periodic inspections, maintenance and upgrading works on the Club's facilities.

As our Club continues to evolve with the changing times, we must work harder to ensure that relevant and necessary upgrading works are carried out in a timely manner for the convenience and comfort of our Members.

Upgrading works carried out over the past year included necessary functional and aesthetic changes in and around the Club.

KEY HIGHLIGHTS

Most prominently this FY, we have focused on the refurbishment and upgrading works in and around the Club premises. The largest of these works included those in and around the Club's swimming pool.

Earlier in the year, to enhance safety standards of the pool, we carried

out anti-slip treatment at the pool deck area to prevent slips and falls. Due to wear and tear over the many years the pool has been in operation,



the three filtration units needed replacement, which included replacing the silica sand and nozzles for all three sand filters. To enhance the kids' Water Play area, we repainted the structure with vibrant new epoxy paint colours, and replaced the current metal railings with stainless steel ones to avoid rusting over of the equipment. We have also re-tiled the outer ring of the Water Play area with anti-slip tiles to enhance safety for the kids, as well as retiling the "No Footwear" line in a more prominent brown to ensure optimal distance from the pool water for cleanliness.

Further refurbishment included the addition of a nursing room and diaper changing area within the Kiddieland space, which were welcomed by many new mothers who frequent the Club, as well as more upgrading and landscaping work around the Club.

Towards the tail end of the FY, the COVID-19

pandemic hit our country, and our Club's COVID-19 taskforce was activated to swiftly implement standard operating procedures across all departments to ensure the health and safety of everyone using the Club premises and facilities. Our housekeeping team cleaned more frequently all areas of the Club regularly used by Members, and provided ample supply of hand sanitiser at several points across the entire Club. To enhance sanitisation of the Club, we purchased a cold fogging machine, which was recommended for proper and intense sanitising works in-house across all areas.

Our maintenance team also supported other departments in setting up satellite monitoring stations at the lobby entrance for temperature checks and contact tracing, as well as alternative satellite office spaces within the Club to provide viable business continuity in light of social distancing guidelines by the Ministry of Health.

ENHANCING OUR AESTHETICS

Members will notice the good work our new landscape contractor has been doing to enhance the "Gardens" image of our Club. The monitoring of the health of our trees is carried out regularly. This has led to the removal of one Australian Pine tree, one Alexander Palm and one Ficus for safety reasons.

Around the time capsule area, 150 Heliconia American and 20 Pentas Lanceolata were planted; in addition, 150 bougainvillea plants were placed in planter boxes around the swimming pool. Besides upgrading the guardhouse planter area, the bicycle stand areas, and the landscape around Heliconia Wing, 23 creepers were added at the covered walkway.

Further aesthetic upgrades included replacement of acrylic signages above all notice boards at Lobby, Heliconia Wing and Palm Wing, installation of six sets



of track lights at the ballroom buffet area to brighten the space during banquets, spot repairs of asphalt driveway outside the bin centre, and a fresh new welcome mat at our Lobby entrance.

GENERAL UPGRADES AND IMPROVEMENTS

As part of an ongoing preventive maintenance programme, we replaced the smoke detectors at the basement of Heliconia Wing, and the heat detectors at Swatow Restaurant.

In line with our Club's efforts to go green, we also installed a stainless steel foot pedal recycling bin near Coffee Deli to encourage proactive waste separation among Members and staff in the area.

To avoid overheating in this harsh climate, we installed

three sets of 52-inch ceiling fans at Coffee Deli, and carried out ongoing air conditioner replacement works at Garden Grill, IT Room and Admin Office. We have re-upholstered cushion seat covers and wall cushion covers for the sofas in Crossroads Lounge.

The steam generator for the male steam room was also replaced, as the former unit had malfunctioned due to wear and tear. Polyurethane grouting injection works were carried out at the underpass ceiling to address issues of water leakage.

To ensure that our glass doors are safe, we engaged a glass door specialist to inspect all glass doors in the Club and carry out rectification and replacement if they found any problems with them.

Further enhancements included replacing three sets of umbrella plastic sleeve stands across all three Club buildings, as well as replacement of the canvas sheet of one of the 4m-by-4m umbrella units by the swimming pool. Our reception counter also has a new Bouyer Paging Console installed for clearer timely announcements by our reception staff to Members.



PEST CONTROL

Apart from the COVID-19 virus, we also needed to ensure that our Club is free from other dangerous viruses, such as those that cause dengue, that are spread by pests. In light of this, general pest control treatment was carried out for the entire Club on a monthly basis.

Mosquito misting and larvicide treatment were carried out on a weekly basis. Night fumigation was carried out on a monthly basis for Kensington Ballroom, Coffee Deli, Garden Grill, Atrium Café, and their kitchens. Mosquito fogging was carried out fortnightly for the entire Club and weekly for the swimming pool planter areas.



FIRE SAFETY AND EMERGENCY RESPONSE

We conducted the first fire drill of the FY on 18 July 2019 with 166 participants, and the second fire drill on 10 September 2019 with 154 participants. Both instances included participants from among our Club's staff as well as our tenants, such as Swatow Restaurant and Cambridge Preschool.

After the fire drill, we also conducted training for our staff on how to use a portable fire extinguisher to fight fire.

We received a certificate of appreciation from the National Fire and Civil Emergency Preparedness Council for participating in the mass fire drill.



THE YEAR AHEAD

In line with our programme to replace ageing equipment, we will be replacing air conditioners that have reached their maximum lifespan. We also aim to continue our refurbishment exercises around the Club with as little disruption as possible to our Members' regular usage of the Club.



FINANCE & TREASURY

FY2019/2020 OVERVIEW

The Club ended FY2019/2020 with a Net Operating Surplus of \$375,000 (before non-operating income & expenditure), compared to \$233,000 the previous year. This is a 60.9% (or \$142,000) improvement. Net deficit after non-operating income & expenditure and tax was \$289,000, compared to \$562,000 net deficit the previous year, a 48.5% (or \$273,000) improvement.

INCOME AND EXPENDITURE

The improvement of \$273,000 in net deficit, mentioned above, is due mainly to the following:

- Total operating & non-operating income increased by \$339,000, or 5.4%, from \$6.24 million in FY2018/2019 to \$6.58 million in FY2019/2020. The key contributors:
 - i. improvement in F&B net contribution by \$263,000,

or 79.9%. It was a result of manpower and other operating costs reduction from \$3.45 million in FY2018/2019 to \$2.94 million in FY2019/2020, but offset by a drop in F&B gross contribution before manpower and other operating costs, from \$3.12 million in FY2018/2019 to \$2.88 million in FY2019/2020. On the revenue side, the Club will work towards higher patronage at the F&B outlets by improving the food quality and service level, and by introducing new promotions.

- ii. Another revenue stream that played a part in the improvement of total income is the interest income. Interest income increased by \$98,000, or 232.3%, from \$42,000 in FY2018/2019 to \$140,000 in FY2019/2020. Out of the total cash reserve of \$10.93 million, \$8.61

million have been placed as fixed deposits with interest rate ranging from 0.25% to 1.95% per annum in FY2019/2020.

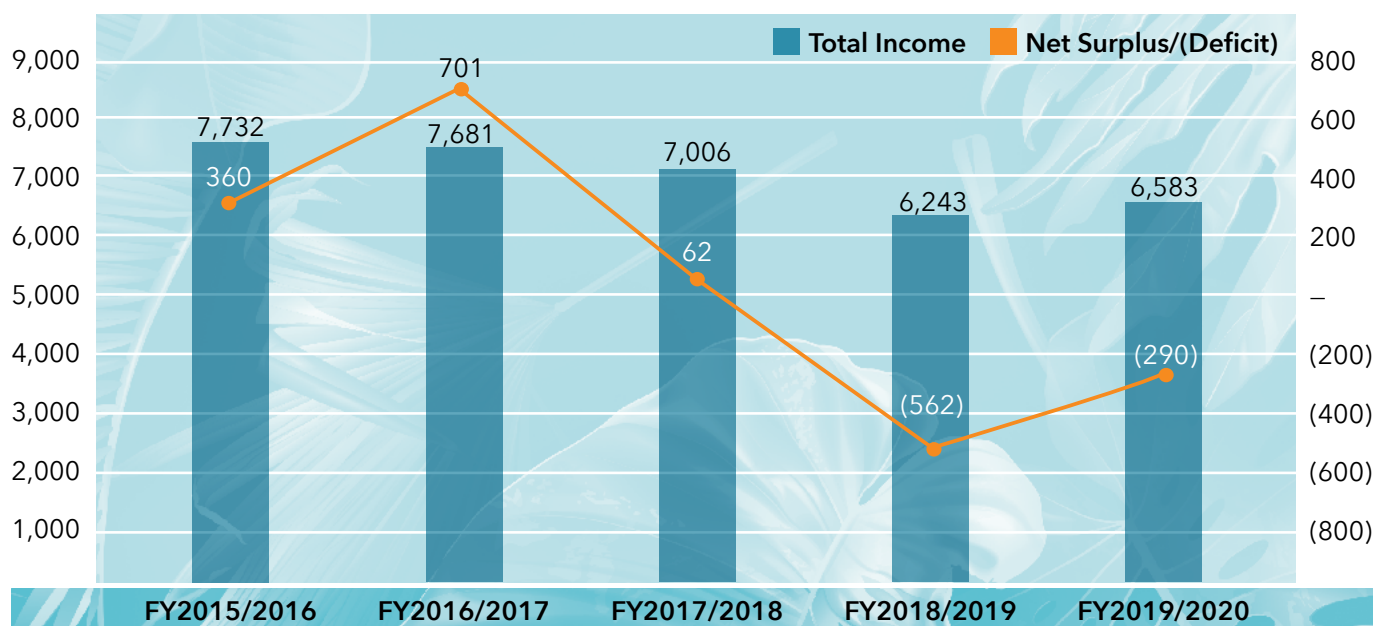
- iii. However, there was a drop in transfer fee by \$156,000, or 29.9%, due to fewer transferred membership in FY2019/2020.
- Total expenditure increased by \$202,000, or 3.7%, from \$5.41 million in FY2018/2019 to \$5.62 million in FY2019/2020. Key contributors are:
 - i. water and electricity costs (higher tariff rate from \$0.1359 to \$0.1678 per kWh),
 - ii. profession and legal fees from \$33,000 to \$78,000 (including legal fee related to reinstatement of President and third-party claim),
 - iii. promotional material costs and general expenses (such electronic communications, members satisfaction survey, bank charges).

The Club has already adopted a balanced budget principle (operating expenses to be lower than the operating income). With this, there would not be a need to use membership entrance fee income to subsidise operating expenses.

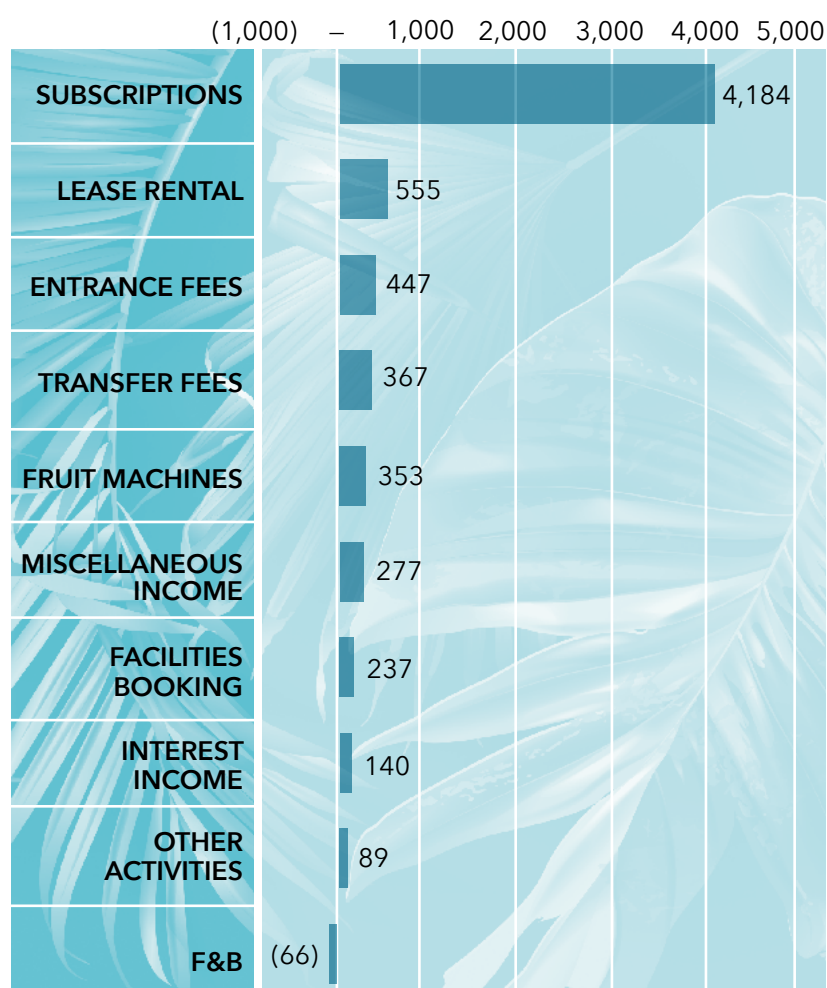
OVERALL PERFORMANCE OF THE CLUB

HIGHLIGHTS OF FINANCIAL RESULTS FOR THE PAST FIVE YEARS	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
OPERATING INCOME					
Subscriptions	4,132,016	4,251,294	4,226,127	4,202,796	4,184,356
Transfer Fees (FY18/19: Jul18-Mar19)	—	—	—	430,865	366,860
Miscellaneous Income	363,778	232,622	249,283	196,541	276,525
Lease Rental Income	482,587	523,767	515,417	488,519	554,903
Contributions/(Deficit) from:					
Fruit Machines	1,290,647	1,294,047	754,980	329,200	352,922
Facilities Booking	219,621	219,056	221,236	223,247	236,687
Other Activities	47,935	92,408	94,189	109,089	89,448
Food & Beverage	(127,571)	(226,614)	(369,381)	(329,840)	(66,332)
	6,409,013	6,386,580	5,691,851	5,650,417	5,995,369
Less:					
OPERATING EXPENDITURE					
Operating & Administrative	(4,412,573)	(4,207,672)	(4,243,699)	(4,250,479)	(4,401,662)
Repair, Maintenance & Housekeeping	(605,148)	(596,609)	(618,181)	(555,373)	(544,702)
Water & Electricity	(826,329)	(725,601)	(580,124)	(611,302)	(673,756)
	(5,844,050)	(5,529,882)	(5,442,004)	(5,417,154)	(5,620,120)
NET OPERATING SURPLUS/(DEFICIT) BEFORE DEPRECIATION	564,963	856,698	249,847	233,263	375,249
Add: Non-Operating Income					
Entrance Fees	816,125	841,675	816,189	457,650	446,890
Transfer Fees (FY18/19: Apr-Jun18)	484,830	424,260	471,195	92,310	—
Interest Income	22,056	28,135	27,167	42,216	140,310
	1,323,011	1,294,070	1,314,551	592,176	587,200
Less: Non-Operating Expense					
Depreciation of Property, Plant & Equipment	(1,490,391)	(1,397,331)	(1,433,330)	(1,339,185)	(1,165,300)
Gain/(Loss) on Disposal of Property, Plant & Equipment	(52)	(2,848)	(18,755)	31	(1,423)
NET SURPLUS/(DEFICIT) BEFORE TAX	397,531	750,589	112,313	(513,715)	(204,274)
Taxation	(37,646)	(49,955)	(50,806)	(48,547)	(85,333)
NET SURPLUS/(DEFICIT) AFTER TAX	359,885	700,634	61,507	(562,262)	(289,607)

TOTAL INCOME & NET SURPLUS/(DEFICIT) – \$'000

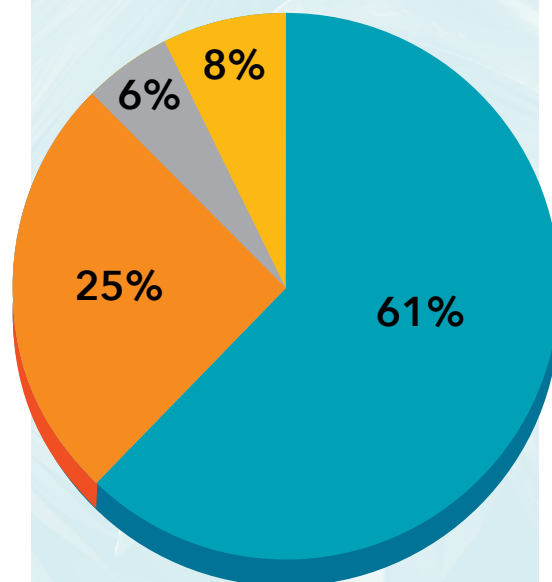


INCOME CONTRIBUTION FY2019/2020 – \$'000



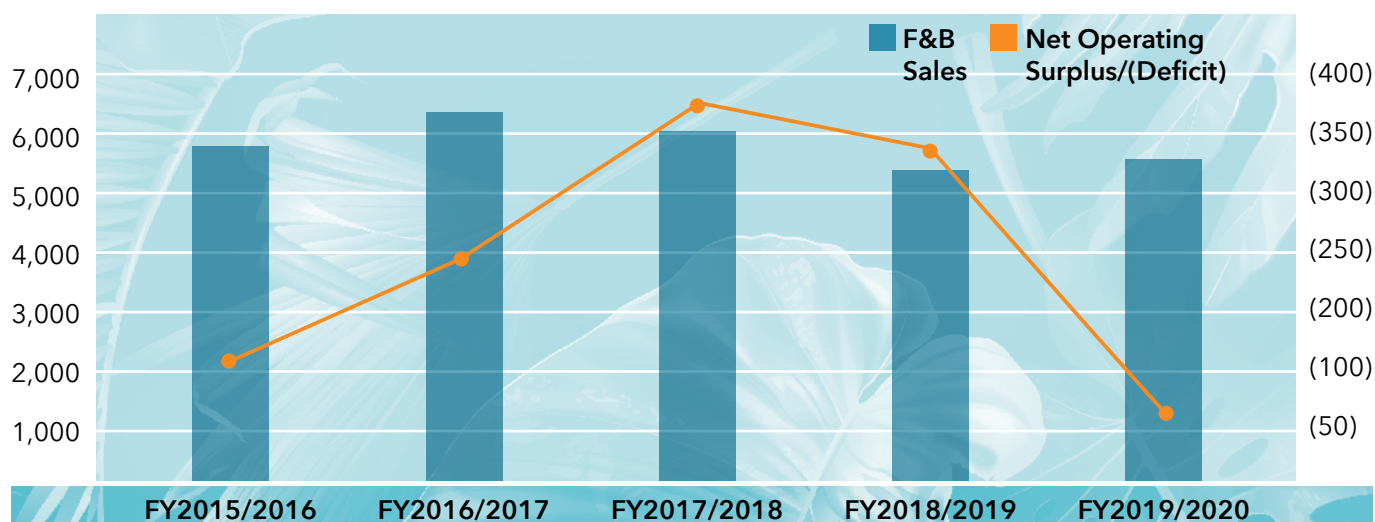
EXPENDITURE MIX FOR FY2019/2020

- Staff Salaries & Related Costs: 61%
- Other Operating Expenses: 25%
- Water & Electricity: 8%
- Repairs, Maintenance & Housekeeping: 6%



In FY2019/2020, the F&B department performed well, reducing their net operating deficit from \$330,000 in FY2018/2019 to \$66,000 in FY2019/2020. This was achieved through good cost management plan. Revenue would have been higher if not for the COVID-19 situation in March 2020, when the Club experienced lower patronage and the postponement or cancellation of banquet events, such as weddings and corporate seminars.

F&B PERFORMANCE OF PAST 5 FYs – \$'000

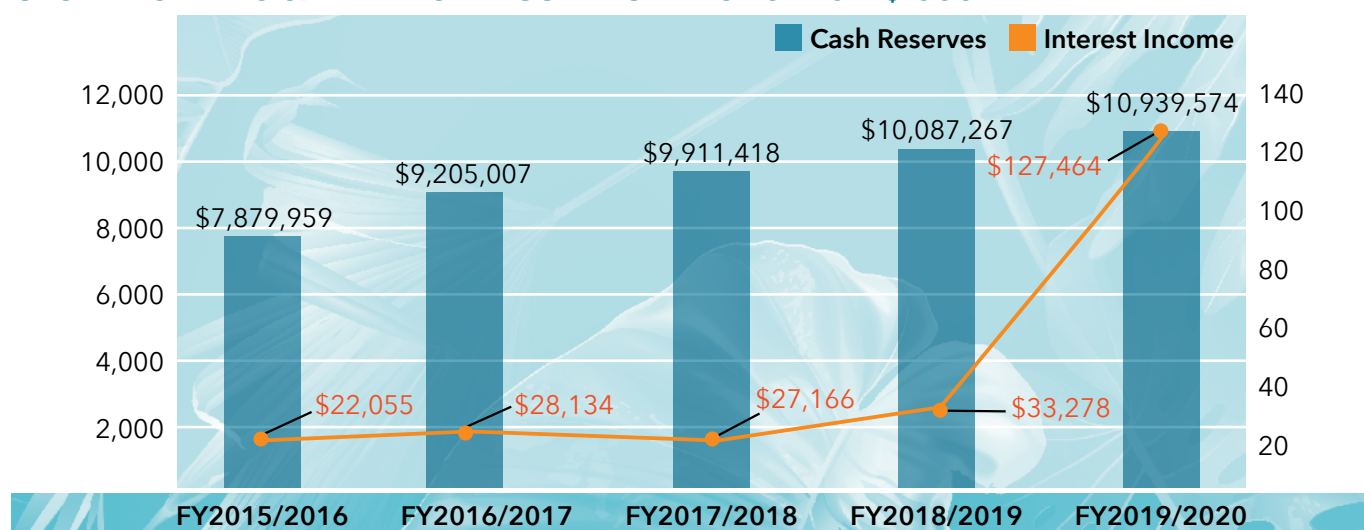


CASH RESERVES

Total cash reserves as at 31 March 2020 was \$10.93 million, which was \$852,000 higher than the previous year's level of \$10.08 million. These funds are held in fixed deposits and cash at bank. On top of this, the Club has investment securities of \$514,000 in triple A-rated bonds, issued by a statutory board of the Singapore government, invested in May 2018.

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

CASH RESERVES & INTEREST INCOME OF PAST 5 FYs – \$'000



THE YEAR AHEAD

The Club continues to face challenges on the cost aspects, such as increased manpower cost and general operating cost, as well as the financial impact from COVID-19. The upkeep of ageing facilities continues to be a challenge, as it requires sizeable capital expenditure. The Club will use all its resources to improve its service and product delivery levels so that Members and their guests will be better served, while seeking all avenues to optimise its financial performance.



HUMAN RESOURCE

The focus in FY2019/2020 was on manpower optimisation through deployment of staff for job rotation and project teams to build capabilities across departments via job immersion, on-job-training (OJT), and development. Employee development and training remained a key focus this year, with staff being exposed to a variety of value-added learning sessions throughout the year. The HR Department was able to receive an estimated 60% support for these courses from various grants from the government.

The IT system of the Club was enhanced, and the Management could mobilise the team to swing into action quickly during events, including the current COVID-19 pandemic. The Management took swift action to keep the Club, staff,

Members and their families/ guests safe with ease of mind when they visited the Club. This included:

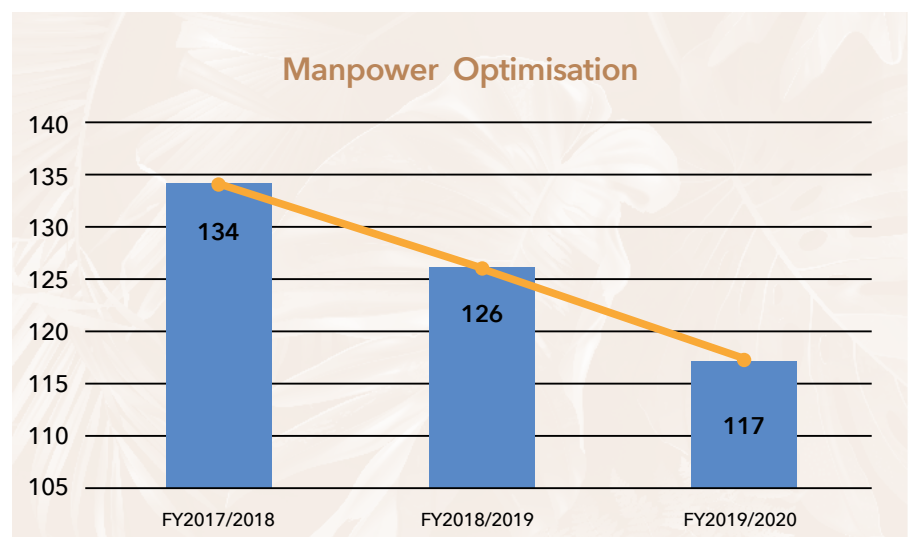
- scheduling and deploying support staff from Administration to aid Security staff in daily routine temperature checks and contact tracing of all visitors
- initiating an effective Business Continuity Plan (BCP) to enable essential staff to continue

telecommuting via a Work From Home programme

- setting up satellite office spaces to separate essential teams from each other within Club premises

STAFF STRENGTH

The Club's staff strength stood at 117 by the end of FY2019/2020. Here is a snapshot of the manpower optimisation for the last three financial years:





We could do more with the current resources through innovation and capability building. The following training and development put in place during the year came in handy for the staff.

Job-required Training and Certification

- First Aid CPR and AED
- Food Hygiene and Safety
- Fire Safety and Prevention training
- Privacy Data Protection Act workshop
- Microsoft application courses
- Recognise Security Threats and Terrorism

Team and Personal Development

- Digital Workplace
- Manage Workplace Performance
- Customer Service workshop
- Manage Workplace Challenges with Resilience
- Empowering Self and Appreciate Multiple Perspectives
- Business Design Thinking for a Lean Enterprise
- Speak Better English workshop

Wellness Programmes and Activities

- Building Body Immunity through Aromatherapy
- Pain Relief
- Basic Health Screening
- Bowling Challenge
- Get-together Year-end Tea session



COVID-19 SOCIAL DISTANCING FOR WELL-BEING OF STAFF

With the outbreak showing little signs of slowing, the Club took specific measures to protect our staff's well-being with the following social-distancing measures:

Telecommuting

Telecommuting was made available for the back-end support/admin staff.

Other Safe-distancing Measures

Where the work nature – housekeeping, F&B kitchen, frontline customer-facing staff, etc – did not allow for telecommuting, we had sufficient safe-distancing measures, such as:

i) Staggered arrival and departure hours for staff

Three rotating shifts in practice for Housekeeping, F&B kitchen, and frontline service staff to meet operational requirements. Each team was able to meet MOM's guideline of not more than half the staff strength clocking in at the same time.

ii) 1m apart for workstations

The workstations and furniture in the staff room were arranged to comply with social-distancing requirements.

iii) Extra sites in Club

The Membership Relations staff set up



two new work locations – at the ground floor MR office, and the second floor site office – to reduce physical contact and duration of interaction between teams. They were able to work with internet connectivity and system access without compromising service to our Members.

THE YEAR AHEAD

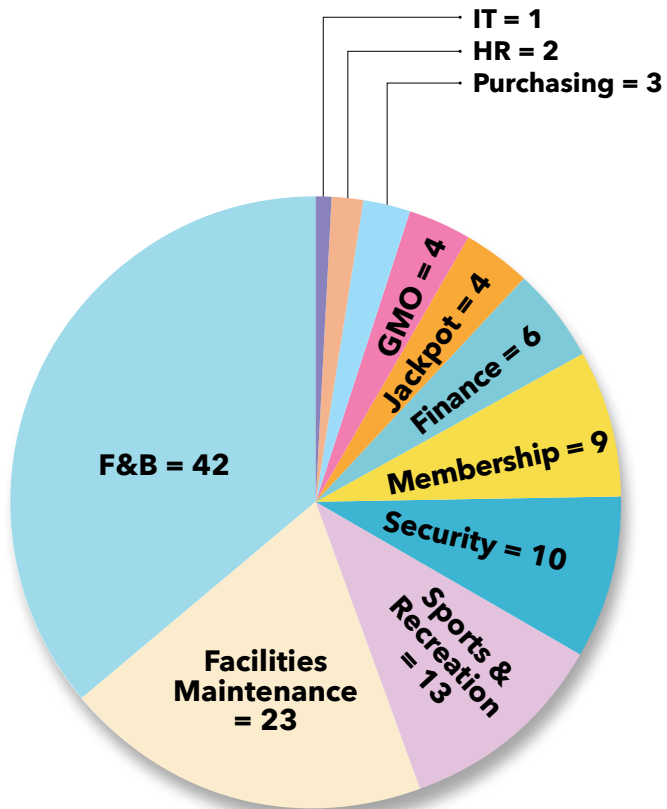
We will strive to deliver more with the given resources by leveraging innovation and improving processes. Staff development and continuous learning are our key areas of emphasis, and we will tap on various training grants from government agencies for our staff. The passion and positive attitude of every staff will make a difference in everything we do.

Service recognition

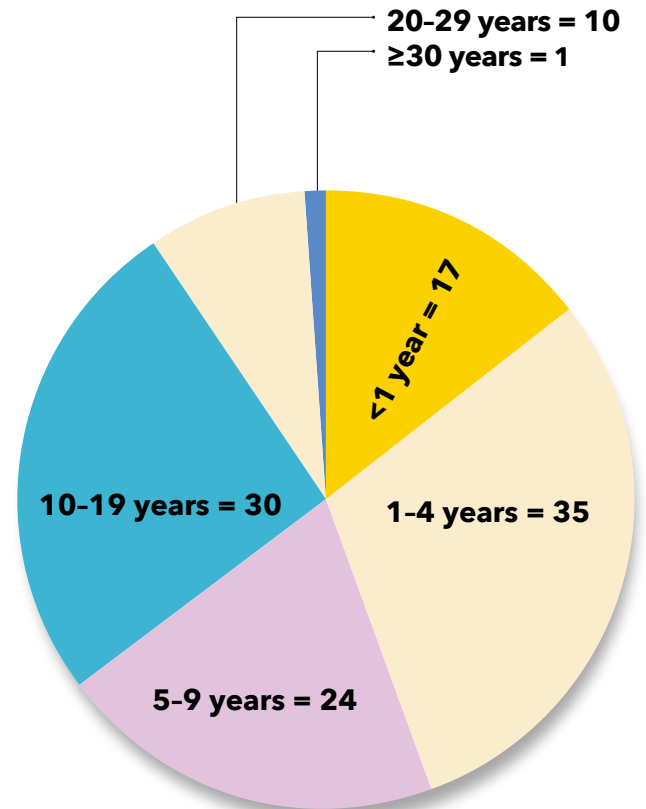
Length of service	Staff	Department
5 years	Terrence Ho	Sports & Recreation
	Ravi Gopal	Food & Beverage
	Pang Cheong Seong	
	Law Yong Yong	
	Kua Hock Guan	
	Leong Ping Than	
	Eng Wee Heong	
10 years	Yip Mei Lan	Purchasing
	Yee Ooi Ling Tabitha	Finance
	Xiao Ai Dang	Housekeeping
	Wong Lai Thim	Food & Beverage
	Genelyn Banay Padaoan	
15 years	Yong Yit Mei	Housekeeping
20 years	Tan Ah Hua	Housekeeping
	Chang Yee Ling Casey	GM Office
25 years	Zaleha Bte Mohd Hanibah	Sports & Recreation
	Loo Suet Fong	Housekeeping

AN OVERVIEW OF STAFF DEMOGRAPHICS

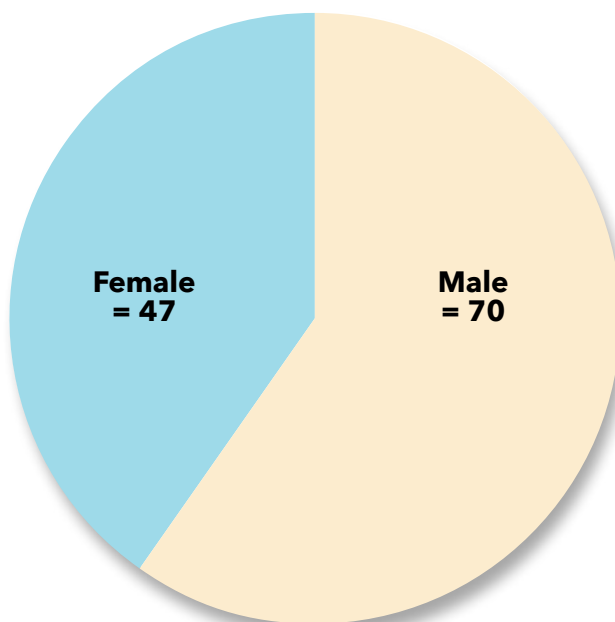
Staff strength by department (total = 117)



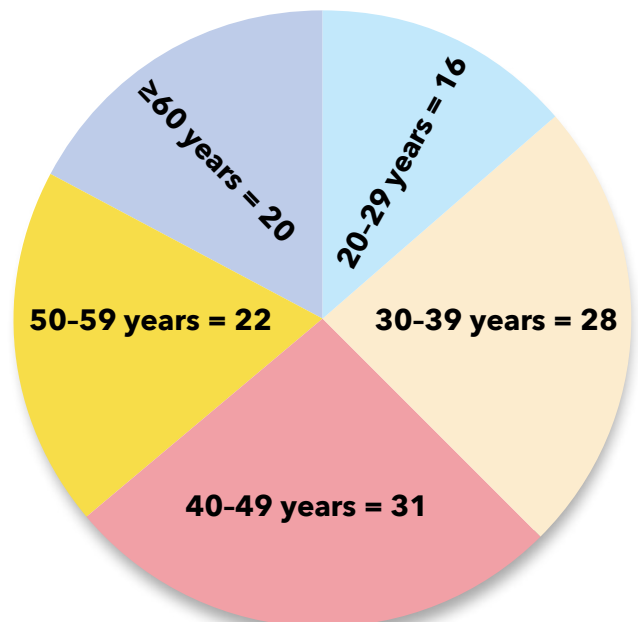
Staff tenure



Gender ratio



Age groups



MINUTES OF 62ND ANNUAL GENERAL MEETING HELD ON 30 JUNE 2019

GENERAL COMMITTEE

President	Mr Terrence Fernandez (Chairman)
Vice President	Mr Benjamin Wong
Honorary Treasurer	Mr Rayner Ng
Assistant Honorary Secretary	Mr Daniel Ho
Assistant Honorary Treasurer	Mr Jack Rodrigues
Committee Members	Mr George Lim Mr Lee How Giap

Trustees

Mr Hendrick Koh
Mr Pao Kiew Tee
Mr Anthony Tan

Auditors

HLB Atrede LLP
Certified Public Accountants

Legal Adviser

Lee & Lee
Advocates & Solicitors

IN ATTENDANCE

General Manager	Mr Farrock Ebrahim
Heads of Departments	

TOTAL NUMBER OF VOTING MEMBERS PRESENT: 241

1.0 PRELIMINARIES

With a quorum present as confirmed by the General Manager ("GM"), the President called the meeting to order at 1pm. He welcomed and thanked Members for taking the time to attend the 62nd Annual General Meeting ("AGM").

2.0 PRESIDENT'S ADDRESS

2.1 *Introduction*

To open the address, the President took the meeting through a slide showing how change is difficult but necessary.

2.2 The President, at the request of Dr Lau Teik Soon, disrupted his Address to allow Dr Lau to give his brief report and then leave for another engagement. He then invited Dr Lau, Chairman of the Constitution Review Committee ("CRC"), up onstage to address Members on the purpose and progress of the CRC.

2.3 *Constitution Review Committee Progress Report*

Dr Lau began by reiterating the CRC's main terms of reference. They are:

- to conduct a comprehensive and thorough review of the current Constitution;
- to advise and recommend to the General Committee ("GC") the necessary amendments to be made to the Constitution; and
- to give reasons and explain the rationale for each of the amendments made in the Constitution.

Dr Lau assured Members that the CRC works independently without fear or favour, follows protocol, and will evaluate the usefulness, relevancy and appropriateness of each constitutional clause. In his statement, he mentioned that it was obvious and clear that the current Constitution must be amended, especially on clauses relating to the governance of the Club – among which he mentioned the financial control and management over the Club's expenditures, reserves and investments, the proper and smooth functioning of the management of the Club, and the fair and just procedures for disciplinary hearings, an issue brought up at the previous AGM.

Finally, he mentioned that the CRC had completed a first draft of the schedule of amendments. From here, they will engage with the trustees and GC to agree on the necessary amendments, and will follow up with no fewer than two dialogue sessions with Members for their feedback before finalising the amended Constitution. He invited Members to participate in the dialogue sessions and give their views/comments.

2.4 *Highlights of President's Address*

Following Dr Lau's CRC update, the President commenced his opening Address. In his address, accompanied by slides, the President touched on four key aspects:

Realistic versus Unrealistic

On this, the President used an example to illustrate the need to be mindful when making decisions, not being hard-pressed to stick to past liberties we once had, such as the income from Jackpot, but to be flexible and adaptable to find new sources of revenue. He

mentioned that it was all about timing, and the GC will work towards making things more realistic for the entire Club.

Structuring Expectations

On this note, the President illustrated again a scenario whereby two deferring parties maintain their ideal positions in a negotiation. Had they not made the decision to change their bottom line, both would have come out losing the deal. However, with just slight alterations to their bottom line, they were able to overlap on expectations, thus sealing the deal. He mirrored this to the GC's deliberations on all decisions; what can work for both our Members and the Club was a win-win for all parties.

Commitment & Consistency

The President touched on the fact that growth was not only measured by the big milestones, but also by maintaining commitment and consistency daily. If we are mindful of the little things we do at the Club each day, we can all make a difference.

Leadership

The President touched on the aspect of leadership, and that the importance of the GC was not to govern, but to support the Management team, who were positioned to run the Club. He then did a quick introduction of the Club's General Manager and Heads of Department, who formed the Management.

Quality of Life/Dignity of a Person

Lastly, the President touched on the fact that the GC shared the love that all Members had for the Club, and wished to make the environment at the Club one of respite and relaxation from the outside world. Doing so required mutual respect and understanding among all Members, to see each other as one big Family.

The President then went on to share some achievements rolled out from April 2018 to date. These included:

- 1) Incentives given to Members since January 2019 for Food & Beverage ("F&B") spending
- 2) Value of sustaining 100% exclusivity checks by security staff
- 3) Improvements to facilities and façade of the Club over the past few months
- 4) New revenue streams, including \$42,000 from a new car grooming service agreement with Dino Car Care, and a \$50,000 sponsorship fund from Carlsberg
- 5) Introduction of the new After Dark series of events organised by both the Membership Relations ("MR") and F&B departments, which are profitable
- 6) Increased social media statistics of up to 40% in viewership and engagement, and a consistent 107% increase in reach each month
- 7) New and value-for-money Breakfast Specials and Weekday Kopi Tiam sets, both of which have received overwhelming response from Members
- 8) Enhanced support for Heads of Departments, for example laptops issued to all Management

The President then shared projects and plans that will be executed soon. These included:

- 1) SGCC's Census 2019, which was a way for the Club to update outdated information about its Members, and to keep fresh contacts
- 2) Updating one's particulars through the Club-wide census, which will then lead to the updating of new Membership Cards and Car decals, to be rolled out in phases by the next quarter

62ND AGM MINUTES

- 3) A new website layout and mobile app in development, with better ease-of-use and a design befitting a Club of our standard. Both the app and website will include Membership functions, such as real-time facilities bookings and push notification messaging to keep Members updated on the latest promotions and events
- 4) F&B department to work towards break-even results by the close of the next financial year ("FY")
- 5) New Membership programmes to heighten the Membership experience and the perceived value of the Club, one befitting a Club of our stature
- 6) New Membership drive schemes, such as the 64th Anniversary NTOM Conversion Programme for the top 64 active NTOM Members (through spending).
- 7) Lease with Swatow was expiring; an invite to tender for a Chinese Seafood Restaurant had been placed
- 8) Improved focus on providing versatile packages for the Meeting, Incentive, Conference & Events ("MICE") industry
- 9) Providing more support and platforms for business professionals, such as the new NETT WORK NITE, held on the first Tuesday of every month

The President ended his speech by reiterating the GC's commitments shared at the 2017/2018 AGM – to maintain No Subscription Increase, No Minimum Spend, Protect & Grow the Reserves of the Club, Protect the Interests of both Senior and Junior Members, and Increase the Value of the Club – much of which had been achieved or enforced during their first term.

3.0 TO CONFIRM THE MINUTES OF THE 61ST ANNUAL GENERAL MEETING ON 24 JUNE 2018

- 3.1 Mr Teng Leng Hock noted with concern that only three members of the GC were elected, and asked for the rest of the committee to be introduced.
 - 3.1.1 The Vice President, Mr Benjamin Wong ("BW"), then introduced the GC to the floor.
 - 3.1.2 Mr Teng queried the absence of an Honorary Secretary.
 - 3.1.3 BW replied that the Assistant Honorary Secretary, Mr Daniel Ho ("DH"), will be the interim Honorary Secretary.
 - 3.1.4 Mr Teng commented that DH was not an elected Committee Member and was the Assistant Honorary Secretary, hence unable to act as the Honorary Secretary in accordance with the Constitution. Mr Teng wanted to know how DH and the GC were going to carry on for the next 12 months without an Honorary Secretary, and that the GC had to do justice to the Members.
 - 3.1.5 The President explained that DH was the Assistant Honorary Secretary by appointment, and will be acting as the Honorary Secretary in the interim period till the next election in 2020.
 - 3.1.6 Mr Teng further asked why the Honorary Secretary and vacated committee posts were not filled at this AGM, and queried whether it was a lack of foresight or were Members denied this right. He said that, for submission of Annual Returns to the Registry of Societies ("ROS"), verification by the President, Honorary Treasurer and Honorary Secretary – not the Assistant Honorary Secretary – will be required.

- 3.1.7 Mr Peter Ong opined that proper legal advice should be sought in view of the legal adviser's presence at the AGM. He asked whether the Assistant Honorary Secretary, who was not an elected GC member, can be an acting Honorary Secretary, where a lot of signatures were required.
- 3.1.8 Mr Tony Lim further added that the Club did not even have a complete set of elected EXCO member as a board now, with only three elected Members remaining, whereas there were a total of 13 seats in the Constitution.
- 3.1.9 The President stated that all these queries have been asked and answered previously.
- 3.1.10 Mr Roger Yap also asked to hear the legal adviser's advice, and said that those present at the AGM could overrule the GC.
- 3.1.11 Legal Adviser Mr Toh Kok Seng ("TKS") explained that Lee & Lee was asked to advise at one point, when the previous GC resigned, and Lee & Lee's advice was that, under the Constitution, the remaining Committee can appoint the replacement, but that only applies to the seven Committee Members as well as the Assistant Honorary Secretary post. Lee & Lee was subsequently asked what would happen in the event that the Honorary Secretary resigns. Lee & Lee advised that the Constitution did not indicate that the Committee can appoint a replacement unless, at that point when the Honorary Secretary resigned, there was an Assistant Honorary Secretary, in which case the Assistant Honorary Secretary could take over. But when the Honorary Secretary resigned, there was no Assistant Honorary Secretary, so the Constitution does not provide for any replacement.
- 3.1.12 Mr Roger Yap said that legal advice was just to provide a statement, and sought clarification as to why an election had not been called at this AGM to fill the Honorary Secretary position when the President had the power to call for it; after all, an acting Honorary Secretary does not have the power to sign, and there was an incomplete EXCO board. Mr Yap urged the President to address this.
- 3.1.13 The President replied that, as per the legal advice given, the appointment of the Assistant Honorary Secretary was allowed, and the election of an Honorary Secretary will take place in June 2020. Between now and June 2020, the Assistant Honorary Secretary will be the interim Honorary Secretary and support that function; he will also be standing for election in 2020.
- 3.1.14 Mr Peter Ong reiterated that the GC did not have the power to appoint an Honorary Secretary. He expressed his concern for the signatories of the Club's bank account in view that there were only three elected Members, and wanted to know who the signatories were.
- 3.1.15 The President replied that the post of Assistant Honorary Secretary can be appointed, and that DH was not the Honorary Secretary but the Assistant Honorary Secretary. The signatories were the President and the Treasurer.
- 3.1.16 Mr Peter Ong further commented that the Honorary Secretary was also a signatory and the position had not been filled, and wondered whether, from now till June, the Club could move on with just three elected Members; the reputation of the Club was at stake.

62ND AGM MINUTES

- 3.1.17 Mr Rick Seah felt that an election should be called; with 3,000 Members, it was not possible that the President was unable to find 12 capable Members to fill the positions.
- 3.1.18 Mr Roger Yap commented that the legal advisers were not providing the Club with good advice.
- 3.1.19 The President replied that it was not appropriate for Mr Yap to comment on the legal advice given.
- 3.1.20 Mr Roger Yap further questioned whether the acting Honorary Secretary could sign the Club's cheques.
- 3.1.21 The President replied that the Honorary Secretary post will remain vacant till June 2020 and DH, who was the Assistant Honorary Secretary, will be the acting Honorary Secretary. He did not have the responsibility to sign cheques.
- 3.1.22 Mr Roger Yap further questioned the President why an election had not been called for in the AGM to fill the Honorary Secretary post. After all, the President had the option to nominate a candidate of his choice. Why were the Members deprived, as the general body can overrule the Committee?
- 3.1.23 The President explained that the CRC Chairman had clearly stated in his address that the current Constitution needed to be reviewed, and requested Members to respect the CRC and let them finish their work.
- 3.1.24 Mr Roger Yap reiterated that an election should be called to fill the resigned vacancies at this AGM and not hold it next year; the general body should decide and let Members vote on it.
- 3.1.25 Referring to a slide ("there are many issues where there are overlaps/opportunities") presented during the President's address, there was a point where the line could not meet; it was a reflection of the current situation. Mr Puah Neo Peng Chew then proposed to put to a vote as to whether there should be an election of the absent Members in view that this was a point that could not be met.
- 3.1.26 Mr Peter Ong added that the Club should have a proper Honorary Secretary and a full GC, citing an example he encountered.
- 3.1.27 The President responded that the importance lies in the work that has to be done for the Members, and not determined based on the numbers of Committee Under Constitution Clause 24.2, "All the Members of the Committee shall:
- (a) be elected by Members at an Annual General Meeting; any member who has been found guilty by the Disciplinary Committee and suspended for a period exceeding three (3) months shall not be eligible to serve or be elected or nominated to serve on the Committee for a minimum period of two years from the end of the period of suspension or such longer period as the Committee may decide;
 - (b) hold office for a term of two (2) years, unless they vacate office before expiry of such terms of office."

It clearly stated that an election in the Club takes place once in every two years; hence, the next election will be in 2020.

- 3.1.28 Mr Teng Leng Hock commented that the Club used to have an election every year for Committee Member positions, with the exception of last year, when the whole GC stood for election.
- 3.1.29 BW replied that it was clearly stated in Constitution Clause 24.2 (b) that it was two years.
- 3.1.30 Mr Teng Leng Hock replied that it was up to the individual to interpret, and suggested for the GC to confirm with ex-Presidents who were present whether an election was held every year for Committee Members.
- 3.1.31 The President stated that this was why the CRC was reviewing the Constitution.
- 3.1.32 Mr Phuah Lian Heng commented that, under Constitution Clause 29.1, "The Annual General Meeting of the Club shall be held each year not later than in the month of June at such time and place as the Committee may determine for the following purposes:
- (a) to receive the Annual Report and pass the Accounts for the preceding financial year;
 - (b) to elect Members of the Committee."

If the election can only be held once every two years, then the clause was incorrect. Mr Phuah felt that general Members should have the right to decide, and concurred with the earlier suggestion made by Mr Phuah Neo Peng Chew to let general Members decide whether to have an election. Mr Phuah added that he would like to clarify with the legal adviser on whether Members have the ultimate say based on the Constitution.

- 3.1.33 The President explained that one of the factors that led to the discussion was because the current Constitution was vague on many issues, and that was the purpose of having the CRC in place – to clear up any ambiguity when it came to matters of Committee, finance, and managing the Club. As the CRC had completed the first draft of the review of the Constitution, the President urged Members to allow the completion of the whole exercise before proceeding with any election. The election will take place in June 2020.
- 3.1.34 Mr Lee Say Yeow concurred that the Constitution had many flaws, which Members agreed. Mr Lee further added that the Members' present concern was to seek clarification on whether the floor could overrule the GC and the GC's decision at the AGM.
- 3.1.35 Mr Ong Eng Say said that, until the Committee comes up with the reviewed report, the current Constitution should be the reference on which decisions are based.
- 3.1.36 TKS, in reply to Mr Lee Say Yeow's query, stated that the general meeting has always had the power to make decisions. TKS suggested for the meeting to continue with the agenda flow.
- 3.1.37 Mr Peter Colaco commented that it was clear that Members wanted to exercise the authority to cast their vote and decide whether the President should remain as President of the Club. At this point, given the mandate by the lawyer, Mr Colaco proposed and sought a seconder. The motion was seconded by Mr Peter Ong.

- 3.1.38 TKS clarified that, although he had stated that the general meeting has the power to make decisions that may be against what the Committee wanted, the Constitution had to be followed. Referring to the Constitution, seven clear days' notice had to be given in writing to the Secretary to transact any other business in the AGM. To be fair, notice had to be given; if notice was given, then the Club had to transact the business.
- 3.1.39 Mr Lee Say Yeow sought clarification on the terms "not fair" and "not allowed". He added that, if it was not fair but allowed, then it should be allowed.
- 3.1.40 Mr Jude Maniam expressed that seven clear days' notice had been given in writing to the Secretary to vote on a motion of "no confidence" against the President of Serangoon Gardens Country Club, which was seconded by Mr Balbir Singh.
- 3.1.41 Mr Tony Lim said that he had personally written in a letter on 2 November 2018 with 111 signatures to vote on a motion of "no confidence" against the President but it was not acted on. In spite of the legal advice given that the GC and GM have to oblige and call for an EOGM, it did not happen. As per legal advice given, seven days' clear notice had been given. Mr Lim reiterated that Members had no confidence in the President and the GC as there were only three elected Members to represent the Club. Out of the three signatories allowed in the Constitution, there were only two elected Members, which raised concerns regarding transparency in the signing of cheques, which could amount to millions of dollars in the next 12 months. Mr Lim further added that the majority of the AGM attendees wanted the motion to be moved.
- 3.1.42 Mr Balbir Singh referred the House to the legal advice given and put up on the notice board when there was a requisition of an EOGM in November: "In the present case, if the Club has received a requisition signed by 100+ Members calling for an EOGM, the Club must proceed to call an EOGM for the purposes stated by the 100+ Members. The Club has no discretion. The supreme authority of the Club is always vested in the General Meeting of the Members."
- 3.1.43 Ms Josephine Teo indicated that the GC had yet to complete their two-year term. If there was a request for election, why not just hold a "beauty contest" to let the first runner-up take over, with no election held. Otherwise, the vote of "no confidence" was not just for the GC, but also for the people who walked away; they were not committed to only themselves, to the team and the people who voted for them.
- Ms Teo added that if Members were not happy with the GC, the first runner-up should be the replacement. After the completion of the GC term, a proper election should then be held.
- 3.1.44 The President reminded Members of the House rules: to proceed to the microphone, state their name and Membership number before proceeding to speak.
- 3.1.45 Mr Peter Ong said that the motion should proceed and felt that, if the present committee walked out, there will be a caretaker committee with the purpose of running an election.

- 3.1.46 Mr Pao Kiew Tee opined that this was something that has not happened in the Club. As per legal advice, there was a procedure to follow in an AGM. If there was no seven clear days' notice given to call for an election, it was not possible to have the election with no candidates. The suggestion on having the first runner-up to take over was not viable as it was not constitutional. However, motions whereby notice had been given – e.g. to vote on a motion of “no confidence” against the President – and the GC had been requested to hold an EOGM, these motions should be carried out.
- 3.1.47 Mr Teng Leng Hock suggested moving forward on the motion put up by Mr Jude Maniam and Mr Balbir Singh – to vote on a motion of “no confidence” against the President.
- 3.1.48 Mr Marcus Ong said that the Members should stick to the two-year term, and commended the President for his service to Members by not increasing the subscription and not imposing any minimum spending. The Club had done well financially.
- 3.1.49 Mr Peter Ong said that the Club had a Constitution to oblige and concurred with Mr Pao Kiew Tee's earlier statement that such a situation has not ever happened in the Club. Members come to the Club for relaxation, but with the current President, even the reading of newspaper had been curtailed as he does not see a reason for it.
- 3.1.50 Mr Ong Eng Say referred the House to the slide on the dignity of a person, and said that, with the different colours, he questioned the presence of dignity.
- 3.1.51 Mr Tony Lim urged the House to get back onto the motion of “no confidence” against the President, as suggested by Mr Teng Leng Hock, due to all the flaws in the last 12 months, and then take the next step, based on legal advice, to have a caretaker committee or otherwise.
- 3.1.52 BW sought clarification from Mr Lim what the flaws he mentioned were.
- 3.1.53 Mr Tony Lim suggested that BW invite the GC members who had resigned to address BW's query, and stated that a total of 10 Committee Members had resigned in the last nine months. Mr Lim further added that, if Members were to sell their Membership now, it was only worth \$8,000; after the deduction of the transfer fee, there will still be a deficit of \$800.
- 3.1.54 BW replied that the last transacted price was \$10,800.
- 3.1.55 Mr Tony Lim rebutted that the price was in the range of \$8,000–\$9,000, and that the Club has never reached such a dilemma. He also cited the current patronage level at the lounge. Mr Lim then urged the House to move the motion as per the letter registered.
- 3.1.56 Mr Jude Maniam queried whether a decision can be made to move forward on the “no confidence” motion against the President. If it was not possible, the House will just follow the agenda and put to the vote when it came to the AOB.
- 3.1.57 The President decided to proceed with the agenda flow to confirm the minutes.
- 3.2 The minutes of the 61st Annual General Meeting held on 24 June 2018, which were circulated as part of the Annual Report, were duly confirmed as proposed by Mr Cecil Ong and seconded by Ms Helen Phua.

4.0 TO RECEIVE THE ANNUAL REPORT AND ADOPT THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

- 4.1 Mr Vincent Tan thanked the CRC Chairman and the President on the presentation given, and registered his appreciation of the President and the GC for all the good things done for the Club. He also acknowledged the effort put in to conduct safety inspection and the re-painting of the high-mast lighting at the swimming pool.
- 4.1.1 Mr Tan referred the House to Page 51 of the Annual Report on Lease Rental Income: rental income at \$488,519 for 2019 appeared to be trending down compared to 2017; it was 6.73% down. Mr Tan wanted to know the reason, and what plans have been put in place to address and reverse the downtrend.
- 4.1.2 Mr Tan also referred the House to Page 76 – Interest Income – and commented that it was heartening to note a new line of income at \$8,938 for 2019, and sought clarification on what the capital outlay was to earn the said \$8,938, the type of yields received, and whether there were plans to do more. Mr Tan once again thanked the committee for the good effort, which was shown in the earlier presentation.
- 4.2 The President commented that, in view of the written-in request to seek clarification on the accounts, the GC will bring forward and address the AOB letters relating to Finance first, before getting Members to adopt the accounts.
- 4.2.1 Mr Phuah Lian Heng sought permission from the President to direct a question to the auditor. Mr Phuah queried whether the Financial Reporting Standards ("FRS") 37 provisions, contingent liability, and contingent assets were compiled in the latest audited report, including any potential legal liabilities to be incurred.
- 4.2.2 Mr Andrew Tan ("AT"), from the auditor firm, answered that they did consider the FRS contingent liability and litigation; the auditor also assessed the impact to the financial statement. The auditor opined that there was no major impact to the Club's presentation of the financial situation and, hence, there was no exposure in the account.
- 4.2.3 Mr Phuah sought further confirmation that the auditors have complied with FRS 37, especially Clause 86.
- 4.2.4 AT replied that the above-mentioned had been complied with; most importantly for FRS, the auditor had to assess whether there was any financial impact to the result.
- 4.2.5 Mr Phuah clarified that he was referring to the exposure aspect to it and commented that, if there was any litigation, there was the possibility of liability and a possible outflow, which had to be disclosed based on FRS 37. Unless the auditor was indicating that any possible litigation, whether it was a third party or otherwise, the claim was either to the plaintiff itself, there was absolutely no possible outflow of resources, then it will not need to be disclosed. Mr Phuah sought confirmation on whether the auditor was aware of all the potential litigation that the Club may have, and was assured by the GC that there was no outflow of resources or there was no case that the Club needed to bear liability.

- 4.2.6 AT replied that the auditor understood the litigation, had read through the affidavit that was addressed to the Club, and had considered the situation. After assessment and also subjected to legal advice, the auditor opined that there was no major financial impact to the Club. In addition, the Club was covered by insurance.
- 4.2.7 Mr Phuah re-emphasised his concern on the FSR 37 disclosure, and sought further clarification that the auditor had obtained legal advice and ascertained that there was no possibility of any Club liabilities; hence, it was not disclosed in the account.
- 4.2.8 AT gave his confirmation to the remarks made by Mr Phuah.
- 4.3 The Honorary Treasurer, Mr Rayner Ng ("RN"), took the Members through the AOB questions related to finance whereby seven days' notice had been given. RN commented that answers to those questions were based on facts gathered from annual reports, and came from the office and GM. Questions of a similar nature were put together.
- 4.3.1 To address questions relating to F&B performance, spending in the outlets, and the drop in sales volume, the slide showing the individual outlet performance for FY2017/2018 and FY2018/2019 was shown.
- 4.4 Mr Teng Leng Hock commented that, as RN was addressing AOB matters, the motion by Mr Balbir Singh and Mr Jude Maniam should be brought forward. Mr Teng then checked whether there was any objection from the floor by asking for a show of hands.
- 4.4.1 The President expressed that RN should be allowed to address the questions in relation to the account first.
- 4.5 RN then continued to answer questions on the lower F&B sales, a situation identified in Crossroads, Club Twenty-Two, Garden Grill, Banquet, and Coffee Deli.
- 4.5.1 Mr Randy Sng stated that RN had already shown, in the chart comparing last fiscal year and current fiscal year, that the number was \$5,141,000 for the current fiscal year that had just ended. Mr Sng asked what the budget was measured against, as the Club had a structured way of doing finance. Budgeting was one of the most important parts, where the Club had set KPI and matrix for individual departments on their performance. Mr Sng then sought clarification on the budget number and variance.
- 4.5.2 RN explained that, had Mr Sng written in, the answer could have been prepared.
- 4.5.3 The President stated that it was important that Members allow Management time to extract and prepare the information, as it was difficult to pull out numbers on the spot. The President suggested dealing with the questions that have been written in first as there was no answer to Mr Sng's question at this stage, and the GC had noted his question.
- 4.5.4 Mr Sng expressed that the President was in his team and should know how budgeting was done. There was a closing budget stating the actual and the projected, and this had been handed to the next GC running; the President had access to the numbers. Mr Sng explained that this was how budgeting has been done in the Club, and that it was very important for KPI, performance measurement, incentive, and so on. Hence, his request was not something that was asked unreasonably.

- 4.6 RN continued with the questions relating to F&B, and explained that the reduction of \$39,000 loss was attributable to:
- (a) slight improvement in contribution margin from 60.4% in FY2017/2018 to 60.7% in FY2018/2019
 - (b) reduction in Other Operating Expenses, such as cost of entertainers, gas, utilities, marketing costs, kitchenware, etc
- 4.7 Mr Phuah Lian Heng spoke on the question that he had written in. He commented that the \$10 million in cash and cash reserve that the Club held earned an interest income of only \$33,000, which was 0.3%. Mr Phuah requested for the slide that he had sent in to be projected and cited that Standard Chartered Bank offered businesses an interest rate of 1.9% for a minimum sum of \$25,000 for 12 months for deposits opened between 4 and 30 June 2019. Based on the 1.9%, the \$10 million that the Club had will earn a sum of \$190,000 without having to do much. Mr Phuah queried whether the fund was being properly put to work.
- 4.7.1 Mr Phuah further commented on the distribution between the Current Account and the Fixed Deposit. He suggested having the monthly cash flow forecast for Members' understanding so that the fund is better managed to generate higher income.
- 4.7.2 RN thanked Mr Phuah for the constructive feedback given, proceeded to show the projected cash reserve for FY2019/2020, and shared that the projected cash reserve to be at \$10.11 million by end of FY2019/2020. The cash reserve balance was at a consistent level of \$10 million every month. To be in line with the Constitution, the Club will not be making risky investments, but take a more conservative approach. Part of the Club's reserve was placed under Fixed Deposit. These fixed deposits are placed for varying periods, between three and 12 months, with interest rates ranging from 0.10-1.90% per annum.
- 4.7.3 In early May 2018, the Club invested \$500,000 in triple A-rated bonds issued by a statutory board of the Singapore government, earning interest at 3.10% and 3.63%. Surplus funds were placed in Fixed Deposit in FY2018/2019 compared to prior years. The 0.33% Mr Phuah mentioned was what had been practised in the past years, as shown on the slide.
- 4.7.4 This year, the GC together with the Management had explored ways for better placement of the cash and reserve. The projection for the next 12 months was then shown. The projected principal was about \$6 million, and the anticipated return will be \$56,000 in terms of interest. RN said that the team will be flexible to take advantage of financial instruments that were available in the market and make better use of the \$56,000 generated.
- 4.7.5 Mr Phuah sought further clarification on the justification of the placement of \$3 million in the Current Account and \$6 million in Fixed Deposit. Drawing reference to the interest offered by Standard Chartered Bank – for the \$6 million placed, would the \$56,000 generated be considered too low?
- 4.7.6 The President clarified whether Mr Phuah was suggesting that the Club adopt his proposal.
- 4.7.7 Mr Phuah replied that what he meant was, given what was available in the market, had the Club been aggressively exploring ways to generate more? As a benchmark, 1.9% for 12 months will generate a \$190,000; hence, was not the target set too low?

- 4.7.8 The President replied that this will be an ongoing exercise, and the topic will be revisited. The report was based on what was available at the point in time. The GC noted that it was in the interest of Members to always look for the best possible return on investment, which will be carried out moving forward.
- 4.8 RN continued with a question on Net Operating Surplus, and said that the amount was about \$200,000; in accordance with constitutional amendments approved during AGM 2018, 10% of the Net Operating Surplus was to be funded into Financial Reserve. The presentation of Statement of Comprehensive Income in the FY2018/2019 Annual Report was in accordance to the change. This had helped the Club to meet the Net Operating Surplus.
- 4.8.1 Mr Koh Jin Kit, who had written in the question, clarified that he was confused, as the report stated that the Club had ended with surplus due to the work put in by the GC and the Management. Mr Koh added that he was in agreement of the effort put in; however, there should be an “apple to apple” comparison. This time round, there was a transfer fee of \$400,000 in the component, which other years did not have. If an “apple to apple” comparison were to be done, it seemed that there would be a deficit. For better clarity of how the surplus or deficit was derived, Mr Koh felt that there should be an acknowledgement made that there was an amendment made to the Constitution last year, voted in by the Members as proposed by the last GC. In addition, there should be a more comparable comparison made.
- 4.8.2 RN acknowledged that this was one of the new resolutions that was passed in last year’s AGM. Moving forward, whether the transfer fee will still be counted as Operating or Non-operating, the Club will end up with a surplus; this year, it amounted to \$800,000.
- 4.9 RN then moved on to answer the next question related to TSF. RN referred the House to Annual Report Page 72, Note 9. As at 31 March 2019, our cash reserve was at \$10.08 million. Out of this amount, \$6.33 million was the Financial Reserve as at end of FY2018/2019. Minimum Financial Reserve (“MFR”) threshold for FY2019/2020 was determined at \$3.8 million. The level to exit the transition period was \$4.3 million. Hence, the Club had achieved the MFR for FY2019/2020.
- 4.10 RN explained that the increase in employee benefits despite the drop in manpower was because, in FY2017/2018, the provision for Variable Bonus (“VB”) was written back in the books at the end of last FY, which meant that no bonus was paid to the employees. However, the GC felt that good performers should be rewarded; hence, for FY2018/2019, the Club made a provision of \$133,590. Employee benefits (without VB) was \$55,000 (0.97%) lower compared to FY2017/2018 despite salary increment.
- 4.10.1 RN also referred the House to Annual Report Page 76, Note 18, on key management personnel costs. There was clear reduction of key personnel cost. The GC hoped to further drive the cost down with approximately 120 employees.
- 4.10.2 Mr Koh Jin Kit pointed out that the number of employees had dropped from 138 to 126, and sought clarification on whether the VB that was provided for was in compliance with the union’s contractual agreement signed.

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- 4.10.3 RN replied that no Profit Sharing will be given to the staff this year based on the contractual agreement formula, and explained that the VB was accorded based on performance appraisal. Profit Sharing was a different component from VB. For last year, only the Profit Sharing component, which was a sum of \$100, was given to staff.
- 4.10.4 Mr Koh further queried the justification made for the provision of the \$133,000 VB and whether it includes the Members' Ang Pow contribution.
- 4.10.5 The GM shared that there were three components to staff remuneration. One was the VB, which was provided on a basis of 1 mth to 0.2, in accordance to performance rating conducted by the heads of department and approved by their respective chairmen. The Profit Sharing component that appeared in the collective agreement had a formula to it; for this year, there will be no Profit Sharing as we did not meet the numbers based on the formula.
- 4.11 RN continued to address the next question on the decline in fruit machine collection but the direct staff salaries and wages increased by 15%. An adjustment of \$18,000 made in FY2017/2018 for overprovision of Variable Bonus and Profit Sharing for FY2016/2017 resulted in lower Staff Costs in FY2017/2018 compared to FY2018/2019.
- 4.11.1 In reply to the query made on the President's message on finances, RN said that, under Constitution Clause 26A.2 (a), the budgeted Operating Expense (excluding Depreciation and Amortisation of assets) shall not exceed the budgeted Operating Income; the Club adhered to it and the amount was reflected on Page 51 of the accounts. The special transfer fee scheme was introduced to refresh the Membership. In addition, the Net Deficit After Tax of \$562,300 was reported in Page 28 and 51 of the Annual Report. Moving forward, the team had reduced the expense on capital expenditure; spending will be for items that are necessary and for safety.
- 4.12 In reply to questions on the measures put in place to satisfy the TSF requirement and overcome this deficit next year, whether Constitution Clause 26A.2 (d) had been complied with, and what the MFR threshold was this year, RN shared that, for FY2019/2020, the Club will continue to work towards a break-even budget, with no increase in monthly subscription and no minimum spending levy, as the last increase of subscription was in June 2015 and July 2009 respectively. The Financial Reserve ("FR") balance as at 31 March 2019 was \$6.33 million. The MFR threshold was \$3.8 million. In order for the FR to hit the MFR threshold of \$3.8 million, the Club will have to spend a Capital Expenditure of \$2.5 million, and there was zero contribution from Entrance Fees and Net Operating Surplus. RN also shared that 10% of the Net Operating Surplus from FY2018/2019 (\$23,000) had been transferred to FR and the MFR threshold for FY2019/2020 was determined at \$3.8 million.
- 4.13 To address the question on the increase in meeting expenses, RN explained that the increase was attributed to the 2018 AGM due to the increased headcount.
- 4.14 Professional and Legal Fees had increased as a result of the legal fee incurred in 2018 for the disciplinary proceedings involving the Club President.
- 4.15 RN explained that the Staff Training had decreased from \$20,000 to a mere \$8,400 last year due to Management's effort in getting in more grants to lower the cost.

- 4.16 There being no further comment or question from the floor, the Annual Report and Accounts for the year ended 31 March 2019 were received and passed as proposed by Mr Arulananthan Subramaniam and seconded by Mr Rangan Muralikrishnan.

5.0 TO APPOINT AUDITORS FOR THE ENSUING YEAR

- 5.1 Before the appointment of the auditors for the ensuing year, Ms Wong Sook Yee commented that, as the minutes and accounts have been adopted, as brought up by Mr Teng Leng Hock earlier, the filing with ROS would require verification by the President, Honorary Treasurer, and Honorary Secretary. She queried whether the Club's filing will be considered invalid and in contravention of the filing deadline.
- 5.1.1 The President replied that the Club had written to ROS to seek advice: in the absence of an Honorary Secretary, with the ROS requirement of having three Office Bearers to verify, how should the Club go about the filing process? The response from ROS was that the GC can appoint an interim Honorary Secretary. The Club then submitted the name and this was accepted by ROS. Based on today's adoption of the account, there will be no compliance issue.
- 5.1.2 Mr Tony Lim queried who was the appointed Honorary Secretary for the filing of the annual returns.
- 5.1.3 The President stated that ROS had acknowledged and accepted that the Assistant Honorary Secretary can be the interim Honorary Secretary to file the return, and the interim Honorary Secretary was DH.
- 5.1.4 DH commented that his appointment as an interim Honorary Secretary was just for the purpose of filing the annual returns.
- 5.1.5 Mr Phua Neo Peng Chiew sought confirmation that ROS was aware of the comprehensive circumstances leading to the absence of the Honorary Secretary, and that the Assistant Honorary Secretary was appointed and not elected. In addition, he also wanted to know whether ROS was notified that the Club's decision was to wait till 2020 to have the election.
- 5.1.6 The President replied that ROS was aware of the appointment, and Members could seek clarification from ROS, if needed.
- 5.1.7 The email correspondence with ROS was shared with Members.
- 5.1.8 DH commented that the Club will follow up with an email to ROS to highlight that the Assistant Honorary Secretary was by appointment and not elected, and to check whether ROS' decision still stands that the Assistant Honorary Secretary can be the interim Honorary Secretary.
- 5.1.9 The President referred the House to Constitution Clause 24.3: "Should any member of the Committee vacate office during his term of office, whether by resignation or upon his demise, the Committee may, at its sole discretion, by appointment fill the resulting vacancy until the next election of the Committee EXCEPT in the case of the President, Honorary Secretary, and Honorary Treasurer – the Vice President, Assistant Honorary Secretary, and Assistant Honorary Treasurer shall automatically

assume the respective posts vacated.” The President stated that the Assistant Honorary Secretary was appointed in accordance with the Constitution, and ROS had been informed. Nevertheless, the Club will follow up to update ROS on the circumstances so that they can make the decision.

- 5.1.10 Mr Koh Jin Kit clarified whether the information given to ROS was a correct reflection of the situation, as the year for election was a point of contention. If the impression given was that the election will only be held in 2020 versus held anytime as per Members’ request, ROS’ decision may be different.
- 5.1.11 The President concurred and reiterated the lack of clarity in the current Constitution. The Club will contact ROS accordingly.
- 5.1.12 DH further clarified that the key appointments – President, Vice President, Honorary Secretary, and Honorary Treasurer – have to be elected. As Assistant positions are not key appointments, they could be appointed. The GC had taken note of the Members’ concern and will follow up with ROS to check whether DH can still step up as the interim Honorary Secretary.
- 5.1.13 Ms Josephine Teo suggested having the EOGM just for the election of the Honorary Secretary in the event that ROS replied otherwise. Ms Teo felt that the words “vote of ‘no confidence’” was loosely used, and urged Members to be objective, put their differences and emotions aside, and focus on the issue.
- 5.1.14 Mr Peter Ong commented that, having been a Member for many years, the request for a vote of “no confidence” had never been used, as the Club has all along been well managed until this term.

5.2 The President then moved on to agenda 5 to appoint Auditors for the ensuing year.

- 5.2.1 There being no objections from the floor, Mr Peter Ong proposed that HLB Atrede LLP be re-appointed as the Club’s auditors for the ensuing financial year, and this was seconded by Mr Anthony Lim.

6.0 TO TRANSACT ANY OTHER BUSINESS OF WHICH 7 CLEAR DAYS’ NOTICE HAD BEEN GIVEN IN WRITING TO THE HONORARY SECRETARY

- 6.1 The President informed the House that questions related to finance had been addressed, and the GC will now answer questions relating to EOGM and Constitution whereby seven days’ notice had been given.
- 6.2 Mr Peter Colaco referred to the President’s message in the Annual Report on the “basic pay-as-you-use model” and said that the perceived message to Members was that they will be penalised for increased usage of the Club’s facilities and amenities. Mr Colaco added that facilities such as swimming, gym and car park, which were widely used, were not charged, and felt that the President was selective as to where charges were imposed.
 - 6.2.1 The President replied that there was no increase in subscription and cited the use of tennis courts as an example: Members with higher usage rate will have to pay more for booking that facility – that was what he meant by “if you use more, you pay more”.

- 6.2.2 Mr Colaco shared his displeasure at the increase in fees for *Musical Afternoon* sessions, which were popular with the seniors; the programme had been in place for 10 years. Member's fee had increased from \$3 to \$8 – a 160% increase – while guest fee had increased from \$8 to \$16. Mr Colaco compared the rate with *Unwind with Larry Lai*, where Member's and guest fees were \$5 and \$10 respectively, and felt that it was unfair.
- 6.2.3 BW commented that swimming and gym have been non-chargeable facilities since day one, whereas the rest of the facilities were chargeable; it was followed through and not on a selective basis. BW shared that, during the price review process, there had been discussions on whether fees should be imposed for swimming and gym; however, the team felt that these facilities were part of the subscription, and the decision was made to maintain the status quo.
- 6.2.4 Mr Colaco cited further examples of the impact that the increased fee of *Musical Afternoon* had on senior Members.
- 6.2.5 Mr Ong Eng Say sought clarification on why Member's and guest fees were the same for *Musical Afternoon* be it a house band or a hired band performing, even though there was a disparity in the overheads of each type of band.
- 6.2.6 Mr Phuah Lian Heng suggested that the Club make better investments with the \$10 million cash and reserve to generate more income, and urged the House to move on with the AOB items.
- 6.2.7 Mr Colaco said that the seniors would prefer to pay an increased subscription that led to a minimal increase when calculated on a daily basis, compared to the increase in the fee for a single-day event like *Musical Afternoon*.
- 6.2.8 Mr Bob Mong declared that he was the part of the house band that played during *Musical Afternoon* and certain other Club events to keep costs low. Mr Mong shared that the band was affected due to the increased price as attendance had dropped drastically. He urged the GC to review the price increase, taking into consideration that the event was held on the non-peak period of Tuesday afternoons, a slot it had held for years.
- 6.2.9 Mr Sam Choo commented that the price of items had gone up and fairness should be accorded to the GC, which was working hard to deal with changing times.
- 6.2.10 The President commented that the increased fee for *Musical Afternoon* was an operational issue, and the GC did not decide on fees. The process started from the review of pricing done by Management in March/April by comparing pricing with Clubs of a similar nature. Based on Management's recommendation, the GC agreed to the increase. The Club was working towards break-even.
- 6.2.11 To conclude, VP said that the Club will look into the fee review.
- 6.2.12 Mr Rangan Muralikrishnan then suggested reverting to the original price.
- 6.2.13 Mr Koh Jin Kit felt that the discussions stemmed from the President's message on the pay-as-you-use model, which should be phrased more towards raised fees on existing facilities that are chargeable. He commented that this was behaviour economics, as

increasing the price of certain events actually chased away active Members who were participating, which resulted in more inactive Members. Was that something that the Club wanted? Members join the Club for activities and to socialise. He said pushing away active Members was not quite right, and suggested to the GC that, in the drive to generate more revenue, the priority should be the reverse.

- 6.2.14 The President concluded that the Club will review the pricing and work towards break-even. He explained that the attendees of *Musical Afternoon* comprised of Members and guests. The price review will only be for the Members, as the Club's stand was that guests should not be subsidised and will have to pay their fair share.
- 6.2.15 Mr Phuah Lian Heng commented that, with reference to the earlier slide shown on individual F&B outlets I&E, Banquet's net result was a deficit of \$6,000. Mr Phuah stated that Banquet, which catered more towards non-Members, should be generating income as the Club should not be subsidising.
- 6.2.16 The President concurred with Mr Phuah's statement.
- 6.2.17 BW explained that most Banquet bookings were carried forward from previous years. However, going forward, the team will ensure Banquet will generate profit; otherwise, it was not worth the while.
- 6.2.18 The President concluded that all services extended to guests from a Banquet perspective will be on a profit margin basis. However, the Club will still have to fulfill previous contracts that were not on that basis but have been carried forward.
- 6.3 DH then proceeded to address EOGM- and Constitution-related questions. Regarding the letter from Mr Tony Lim, DH commented that this had been discussed at the dialogue session. As far as the Constitution was concerned, it was not that the Club cannot have an EOGM, and referred the House to Constitution Clause 30.1: "The Committee shall call an Extraordinary General Meeting whenever the Committee considers it necessary, and shall be bound to do so on receipt of a requisition signed by no fewer than 100 Members, who shall state thereon the purpose for which they desire the meeting to be called."
- 6.3.1 DH explained that, upon receiving the requisition for an EOGM, the Club followed up with a letter to seek clarification from the signatories that they understood the purpose of the EOGM and the agenda listed.
- 6.3.2 Mr Tony Lim rebutted that the Club need not have sent the letter to the signatories to confirm that they understood the purpose.
- 6.3.3 Mr Peter Ong commented that many of the signatories did not receive the letter and hence were unable to reply. In addition, most of the Members were on vacation and unable to reply.
- 6.3.4 The President sought the understanding and assistance of the House to allow DH to finish the explanation without interruption so that the House could better understand the whole situation.
- 6.3.5 Mr Ivan Heng queried how the Club determined whether the signatories had received the letter from the Club.

- 6.3.6 Mr Tony Lim reiterated that there was no requirement to seek clarification and, as per legal advice given, under the Constitution, the GC was bound to call for the EOGM; instead, a dialogue session was called.
- 6.3.7 DH explained that clarification was sought as there was feedback from some Members that they were not aware of the purpose of the EOGM.
- 6.3.8 Mr Tony Lim demanded as proof a list of the Members who had signed but gave feedback that they were not aware of the purpose.
- 6.3.9 BW added that there were Members who retracted their signature and Members who replied that they were not aware of the purpose.
- 6.3.10 DH explained that it was not possible to name these Members so as not to subject them to hatred.
- 6.3.11 Mr Vincent Tan requested that, to be fair to all Members present, the President ought to share the information that should be presented and take control of the meeting.
- 6.3.12 The President suggested that Members allow DH to explain the reason for not calling the EOGM before posing more questions.
- 6.3.13 Mr Koh Jin Kit sought clarification on what legal advice was given when the Club consulted whether it was required to seek confirmation from the signatories on whether they signed with full understanding. Did the Constitution make provision for that; or did the Constitution state that, as long as there were 100 signatures, the EOGM had to be called?
- 6.3.14 Mr Anthony Lim concurred that legal advice should be sought to confirm whether the Constitution had any such provision.
- 6.3.15 TKS commented that the Constitution did not make provision for the clarification; however, TKS' view was that, once 100 signatures were received, there was a need to call for the EOGM.
- 6.3.16 Mr Sam Choo felt that an explanation should be given for the requisition of the EOGM.
- 6.3.17 Mr Lee Say Yeow said that, had the EOGM been called, all these queries would be answered.
- 6.3.18 Mr Tony Lim commented that the Constitution did make this provision: "Not less than three quarters of the Members who requisitioned for a general meeting must be present at such a meeting requested by them, otherwise the President may order that such a meeting be cancelled." But the President did not want to exercise this provision, which signalled that the GC did not have the confidence to hold the meeting.
- 6.3.19 Mr Bob Chow said that some of the Members may have read his appeal letter to the Members who requested for an EOGM to withdraw their petition. Mr Chow commented that, during the last AGM, Members were informed that the Club was facing financial problems. Mr Chow mentioned that having an AGM or EOGM would incur cost, and made reference to the amount that was spent in the last AGM.

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Mr Chow added that this should be stopped. After personally explaining to Members the purpose of his appeal letter, he managed to garner 118 signatures. Mr Chow wanted the Members to consider whether they should have an EOGM.

- 6.3.20 Mr Phuah Lian Heng commented that he had read the appeal letter from Mr Bob Chow. In the letter, Mr Chow stated that, in the dialogue session, it was mentioned that there was a \$100,000 utilities savings. However, Mr Phuah was shocked that there was a net deficit of half a million dollars this year. Mr Phuah continued to say that, if cost was an issue, the AGM would be the best opportunity for the GC to call for an election, but the dialogue session was carried out. If the Club is bound by the Constitution, we have to fulfil what we are legally obliged to do.
- 6.3.21 Mr Henry Goh felt that the Club should not be spending unnecessarily by having an EOGM.
- 6.3.22 Mr Phua Neo Peng Chiew felt that cost should not be the consideration for having an EOGM. To save cost, there should be no provision of food; Members who were concerned would attend the meeting.
- 6.3.23 Mr Peter Kao commented that the President was elected based on highest votes, and Members who were unhappy should sell off their Membership.
- 6.3.24 Mr Tony Lim urged the GC to proceed with an EOGM, which had been registered.
- 6.3.25 Mr Seck Pow Foo wanted to hear the legal advice on how the Club should move on with the requisition of the EOGM and the appeal letter for the withdrawal of the EOGM signed by 111 and 118 Members respectively.
- 6.3.26 Mr Balbir Singh referred the House back to the legal advice given in November, that "if the Club has received a requisition signed by 100+ Members calling for an EOGM, the Club must proceed to call an EOGM".
- 6.3.27 Mr Rangan Muralikrishnan also posted the same query that Mr Seck Pow Foo posed earlier to the lawyer.
- 6.3.28 TKS advised that, if the Club had received the requisition from 100+ Members calling for an EOGM, Lee & Lee opined that the clause in the Constitution was triggered and an EOGM had to be called, whether or not there was a subsequent petition against it.
- 6.3.29 Mr Peter Ong urged for that to be acted on.
- 6.3.30 Mr Anthony Tan sought clarification from the lawyer on whether due diligence had to be carried out when a letter with 100+ signatures was received.
- 6.3.31 TKS replied that the legal advice given to the Club was that, if there was evidence – e.g. 20 Members stepped forward and said that it was fraudulent and they did not sign – then there will be fewer than 100 signatures and an EOGM need not be called. However, the understanding was that there was no such situation, so Lee & Lee was of the opinion that the Club had to take the requisition at face value, as there was no evidence that there were actually fewer than 100 signatures.

- 6.3.32 Ms Cheong Wai Yin clarified whether there was a deadline whereby the EOGM had to be called, and the consequences for failing to call the EOGM within the deadline.
- 6.3.33 TKS answered that, under the Constitution, there was no deadline stated for the convening of an EOGM. Based on other cases, the judge would say to do it within a reasonable time. The lawyer had checked with various comparable organisations: Management Corporations would need to call an EOGM within six weeks, while companies would need to call it within eight weeks. Model Constitution for societies said eight weeks. TKS said they were not asked that question; however, they opined that two months would be a reasonable time.
- 6.3.34 In reply to the question on the consequences of failing to call an EOGM when the Club was supposed to hold one, TKS opined that the Club would be in breach of the Constitution.
- 6.3.35 Mr Tony Lim commented that, as the EOGM had not been not called, the President and the GC were in breach of the Constitution, resulting in Members losing confidence in the team.
- 6.3.36 Mr Bob Mong stated that the GC, Trustees and all Club Members had to abide and uphold the Constitution. In addition, legal advice from Lee & Lee should be heeded, as they were the Club's legal adviser.
- 6.3.37 DH commented that it was clear what the lawyer had advised and what was stated in Constitution Clause 30.1. DH then went through the agenda stated in the letter of requisition of EOGM.
- 6.3.38 Mr Tony Lim urged for a proposed date to be called for the EOGM, since the lawyer had confirmed that the GC breached the Constitution.
- 6.3.39 Mr Lee Say Yeow asked the lawyer what consequences the GC will face for breaching the Constitution.
- 6.3.40 DH replied that Mr Lee was referring to violation, and commented that it should not be used loosely. DH commented that he had explained that there were two segments to Clause 30.1.
- 6.3.41 Mr Lee commented that the Constitution had a mechanism to prevent abuse, whereby the President had the choice to cancel the EOGM, and questioned the need to conduct verification.
- 6.3.42 Mr Rick Seah felt that Clause 30.1 was clear; since the House had heard the legal advice, the GC should provide the date for the EOGM and need not explain further.
- 6.3.43 Ms Jacqueline Chua indicated that she was one of the signatories of the petition and clarified what the EOGM entailed and her understanding. Ms Chua added that, in the absence of the Constitution, she wanted to seek legal clarification on whether ROS guidance can be referred to; that is, if the Committee does not convene the EOGM within two months, then the Members who requested the meeting could actually reach out to the voting Members.

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- 6.3.44 TKS commented that the Club's Constitution did not provide for that, and opined that ROS will refer back to the Club's Constitution.
- 6.3.45 Ms Chua sought further clarification on the ROS guidance and quoted:
- "(c) An Extraordinary General Meeting must be called by the President on the request in writing of not less than 25% of the total voting Membership or thirty (30) voting Members, whichever is the lesser, and may be called at any time by order of the Committee. The notice in writing shall be given to the Secretary setting forth the business that is to be transacted. The Extraordinary General Meeting shall be convened within two (2) months from receiving this request to convene the Extraordinary General Meeting.
 - (d) If the Committee does not convene the Extraordinary Meeting within two (2) months, the Members who requested the meeting shall convene the Extraordinary General Meeting by giving ten (10) days' notice to voting Members setting forth the business to be transacted and simultaneously posting the agenda on the Society's notice board.
 - (e) The points which are to be discussed at the Annual General Meeting shall include the following for Annual Returns purposes:
 - i. The previous financial year's accounts and annual report of the Committee.
 - ii. Where applicable, the election of office-bearers and Honorary Auditors for the following term."
- 6.3.46 TKS replied that Ms Chua should be reading the Model Constitution, available on the ROS website, that newly set up societies can adopt. The Model Constitution did make the provision for Members who requested for the meeting to reach out to the voting Members; likewise for Management Corporation. However, the Club's Constitution did not have such provision.
- 6.3.47 Mr Tony Lim once again urged for a proposed date to be called for the EOGM as it had been confirmed by the lawyer that the GC breached the Constitution.
- 6.3.48 Dr Edmund Tan thanked the House for approving the 2018 AGM minutes for which he was the Honorary Secretary. Dr Tan felt that, as everyone there was part of a Family Club, all emotions should be put aside. The GC had put in their best, be it right or wrong. To move things forward, an EOGM should be called to let the general Membership decide.
- 6.3.49 Mr Rick Seah concurred that the GC had tried its best. However, he reiterated that, with 3,000 Members, it was not possible that the GC was unable to find 12 capable Members to fill the positions. If the President was unable to manage, Mr Seah suggested that the President step down graciously.
- 6.3.50 Mr Bob Mong commented that checks and balances was an important issue. With a minimal number of elected Members in the Committee and with the rest being co-opted, was this what the Members wanted?
- 6.3.51 Mr Gilbert Low suggested that, if the President was unable to manage, BW could stand in.
- 6.3.52 BW said that the GC worked as a team, and the reason for him going for the 2018 election was to prevent any increase of subscription and imposing of minimum spending. He welcomed Members who were able to ensure that there will be no increase of subscription and imposing of minimum spending to take over the position. BW then said that the GC will update Members in two weeks' time on the EOGM.

- 6.3.53 Mr Koh Jin Kit wanted to clarify the message passed by BW, and shared on the two resolutions that were passed in the 2018 AGM that allowed the incumbent GC to have time to come up with new ideas to work on things. Mr Koh added that the previous GC came up with the resolutions so that the incumbent GC would not have to increase subscription and impose minimum spending during their two-year term.
- 6.3.54 BW clarified that the GC were looking at plans that were not just for the two-year term, but for long-term sustainability.
- 6.3.55 Mr Koh felt that the GC should be looking at a two-year plan, as the term of office is only for two years and a re-election will be held. His earlier clarification was to clear any misunderstanding that BW may have.
- 6.3.56 BW commented that the GC should focus on continuity of plans carried out by the previous GC and progressively work towards sustainability so that, generation after generation, the Members can still continue to enjoy the Club.
- 6.3.57 Mr Peter Ong was appreciative of BW's concern about the Club's sustainability. Mr Ong raised his concern about the litigation issue that was floating around and commented that each litigation case involving the High Court amounted to approximately \$500,000. With the ongoing litigation issue, can the Club be sustained?
- 6.3.58 BW commented that, to conclude the issue on EOGM, the GC will update Members in two weeks' time.
- 6.3.59 In reply to Mr Tony Lim's queries on the date of the EOGM, the President sought Members' understanding to allow Management to check the ballroom's availability; the date will be posted on the notice board.
- 6.3.60 The President commented that self-interest, abuse of power, and corporate governance were issues that every GC needed to take seriously. In the past one year, the GC had worked consistently to abide by all these issues. He commented that the call for an EOGM at this stage and the reason that was given was a vote of "no confidence". However, the GC had yet to hear from the 111 signatories the specific reason why they had no confidence in the President leading the Club for the next one year. The President wanted the Members to think over this question when the GC met them in the EOGM.
- 6.3.61 BW stated that the Management will advise the date and timeline for the EOGM.
- 6.4 Mr Phuah Lian Heng stated that he had earlier asked the auditor to confirm that there was no contingent liability for the Club. However, based on Mr Peter Ong's remarks on the litigation issue, Mr Phuah sought clarification on whether there was anything that the Members had not been told.
- 6.4.1 Mr Peter Ong clarified that, after reading the notice on the litigation issue from the various AOB submissions, he was alarmed and concerned about the amount that the Club had to fork out for the claim.
- 6.4.2 Mr Balbir Singh sought clarification on whether the GC will address the issue raised under AOB on the HC/S 194/2019 case commenced in the High Court of the Republic of Singapore in which the Club had been named as the third party to the proceedings.

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Mr Singh remarked that Members have not been informed of the claim to date, and this was also not mentioned in the President's Opening Address. Mr Singh commented that the Members needed to be informed that the Club was involved in litigation. Mr Singh added that, as part of the AOB letter, it was also stated the general Members should be allowed to vote for a motion of "no confidence" against the President in this AGM.

- 6.4.3 BW commented that this was part of DH's presentation to update Members on the HC/S 194/2019 case. However, he had not been given the chance to continue.
- 6.4.4 DH stated that the President will have to leave the meeting before the discussion could take place.
- 6.4.5 The President left the room and did not take part in the discussions.
- 6.4.6 DH updated that this was a very current litigation brought by the President in his personal capacity against two ex-employees, one of whom had joined the Club as a third party to the proceedings. DH had been consulting legal advisers to discuss the case and what the liabilities were. The process had taken longer than expected as the insurer, Chubb, took quite a while to reply to the Club. The House was informed that the cost of the litigations would not be covered by Chubb based on an exclusion clause.
- 6.4.7 As the President had a personal interest in the matter that may conflict with the interest of the Club, and that the discussions may be confidential, DH requested that the discussions not be shared outside the meeting as the discussions involved plans moving forward. Members present did not object to this arrangement and took part in the discussions.
- 6.4.8 Mr Lee Say Yeow remarked that, whatever the outcome, as raised by Mr Phuah Lian Heng earlier, this meant that there was the possibility of liability claim, which should have been disclosed.
- 6.4.9 DH felt that, as the financial year ended on 31 March 2019 and the claim came after, the auditor's stand was correct.
- 6.4.10 Mr Phuah Lian Heng queried the date when the Club received the claim, as the auditors signed off the report on 17 May 2019. As there was a provision for subsequent events, he sought clarification on whether this claim came under that provision, and whether FRS 37 had been complied with.
- 6.4.11 Mr Koh Jin Kit concurred with the provision, and that the information was not declared. He further checked on the complexity of the claim.
- 6.4.12 AT said that the report was signed off on 17 May 2019 and, in terms of contingency liability, the declaration by the GC was that there will be no outflow of liability. In addition, an assessment was made in consultation with legal advisers that there will be no impact on outflow.
- 6.4.13 Mr Phuah Lian Heng sought clarification from the auditor on whether the GC had declared that there will be no outflow of liability. If yes, he further sought confirmation from the GC that the claim will not have any impact on the outflow of the Club.

- 6.4.14 DH replied that, as of 17 May 2019, the insurer had not stated their position.
- 6.4.15 AT mentioned that the Auditor will issue a note to the audited report after DH's update that the insurance company, Chubb, declined coverage.
- 6.4.16 The discussions continued.
- 6.4.17 DH once again highlighted that the discussions should not be shared outside the meeting.
- 6.4.18 Mr Tony Lim felt that the Members should allow the GC to handle the case and not be overly concerned over the cost.
- 6.4.19 Rounding off, BW stated that whatever cost incurred will be reflected in the next financial year's report. As for the EOGM, Members will be updated in two weeks' time.
- 6.4.20 DH reminded the Management that the sharing should be off the record as the discussions were confidential.
- 6.4.21 Ms Emily Wong stated that the GC should complete the handling of the case before the EOGM; it should not be passed to the next GC as it will be a painful process. The GC should try its best to get the Club out of the suit and not made a third party.
- 6.4.22 RN said that, as far as cost was concerned, the GC will perform due diligence to ensure transparency.
- 6.4.23 Ms Cheong Wai Yin sought clarification from Lee & Lee whether it was a requirement that the GC made the litigation known to Members.
- 6.4.24 TKS opined that there was no formal rule and legal requirement. It was more of the GC's judgement call.
- 6.4.25 The discussions continued.
- 6.4.26 Mr Koh Jin Kit suggested an Oversight Committee comprising neutral parties to work together with the GC on the claim. BW commented that it was possible, and that the GC will review that option.
- 6.5 Mr Balbir Singh brought the House back to the subject of the "no confidence" motion against the President.
- 6.5.1 Mr Koh Jin Kit requested for a reasonable time to hold the EOGM. BW replied that, subject to the availability of the ballroom and logistic arrangements, it shall be held within four to six weeks from the date of the notice sent to inform Members.
- 6.5.2 BW stated that, based on current ballroom availability, the earliest possible date to have the EOGM was 11 August 2019.
- 6.5.3 Ms Wong Sook Yee raised the concern of having the EOGM on 11 August 2019, as it was a Public Holiday.
- 6.5.4 Mr Phuah Lian Heng enquired what the agenda will be for the EOGM.

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- 6.5.5 DH opined that the agenda should be in line with Mr Tony Lim's letter dated November 2018 as that was the first letter.
- 6.5.6 Mr Pao Kiew Tee wondered – as there was a cost concern on having an EOGM – if the House proceeded with the “no confidence” motion against the President and the motion was carried, was there still a necessity to have an EOGM?
- 6.5.7 Mr Tony Lim concurred that, if the motion was carried, BW shall take over the President's role as per Constitution, and he will then call for an election to fill the vacant positions.
- 6.5.8 Ms Josephine Teo sought clarification on the need to inform ROS of DH's appointment.
- 6.5.9 TKS clarified that the “no confidence” motion against the President did not automatically remove the President. By convention, if a vote of “no confidence” is passed, what the President or Prime Minister will do is step down and set the time for fresh elections; if not, there will be a lack of a leader.
- 6.5.10 Mr Ong Poh Leng suggested that the President should be persuaded to resign and the issue should be dealt with amicably and with grace. The whole purpose was not to antagonise any party.
- 6.5.11 BW commented that, leading up to the two weeks' notice, the GC will work with Management and seek legal advice on what the options were and what should be done. As per legal advice, the vote of “no confidence” did not equate to the removal of the President.
- 6.5.12 Mr Phuah Lian Heng requested for a headcount to determine whether there was a quorum to put the motion to a vote.
- 6.5.13 Mr Roger Yap urged the House to vote.
- 6.5.14 Mr Teng Leng Hock concurred and stated that, since the author of the letter had requested for the motion to be carried out, this should proceed.
- 6.5.15 Ms Brenda Lee felt that the attendees who stayed through the AGM had serious concerns about the issue and concurred with Mr Teng Leng Hock that the motion should be called for, even though there were concerns raised that the majority of the attendees had left.
- 6.5.16 DH clarified that, whether the President stayed on or resigned, it did not affect the litigation claim as the claim was not brought about by the President.
- 6.5.17 Mr Teng Leng Hock felt that, as the AGM had not come to a close, the motion should be carried out.
- 6.5.18 Before proceeding any further, as the litigation discussion had come to an end, BW indicated that the President should be invited back to the meeting.
- 6.5.19 BW queried what was the real value of having the motion carried out, in view that an EOGM will be called.

6.5.20 Mr Roger Yap commented it will serve as a record in the AGM.

6.5.21 The meeting adjourned for a 10-minute break before proceeding to vote for the motion.

6.6 The meeting resumed with DH addressing the queries related to the Facebook post. He mentioned that there were remarks made. However, the Club was unable to take the post down, and neither could the Club get Facebook to remove it. This could be a sabotage attempt, and it was almost impossible to trace the real identity of the person behind it. DH shared that a police report had been lodged, but the Club may have to apply for a court order to compel Facebook to produce the information. In addition, the Club may need to get a court order in various jurisdictions to trace the IP address of the Facebook account registered to the post. Hence, it could be a futile action.

6.6.1 MrPhuah Lian Heng, who had written the queries, stated that he accepted the explanation given, and requested for the GC to move on with the motion.

6.7 GM reported that a total of 101 voting Members were still present.

6.7.1 BW recapped that the motion will not have bearing on the AGM, and the President will still remain as the President of the Club until such time.

6.8 There being no comments, the vote of "no confidence" against the President of Serangoon Gardens Country Club was called by a show of hands on the motion.

6.8.1 While the vote counting process was ongoing, Mr Teng Leng Hock alleged that the President had made a remark, directed at Mr Teng, while they were outside the meeting hall: "I see you in court, and I'll give you a hard time." Mr Teng queried whether the remark was made in jest or a threat.

6.8.2 The President replied that he did not pass such a remark.

6.8.3 Mr Teng further asked whether the President wanted a witness, to which the President said "yes".

6.8.4 BW announced the result.

Result of Votes

For	72
Against	14
Motion	Carried

6.9 In reply to the letter from Mr Peter Ong to enable access of the daily newspapers for the current and previous day, GM explained the rationale and commented that the Club will only provide newspapers for the current day.

6.9.1 Mr Peter Ong shared the reasons why it should be restored, as stated in his AOB letter. Such privileges should not be curtailed as this had been in practice all this while.

6.9.2 The request by Mr Peter Ong to enable access of the daily newspapers of current and previous day was called by a show of hands on the motion.

Result of Votes

For	33
Against	0
Motion	Carried

6.10 Mr Jack Rodrigues ("JR") then proceeded to address the query on whether Membership Relations had decided not to pay attention to new Memberships for entrance fees and was instead focusing on transfer fees from Members selling memberships in the open market.

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- 6.10.1 JR replied that, for FY2019/2020, there were new schemes planned to attract Ordinary sign-ups. These will run in tandem with premium events open to the public, such as *After Dark Series: Open House* and *National Day Celebration*. In addition, the NTOM conversion scheme was in the pipeline for FY2019/2020.
- 6.11 BW addressed concerns about the fruit machines that was asked in the AOB letter. He stated that the Club had adhered to police licensing regulations, and revenue was generated from normal operations. He added that the Ministry of Home Affairs had also conducted a site inspection on 19 September 2018.
- 6.12 In reply to the questions on the swimming fraternity, BW commented that the Club had appointed Ms Carol Ng to the Swimming Sub-Com and was working hard to fill the rest of the Committee Members, which posed some challenge. In addition, in place of the Annual Inter Club Swimming Meet ("AIMS"), the Club was sending swimmers to external swim meets to expose them to high-level competitions, such as National Swim Series, Singapore Swim Series 2, SNAG, and Super Sprint Series.
- 6.13 To address the queries on Membership open market rates, JR replied that the Special Transfer Scheme ran for only three months, from 1 January-31 March 2019. The objective of the scheme was to refresh the Membership. JR mentioned that the current open market value was \$10,500. He further commented that open market prices were volatile and dependent on several factors, such as the perceived value of the Membership.
- 6.13.1 To add on, Marketing & Communications Manager Mr Garry Moss shared that one area that the Membership Relations department was looking into now was to create more valuable and premium activities in and around the Club for visitors and members of the public to see. To increase Membership benefits, the team was working beyond just the Club, cooperating with third-party merchants to create quality lifestyle experiences.
- 6.14 The list of F&B promotions/activities till March 2020, ranging from Japanese Sake Pairing Dinner with Guest Chef to events like Oktoberfest, was shared with the House to address the question of what exciting F&B initiatives have been planned to bring Members back to the Club.
- 6.15 As requested, the attendance record of the GC Members at the meetings was presented on the PowerPoint slide.
- 6.16 To reply to the query on the announcement of the New President and GC Members to ESM Goh Chok Tong and various others community leaders after the 2018 AGM and whether announcements were made to the same mailing list after the resignation of the nine GC Members, BW replied that the message was sent out of courtesy as an update; the resignations were not sent, as replacements will have to be made and the GC had not yet reached that stage.

7.0 ADJOURNMENT

There being no other business, the President thanked Members for their attendance. The meeting ended at 7.15pm.

A CORRECT RECORD



Benjamin Wong
Vice President

MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 8 SEPTEMBER 2019

GENERAL COMMITTEE

President	Mr Terrence Fernandez
Vice President	Mr Benjamin Wong
Honorary Treasurer	Mr Rayner Ng
Committee Member	Mr George Lim

Trustees

Mr Hendrick Koh
Mr Pao Kiew Tee

Auditors

HLB Atrede LLP
Certified Public Accountants

IN ATTENDANCE

General Manager
Heads of Department

Mr Farrock Ebrahim

TOTAL NUMBER OF VOTING MEMBERS PRESENT: 292

TOTAL NUMBER OF MEMBERS REQUISITIONING FOR EOGM PRESENT: 80

1.0 PRELIMINARIES

The Extraordinary General Meeting ("EOGM") was called by 111 Members of Serangoon Gardens Country Club, who signed an open letter on 8 November 2018. This was in accordance to the Club's Constitution Clause 30.1: the General Committee is to convene an EOGM upon receipt of a requisition signed by no fewer than 100 Members.

The Vice President, who chaired the meeting, addressed the membership at 2pm to remind them of the Constitution Clause 31.3, and that a 30-minute grace period will be given to form the required percentage.

By 2.30pm, half an hour after the appointed time of the EOGM, although a quorum was present, less than 75% of the 111 Members who requisitioned the meeting were present. In light of the above, the President ordered the meeting cancelled.

A CORRECT RECORD



Benjamin Wong
Vice President

MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 3 NOVEMBER 2019

GENERAL COMMITTEE

President	Mr Terrence Fernandez
Vice President	Mr Benjamin Wong
Honorary Treasurer	Mr Rayner Ng
Committee Members	Mr Lee How Giap Mr Jack Rodrigues

Auditors

HLB Atrede LLP
Certified Public Accountants

Legal Adviser

Lee & Lee
Advocates & Solicitors

IN ATTENDANCE

General Manager	Mr Farrock Ebrahim
Heads of Department	

TOTAL NUMBER OF VOTING MEMBERS PRESENT: 331

1.0 PRELIMINARIES

With a quorum present as confirmed by the General Manager ("GM"), the President called the meeting to order at 2pm.

The President stated that the agenda for the meeting was to remove him as the SGCC President.

The President sought the cooperation of Members to observe the rules of the meeting and stated that, if a Member disrupts the meeting, he shall have the power to exclude the Member from the meeting based on the Constitution.

- 1.1 Before the President commenced with his address, Mr Louis D'Souza posed a legal challenge, and said that, as the President was the subject matter of the resolution, he should not chair the meeting as it was against the rule of natural justice; there must be an independent Chair. The Members who called for the Extraordinary General Meeting ("EOGM") should answer why they called for the resolution, and Members who were present at the meeting could then ask some questions. The President can then rebut and oppose the resolution.

- 1.1.1 Legal Adviser Mr Toh Kok Seng explained that the President could chair the meeting; however, as the resolution concerned the President, then he should stand down and let the Vice President chair the meeting.
- 1.2 Mr Roger Yap wanted to asked a question, but the President requested Mr Yap to be seated, and replied that the time will come for him to ask his question.
- 1.2.1 As Mr Yap refused to be seated, the President requested for Mr Yap to be escorted from the room and said that the meeting will resume only after Mr Yap left the room.
- 1.3 The President re-emphasised that, if a Member disrupts the meeting, he shall be excluded from the meeting based on the Constitution.
- 1.4 Mr Teng Leng Hock queried who will chair the meeting, and commented that there must be an independent Chair. He added that the General Committee ("GC") should be seated in front so that Members were aware of the GC's presence.
- 1.4.1 The President reminded Mr Teng to observe the rule and to be seated.

2.0 PRESIDENT'S ADDRESS

- 2.1 To open the address, the President took the meeting through a slide showing the unaudited Income & Expenditure Statement as of 30 September 2019. The Club achieved a Net Operating Surplus of \$105,000 for FY2019/2020 versus a deficit of \$114,000 for FY2018/2019; this was largely due to Members' support, which helped to turn the numbers around.
- 2.2 The next slide was on the F&B performance for the past five financial years and the forecast for FY2019/2020. It showed an upward trend, for which the President applauded Management for making sure that the Club stayed relevant and vibrant.
- 2.3 Slides on the Club's cash reserves and bank interest for the past five financial years were presented:
 - Cash Reserve as at 30 September 2019: \$10.72 million
 - Bank Interest at 30 September 2019: \$61,068 vs FY2018/2019 of \$42,216
- 2.4 The President highlighted the need to revise the current Constitution as it was subject to different interpretation. The Constitution Review Committee ("CRC") will arrange for Members to participate in the dialogue sessions and give their views/comments before finalising the amended Constitution. With the approved amended Constitution, the Club will not have to spend unnecessary time and money on having EOGMs.
- 2.5 The President touched on the Disciplinary Inquiry ("DI") held against him when he was the Membership Relations ("MR") Chairman, and part of the MR Sub-Committee. He explained that this stemmed from the complaint letter, dated 4 January 2018, written by ex-Membership Relations Manager Ms Genevieve Lim and addressed to the ex-General Manager that pertained to an incident involving a guest coming into the Club.

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On 30 January 2018, a resolution was passed by the former GC at the GC meeting to vacate him from the position of MR Chair, as well as from the MR Sub-Committee. The President highlighted that MR had achieved 90% of the target set for Membership sales at that time. He was replaced by ex-Vice President Mr Lee Say Yeow.

On 30 April 2018, the charge letter from the Disciplinary Committee (Disciplinary Chairman Mr Peter Chia was recused) as well as the summary of 29 incidents were sent to him. In summary, the charge was workplace harassment. The President then gave a short explanation of what constituted workplace harassment, according to the Protection from Harassment Act ("POHA").

The President shared on the four dates where the Disciplinary hearings were held, and indicated that all these happened one month before the election. He also mentioned the three witnesses for Genevieve Lim and the legal fee of \$20,057 incurred in FY2018/2019 for the legal advice sought due to the complaint and the Disciplinary Committee ("DC") proceedings.

On 4 September 2018, a notice was put up to inform Members that the DI involving him has concluded, and the complaint of workplace harassment made against him was dismissed by the new DC, which comprised Mr Teng Leng Hock (Chairman), Mr Eric Lee and Mr Ignatius Lim.

- 2.6 The President continued to the slides showing the HODs' resignation between June 2018 and October 2018, as well as new hires in October 2018 – for key functions – and February 2019. He stated that the issue of HOD resignation had been addressed in the dialogue session held in November 2018. To fill the vacant positions, staff were promoted. The Club was run by the Management. GC was to provide support.
- 2.6.1 The slide on manpower for the last three financial years, which showed declining numbers, was presented. The President mentioned that, with the less manpower, the Club did better through having specific roles and tasks, key performance appraisals based on key performance indicators, and optimisation of the staff.
- 2.7 At this point in time, the President called for two scrutineers to witness the voting process, including the vote counting. They were Ms Genie Sugene Gan and Mr Paul Poh.
- 2.8 The President then resumed his address on the list of GC resignations. He highlighted that the seven GC Members who resigned on 2 November 2018 did so due to them losing confidence in the leadership of the President. He said that the responsibility of the GC was to serve the Members and not the President. As constituted, the GC consisted of 13 Committee Members, so the seven GC Members who resigned made up the majority.
- 2.8.1 He further commented that what mattered most was the result, what the people can do, and not the numbers. What the remaining GC Members did was to work harder and reach out to fill the vacant positions.
- 2.9 The President also highlighted the letter directed at the GC, Trustees and the GM by eight Members, and said that the GC had also received threats, verbal abuse, and ridicule. He stated that it was unfair for them to be targeted repeatedly by a small group of Members.

- 2.10 The President then moved on to the third-party claim that he commenced in his personal capacity against Genevieve Lim ("Genevieve") and Goh Juak Kin ("Goh"), who were former employees of the Club, and its impact on him.
- 2.10.1 On 12 April 2019, the Club received the third-party notice from the High Court as Goh had added the Club as a third party to the action. Goh claimed that the Club should have indemnified him against the plaintiff's claim even if he was found liable, as he was merely carrying out his duties as an employee of the Club.
- 2.10.2 On 30 July 2019, the Club proceeded with a counter claim against Goh so that, in the event that Goh was found guilty, the Club would not have to pay for the plaintiff's claim.
- 2.10.3 On two occasions – 8 May 2019 and 21 August 2019 – during the Pre-Trial Conference ("PTC"), he agreed to mediation, but Defendants 1 and 2 rejected it. He also highlighted that, if all parties were agreeable to mediation, the case need not proceed to High Court.
- 2.10.4 The President said that, from the court documents he had, Goh responded that he had acted under the instruction of the ex-President.
- 2.11 The President proceeded to reveal the legal fees incurred between July and September 2018 for Members' queries in relation to the Constitution, EOGM-related questions, and the cost of holding the EOGM on 8 September 2019. These amounted to \$8,623 and \$2,046 respectively.
- 2.12 The last slide shown was on self-interest. The President said that problems will arise if decisions are made out of personal interest. He hoped that the next GC and President will abide by the rules and not make decisions out of self-interest; then the Club will be in a better place.
- 2.12.1 The President said that Members have approached him regarding the internal audit conducted; to these Members, he shared that the audit exercise was done to test the corporate governance of the Club. Based on the report, the Management will ensure that all the lapses highlighted will not be repeated. He also shared that a mandatory internal audit will be included in the proposed amended Constitution.
- 2.13 In his closing remarks, the President indicated that he had reached out to Mr Tony Lim, the author of the EOGM requisition, to better understand what was wrong with his Presidency. However, Mr Lim did not respond. The President said that the GC had always looked after the interest of all Members above any others. He then thanked all present and said that the aim of the EOGM was to decide whether he would still be the President after today. If he was no longer the President, the only difference was he will be unable to look after the interest of the Members in the capacity of a President. He then handed the proceedings over to the Vice President, Mr Benjamin Wong ("BW"), to start the voting process.

3.0 MEMBERS' COMMENTS AND VIEWS

- 3.1 Mr Koh Jin Kit commented that, since the President had been given an hour to speak, the Members should be given a few minutes to give their views before the voting started.

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- 3.1.1 BW replied that Members who wished to speak can do so while the voting process commenced so that the process will not be further delayed.
- 3.2 Mr Teng Leng Hock queried the total number of voting Members present.
- 3.2.1 The President stated there were 331 Members present, and that the voting process allowed Members to vote up to 5pm, whether or not they were present in the meeting room.
- 3.3 Mr Jeffrey Woon shared that he was suspended without going through a DI. Mr Woon said that he did not receive any call for a DI. He then sent a legal letter to the Club as he was not given a chance to explain his case. He added that, if he had breached any code of conduct, then he deserved punishment. However, he opined that the matter was not appropriately handled.
- 3.3.1 BW replied that this matter should not be dealt with at the EOGM.
- 3.3.2 Mr Rick Seah said that it is all about transparency, and an explanation should be provided for the suspension.
- 3.3.3 BW explained that the matter was resolved before the legal letter reached the Club.
- 3.4 BW then commenced the voting process at 2.59pm. Following the commencement of the voting process, a few Members came forward to share their comments and view.
- 3.5 Mr Randy Sng touched on selected truth, and explained that it was made through a choice on the spectrum of truth, whereby only a small part was shared. He further said that the statistics shown earlier will need to be matched against the financial report when it was ready.
- 3.6 Mr Koh Jin Kit mentioned that the lawyer has advised the Club; however, Members were not given the opportunity to speak, a situation that has happened again and again. Mr Koh urged Members present to do the right thing and resolve the issue once and for all. Once a new team was in, a proper audit and process can then be conducted.
- 3.7 Mr Rick Seah remarked that, before the President gave his address, the President indicated that Members will have the chance to speak, but the opportunity was not given.
- 3.8 Mr Louis D'Souza emphasised that Members who called for the EOGM should be given the opportunity to talk; however, they were denied the chance.
- 3.9 Ms Helena Lin said that Members had the right to speak what they wanted with the availability of the microphone, and Members who are present should listen.
- 3.10 Mr Koh Jin Kit shared that he was one of the petitioners, and that 74% of the Members voted for "no confidence" against the President during the Annual General Meeting ("AGM") held in June. Usually, when a person receives a "no confidence" motion, he or she would just leave. However, this did not happen, which resulted in the EOGM being held today.

- 3.10.1 He further explained the reasons for the urgency for the President to step down. Mr Koh mentioned that BW had published a notice informing Members that between \$250,000 and \$1.2 million in legal fees may be incurred as a result of the third-party claim – that is a huge sum of money. Mr Koh added that there was an indication that the Club will claim against the defendant; however, there was no guarantee that this claim will be successful, and the defendant could file for bankruptcy.
- 3.10.2 The GC and Control Committee (“CC”) were supposed to serve the best interest of the Club, but was what they did in the best interest of the Club? Mr Koh then said that maybe the best move was to counterclaim against the plaintiff, or sue both the plaintiff and the defendant so that the Club could claim back the money. However, at this stage, the direction was unclear. As long as the President, the subject for discussion, was in the GC and CC, this conversation cannot take place. The Club was racing against time, as the lawsuit was ongoing; hence, the need for the President to step aside so that a legal strategy on what needs to be done could be discussed.
- 3.11 Mr Kenneth Wong stated that he was one of the GC Members who resigned, one of the young blood who stepped down. Mr Wong said that Members must be wondering about the reasons behind the resignation of the seven GC Members, as they did not have the chance to justify themselves. Mr Wong highlighted that, as much as the President said, anyone can resign, and the easiest way was for one to resign and just indicate that he or she was busy with work. However, the seven who resigned chose to state the real reason: they had no confidence in the President. Mr Wong further said that, for the longest time, they did not have a platform to address that issue; when the seven GC Members resigned, the President introduced his own team and did not address the reason for the resignations. Mr Wong stated that, while Members were queuing to vote, they will share some facts that happened during the GC meeting to show why there was loss of confidence in the President.
- 3.12 Mr Xavier See questioned the presence of leadership and whether Members would want to come forward to serve. He said that there was a breach of the Constitution, and quoted the President: “Nobody is above the law”. On behalf of all who have resigned, Mr See extended apologies and expressed that they could have done it a lot better. Mr See mentioned that the minutes of the meeting should have been published; however, he has not seen the minutes. Mr See then commented on the way the meeting was conducted, and mentioned that the President said that if the issue was not on the agenda, it should not be included. However, an hour was spent on the President’s address, which was not part of the agenda. Mr See then shared that, when the President was voted in, there was a press release that was sent out to Emeritus Senior Minister Mr Goh Chok Tong, Patron Ms Sylvia Lim, churches, mosques, etc. The GC was explicit in its disagreement to the release, as it was just serving the Club. Even though the President agreed not to send, the release went out the next day.
- 3.12.1 Mr See cited another example, which involved a garnishee order served to the Club. The organiser of the event was served a garnishee order, so the event could not go on. However, Members who paid for the show were not informed. Mr See quoted what the President said at that moment: “The F&B department should handle the situation.” Mr See questioned the presence of leadership, and said the F&B Chair, who was serving for the first time as a Chairperson, had to address the issue. Mr See then touched on the conduct of the President. He shared that the Club’s copyrighted material was used without authorisation. In another case, there was a sharing of

3 NOVEMBER 2019 EOGM MINUTES

Finance P&C documents with RWS consultant without the GC's approval. Mr See stated that the final incident that drove the seven GC Members to resign was when the President made a decision during the GC meeting held in October 2018 on a DI case involving himself. Mr See felt that actions have consequences, and rules of law had to be observed; if not, there will be chaos.

- 3.13 Mr Peter Colaco shared that the Club was made the co-defendant of the third-party claim. The President was the plaintiff and the Club had to indemnify the ex-General Manager. Mr Colaco expressed that, if the President loved the Club, he should have retracted and withdrawn the case. He then shared that, during the AGM held in June, he had asked BW whether BW had asked the President to withdraw the case; the reply was "no". He also posed the same question to Mr Daniel Ho, who was the Assistant Honorary Secretary then; Mr Ho said he would try. Mr Colaco expressed that, if the President cared for the Club, he should have withdrawn. However, until today, he is still pursuing the case relentlessly. With the notice put up by BW, win or lose, the Club will lose money and the money will go to the President at the expense of the Club. Mr Colaco emphasised that the President was also the plaintiff, which was a conflict of interest. The President should have withdrawn, since he knew that the Club would have to bear the cost otherwise.

4.0 RESULTS OF THE VOTES

BW announced the result of the motion: to remove the sitting SGCC President, Mr Terrence Fernandez, with immediate effect.

The breakdown of votes is as follows:

	Number of Votes
For the motion	261
Against the motion	175
Total number of spoilt ballot papers	19
Total number of valid votes	436

The motion was carried.

- 4.1 Before ending the meeting, BW announced that the GC will call for an EOGM on 12 January 2020 to elect a new GC, which will hold term till June 2021. The current GC will continue till the EOGM in January 2020. The timeline leading up to the EOGM was shared with all present.
- 4.2 BW thanked Mr Terrence Fernandez for his contribution and support towards the Club for the past 1.5 years as the President. He thanked the GC, including those members who resigned. He also thanked the GM and Heads of Department, who have worked tirelessly with the GC to bring the Club to where it was today.
- 4.3 Mr Koh Jin Kit thanked BW, and emphasised that the utmost concern for the Club in the meantime was to form a legal counsel comprising of Members with good legal background to discuss the right strategy for the third-party claim. Time was of the essence, as the GC and CC were not valid at the moment, with the absence of an Honorary Secretary.

- 4.3.1 BW replied that his suggestion will be looked into.
- 4.4 Ms Wong Sook Yee commented that what had taken place was very bruising, and hoped that this would not be repeated. She thanked the current GC for things done right, and urged all Members to move forward and not badmouth anyone. Let the healing process start, and Members should look forward to electing people whom they know is good for the Club.
- 4.5 Dr Edmond Tan enquired on the legality of the Clubs' signatories and BW replied that all is in order till the election.

5.0 ADJOURNMENT

There being no other business, BW thanked Members for their attendance. The meeting ended at 5.49pm.

A CORRECT RECORD

A handwritten signature in black ink, appearing to read 'Benjamin Wong', with a stylized flourish at the end.

Benjamin Wong
President

*General Committee's Statement and
Audited Financial Statements*

Serangoon Gardens Country Club
(Reg. No. UEN S55SS0010E)

For the year ended 31 March 2020

FINANCIAL REPORTS

Serangoon Gardens Country Club

General Information

General Committee Members

President	:	Terrence Fernandez
Assistant Honorary Secretary	:	Lee Phee Teck
Assistant Honorary Treasurer	:	Lee How Giap
Committee Member	:	Ng Teng Hee
Committee Member	:	Arulananthan Subramaniam
Committee Member	:	Kabilan S/O Subramaniam
Committee Member	:	Emrys Phua Kang Sheng
Committee Member	:	Chen Zhi-Hui, Shaun

Independent Auditor

HLB Atrede LLP

The independent auditor, HLB Atrede LLP has expressed its willingness to accept re-appointment as auditor.

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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 2020 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,



Fernandez Terrence
President



Lee How Giap
Assistant Honorary Treasurer

Singapore
11 August 2020

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 2020, 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 2020 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 Atrodc LLP
Public Accountants and
Chartered Accountants

Singapore
11 August 2020

FINANCIAL REPORTS

Serangoon Gardens Country Club

Balance Sheet as at 31 March 2020

	Note	2020 \$	2019 \$
ASSETS			
Non-current			
Property, plant and equipment	4	19,112,099	20,062,916
Members' receivables	5	49,275	104,340
Investment securities	6	514,208	518,188
		<u>19,675,582</u>	<u>20,685,444</u>
Current			
Inventories	7	101,078	113,362
Members' receivables	5	741,652	928,206
Sundry receivables, deposits and prepayment	8	411,670	289,389
Interest receivables		53,207	13,012
Fixed deposits	9	8,610,200	5,299,735
Cash and cash equivalents	9	2,329,374	4,787,532
		<u>12,247,181</u>	<u>11,431,236</u>
TOTAL ASSETS		<u><u>31,922,763</u></u>	<u><u>32,116,680</u></u>
FUNDS			
Accumulated funds	10	29,026,987	29,316,594
		<u>29,026,987</u>	<u>29,316,594</u>
LIABILITIES			
Current			
Creditors and accruals	11	1,633,691	1,582,410
Contract liabilities	12	356,336	349,875
Members' credit balances and deposits		770,416	769,254
Income tax payable	13	135,333	98,547
		<u>2,895,776</u>	<u>2,800,086</u>
TOTAL FUNDS AND LIABILITIES		<u><u>31,922,763</u></u>	<u><u>32,116,680</u></u>

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

FINANCIAL REPORTS

Serangoon Gardens Country Club

Statement of Comprehensive Income for the financial year ended 31 March 2020

	Note	2020 \$	2019 \$
Operating income			
Subscriptions		4,184,356	4,202,796
Transfer fees		366,860	430,865
Miscellaneous income	14	276,525	196,541
Lease rental income		554,903	488,519
Contributions/(deficits) from:			
Fruit machines	15	352,922	329,200
Facilities booking	16	236,687	223,247
Other activities	17	89,448	109,089
Food and beverage	18	(66,332)	(329,840)
		<u>5,995,369</u>	<u>5,650,417</u>
Less:			
Operating expenditure			
Operating and administrative	19	(4,401,662)	(4,250,479)
Repairs, maintenance and housekeeping	20	(544,702)	(555,373)
Water and electricity		(673,756)	(611,302)
		<u>(5,620,120)</u>	<u>(5,417,154)</u>
Net operating surplus		375,249	233,263
Non-operating income			
Transfer fees (FY18/19 – April to June 2018)		–	92,310
Entrance fees		446,890	457,650
Interest income	21	140,310	42,216
		<u>587,200</u>	<u>592,176</u>
Net surplus before depreciation		962,449	825,439
Depreciation of property, plant and equipment	4	(1,165,300)	(1,339,185)
(Loss)/gain on disposal of property, plant and equipment		(1,423)	31
Net deficit before tax		(204,274)	(513,715)
Income tax expense	22	(85,333)	(48,547)
Net deficit after tax		(289,607)	(562,262)
Other comprehensive income		–	–
Total comprehensive deficit for the year		<u>(289,607)</u>	<u>(562,262)</u>

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

FINANCIAL REPORTS

Serangoon Gardens Country Club

Statement of Changes in Funds for the financial year ended 31 March 2020

	Accumulated funds \$
Balance at 1 April 2018	29,878,856
Total comprehensive deficit for the year	<u>(562,262)</u>
Balance at 31 March 2019	29,316,594
Total comprehensive deficit for the year	<u>(289,607)</u>
Balance at 31 March 2020	<u><u>29,026,987</u></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 2020

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net deficit before tax	(204,274)	(513,715)
Adjustments for:		
Depreciation of property, plant and equipment	1,165,300	1,339,185
Loss/(gain) on disposal of property, plant and equipment	1,423	(31)
Interest income	(140,310)	(42,216)
Bad debts written off	—	1,520
Operating cash flow before working capital changes	822,139	784,743
Decrease in inventories	12,284	18,768
Decrease in operating receivables	119,338	64,870
Increase/(decrease) in operating payables and contract liabilities	58,904	(34,259)
Cash generated from operations	1,012,665	834,122
Income tax paid	(48,547)	—
Net cash flows from operating activities	964,118	834,122
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(216,206)	(178,854)
Proceeds from disposal of property, plant and equipment	300	1,001
Purchase of investment securities	—	(522,000)
Increase in fixed deposits	(3,310,465)	(2,024,412)
Interest received	104,095	41,580
Net cash flows used in investing activities	(3,422,276)	(2,682,685)
Net decrease in cash and cash equivalents	(2,458,158)	(1,848,563)
Cash and cash equivalents at beginning of year	4,787,532	6,636,095
Cash and cash equivalents at end of year (Note 9)	2,329,374	4,787,532

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

Serangoon Gardens Country Club
(Reg. No. UEN S55SS0010E)

Notes to the Financial Statements – 31 March 2020

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 current financial year, the Club has adopted all applicable new and revised standards and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for the current financial year. The adoption of these standards and INT FRS did not have any material effect on the financial position or performance of the Club for the current or prior financial years.

The Club applied FRS 116 for the first time. The nature and effect of the changes as a result of the adopting of the new accounting standards are described below:

FRS 116 *Leases*

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases–Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position. FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use.

Serangoon Gardens Country Club
(Reg. No. UEN S55SS0010E)

Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

FRS 116 Leases (continued)

The Club applied FRS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for 2019 is not restated - i.e. it is presented, as previously reported, under FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in FRS 116 have not generally been applied to comparative information.

(a) *As lessee*

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Club's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2(n).

On initial application of FRS 116, the Club has elected to apply the following practical expedients:

- (i) For all contracts entered into before 1 April 2019 and that were previously identified as leases under FRS 17 *Leases* and FRS INT 104 *Determining whether an Arrangement contains a Lease*, the Club has not reassessed if such contracts contain leases under FRS 116; and
- (ii) On a lease-by-lease basis, the Club has:
 - (a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
 - (b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
 - (c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
 - (d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
 - (e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 April 2019.

Serangoon Gardens Country Club
(Reg. No. UEN S55SS0010E)

Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

FRS 116 Leases (continued)

(a) *As lessee (continued)*

For leases previously classified as operating leases under FRS 17 on 1 April 2019, the Club has applied the following transition provisions:

- (i) On a lease-by-lease basis, the Club chose to measure its ROU assets (except for ROU assets which meet the definition of investment property) at a carrying amount as if FRS 116 had been applied since the commencement of the lease but discounted using the incremental borrowing rate at 1 April 2019. For ROU assets which meet the definition of an investment property, the Club had measured the ROU assets at their fair values at 1 April 2019.
- (ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 April 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.
- (iii) The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 April 2019 is adjusted directly to opening retained profits. Comparative information is not restated.
- (iv) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 April 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

(b) *As lessor*

There are no material changes to accounting by the Club as a lessor.

The adoption of FRS 116 does not identify significant impact on the Club's financial position. As such, the Club has elected not to recognise the impact of adoption of FRS 116 in the account.

Standards issued but not yet effective

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

	Effective date (Annual periods beginning on or after)
Amendments to FRS 1 and FRS 8: <i>Definition of Material</i>	1 January 2020
Amendments to FRS 109, FRS 39 and FRS 107: <i>Interest Rate Benchmark Reform</i>	1 January 2020

FINANCIAL REPORTS

Serangoon Gardens Country Club
(Reg. No. UEN S55SS0010E)

Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

Standards issued but not yet effective (continued)

	Effective date (Annual periods beginning on or after)
Amendments to References to the Conceptual Framework in FRS Standards, illustrative examples, implementation guidance and FRS Practice Statements	1 January 2020
Revised Conceptual Framework	1 January 2020

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

(b) *Functional and foreign currency*

The Club has determined the currency of the primary economic environment in which the Club operates i.e. functional currency, to be SGD.

Foreign currency transactions

Transactions in foreign currencies are measured in SGD and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rate of exchange ruling at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(c) *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to initial 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.

FINANCIAL REPORTS

Serangoon Gardens Country Club
(Reg. No. UEN S55SS0010E)

Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.

Serangoon Gardens Country Club
(Reg. No. UEN S55SS0010E)

Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial instruments*

(i) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Club measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Club expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

A financial asset is derecognised where 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 for debt instruments is recognised in profit or loss.

(ii) *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.

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

Serangoon Gardens Country Club
(Reg. No. UEN S55SS0010E)

Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial instruments (continued)*

(ii) *Financial liabilities (continued)*

Subsequent measurement

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 de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(e) *Impairment of financial assets*

The Club recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For member receivables, the Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Club has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Club considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Club determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the procedures for recovery of amounts due.

(f) *Contract balances*

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Club transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Club performs under the contract.

(g) *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.

(h) *Inventories*

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

Consumable stocks and stores – weighted average basis.

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Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) *Inventories (continued)*

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

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

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

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

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

(i) *Cash and cash equivalents*

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

(j) *Trade and other payables*

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

(k) *Provisions*

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) *Employee benefits*

(i) *Defined contribution plans*

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

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

(ii) *Employee leave entitlement*

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

(m) *Contingencies*

A contingent liability is:

- (a) a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event or events not wholly within the control of the Club, or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Club.

Contingent liabilities and assets are not recognised on the balance sheet of the Club except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

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Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) *Leases*

At the inception of the contract, the Club assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- The accounting policy for leases from 1 April 2019

(i) *As lessee*

▪ *Right-of-use assets*

The Club recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated over the lease terms using the straight-line method. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

▪ *Lease liabilities*

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Club shall use its incremental borrowing rate.

Lease payments include the following:

- fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees
- the exercise price of a purchase option that the Club is reasonably certain to exercise the option; and
- payment of penalties for early termination of the lease, unless the Club is reasonably certain not to terminate early.

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Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) *Leases (continued)*

- The accounting policy for leases from 1 April 2019 (continued)

(i) *As lessee (continued)*

▪ *Lease liabilities (continued)*

For contract that contain both lease and non-lease components, the Club allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Club has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- there is a change in future lease payments arising from changes in an index or rate;
- there are changes in the Club's assessment of whether it will exercise an extension option; or
- there are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

▪ *Short term and low value leases*

The Club has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

▪ *Variable lease payments*

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Club shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

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Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) *Leases (continued)*

- The accounting policy for leases from 1 April 2019 (continued)

(ii) *As lessor*

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

- The accounting policy for leases before 1 April 2019

(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*

The accounting policy applicable to the Club as a lessor in the comparative period were the same under FRS 116.

(o) *Revenue*

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

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

(i) *Revenue from food and beverage*

Revenue from food and beverage operations is recognised at a point in time, generally 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.

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Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) *Revenue (continued)*

(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.

The aggregate costs of incentives provided by the lessees are recognised as a reduction of rental income over the lease term on a straight-line basis

(iii) *Interest income*

Interest income is recognised using the effective interest method.

(iv) *Subscription fees*

Subscription fees are recognised when they are due for payment.

(v) *Entrance and transfer fees*

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

(vi) *Fruit machines income*

Fruit machines income is recognised on receipt basis.

(p) *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.

(q) *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%.

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Notes to the Financial Statements – 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) *Taxes (continued)*

(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.

(r) *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person’s family is related to the Club if that person:
 - (i) Has control or joint control over the Club;
 - (ii) Has significant influence over the Club; or
 - (iii) Is a member of the key management personnel of the Club or of a parent of the Club.
- (b) An entity is related to the Club if any of the following conditions applies:
 - (i) The entity and the Club are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Club or an entity related to the Club. If the Club is itself such a plan, the sponsoring employers are also related to the Club;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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Notes to the Financial Statements – 31 March 2020

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) *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described 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 that are 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 6% (2019: 3%) variance in the surplus or deficit before tax.

▪ *Expected credit loss ("ECL")*

When measuring ECL, the Club uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

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Notes to the Financial Statements – 31 March 2020

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 2018	34,254,795	2,339,371	4,358,080	875,461	5,060,669	821,377
Additions	–	6,730	71,847	–	8,400	2,456
Disposal/written off	–	(1,831)	(23,448)	(306,523)	–	(327)
At 31 March 2019 and 1 April 2019	34,254,795	2,344,270	4,406,479	568,938	5,069,069	823,506
Additions	9,800	12,237	61,525	15,000	18,660	98,984
Disposal/written off	–	(8,967)	(33,271)	(58,300)	(6,700)	–
At 31 March 2020	34,264,595	2,347,540	4,434,733	525,638	5,081,029	922,490
Accumulated depreciation:						
At 1 April 2018	14,718,647	2,167,504	3,452,881	808,187	4,733,552	744,451
Charge for the year	710,534	77,807	311,908	51,824	113,635	42,991
Disposal/written off	–	(1,831)	(22,478)	(306,523)	–	(327)
At 31 March 2019 and 1 April 2019	15,429,181	2,243,480	3,742,311	553,488	4,847,187	787,115
Charge for the year	695,144	48,304	246,820	17,114	83,672	43,014
Disposal/written off	–	(7,540)	(32,975)	(58,300)	(6,700)	–
At 31 March 2020	16,124,325	2,284,244	3,956,156	512,302	4,924,159	830,129
Net carrying amount:						
At 31 March 2019	18,825,614	100,790	664,168	15,450	221,882	36,391
At 31 March 2020	18,140,270	63,296	478,577	13,336	156,870	92,361

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Notes to the Financial Statements – 31 March 2020

4. PROPERTY, PLANT AND EQUIPMENT (continued)

	Kitchenware, crocery and utensils \$	Motor vehicles \$	Container \$	Bowling equipment \$	Total \$
Additions	164,682	88,363	27,304	1,088,811	49,078,913
Disposal/written off	–	–	–	89,421	178,854
At 31 March 2019 and 1 April 2019	164,682	88,363	27,304	1,178,232	48,925,638
Additions	–	–	–	–	216,206
Disposal/written off	(15,550)	–	–	–	(122,788)
At 31 March 2020	149,132	88,363	27,304	1,178,232	49,019,056
Accumulated depreciation:					
At 1 April 2018	164,682	76,710	27,304	960,778	27,854,696
Charge for the year	–	5,593	–	24,893	1,339,185
Disposal/written off	–	–	–	–	(331,159)
At 31 March 2019 and 1 April 2019	164,682	82,303	27,304	985,671	28,862,722
Charge for the year	–	5,594	–	25,638	1,165,300
Disposal/written off	(15,550)	–	–	–	(121,065)
At 31 March 2020	149,132	87,897	27,304	1,011,309	29,906,957
Net carrying amount:					
At 31 March 2019	–	6,060	–	192,561	20,062,916
At 31 March 2020	–	466	–	166,923	19,112,099

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.

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5. MEMBERS' RECEIVABLES

	2020 \$	2019 \$
Entrance fee receivables	118,740	209,750
Members' receivables	672,187	822,796
	<u>790,927</u>	<u>1,032,546</u>
Current:		
Entrance fee receivables	69,465	105,410
Members' receivables	672,187	822,796
	<u>741,652</u>	<u>928,206</u>
Non-current:		
Entrance fee receivables	<u>49,275</u>	<u>104,340</u>

The amount for the 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.

Expected credit losses ("ECLs")

The Club uses an allowance matrix to measure the ECLs of members' receivables.

The following table provides information about the Club's exposure to credit risk and ECLs for trade receivables as at 31 March 2020:

	Expected credit loss rate %	Gross carrying amount \$	Lifetime ECL \$	Credit impaired
2020				
Current (not past due)	—	685,933	—	No
1 to 30 days past due	—	77,954	—	No
31 to 60 days past due	—	24,300	—	No
More than 60 days past due	—	2,740	—	No
		<u>790,927</u>		
2019				
Current (not past due)	—	920,150	—	No
1 to 30 days past due	—	92,163	—	No
31 to 60 days past due	—	19,551	—	No
More than 60 days past due	—	682	—	No
		<u>1,032,546</u>		

There is no loss allowance arising as the expected credit losses is not material.

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6. INVESTMENT SECURITIES

	2020 \$	2019 \$
<i>Financial assets at amortised costs</i>		
Debt instruments – quoted	<u>514,208</u>	<u>518,188</u>

For purpose of impairment assessment, the debt instruments are considered to have low credit risk as these investments are related to bonds issued by a statutory board of the Singapore government. The Club holds no collateral over these balances. Therefore, the loss allowance if any, is measured at an amount equal to 12-months expected credit losses (ECL).

7. INVENTORIES

	2020 \$	2019 \$
Consumable stocks and stores	<u>101,078</u>	<u>113,362</u>
Statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	<u>1,744,450</u>	<u>2,017,163</u>

8. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENT

	2020 \$	2019 \$
Downpayment to suppliers	51,559	–
Grants receivables	75,975	–
Prepayment	75,112	97,889
Rental receivables	38,752	7,944
Staff advances – interest free	500	1,337
Sundry receivables	73,822	81,769
Sundry refundable deposits	95,950	100,450
	<u>411,670</u>	<u>289,389</u>

9. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

	2020 \$	2019 \$
Cash and bank balances	2,329,374	3,772,530
Fixed deposits	8,610,200	6,314,737
	<u>10,939,574</u>	<u>10,087,267</u>
Less: fixed deposits with maturity more than 3 months	<u>(8,610,200)</u>	<u>(5,299,735)</u>
Cash and cash equivalents as stated in cash flow statement	<u>2,329,374</u>	<u>4,787,532</u>

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Notes to the Financial Statements – 31 March 2020

9. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS (continued)

Short-term deposits are made for varying periods of between 6 months and 12 months (2019: 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 0.25% to 1.95% (2019: 0.10% to 1.90%) per annum.

An amount of \$6,824,380 (2019: \$6,339,049) in the cash and cash equivalent and fixed deposits was set aside as financial reserve under the Club's constitution for the Club's cash management. This amount may be utilised on capital expenditure in accordance with capital expenditure prioritization matrix and in the event of crisis, where the Club's operating income is insufficient to meet its operating expenditure due to external causes not within Management's control.

The minimum financial reserve threshold for the financial year 2020/2021 has been determined under the Club's constitution to be \$3.8 million (2019: \$3.8 million) and the level of financial reserve needed to exit the transition period is \$4.3 million (2019: \$4.3 million).

10. 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.

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	
	2020	2019
	\$	\$
Accumulated surplus from fruit machines		
Balance at beginning of year	52,065,318	51,787,942
Contribution for the year	352,922	329,200
Depreciation of amusement equipment	(17,114)	(51,824)
Amusement equipment written off	—	—
Balance at end of year	52,401,126	52,065,318
Accumulated deficit from other activities	(23,374,139)	(22,748,724)
Net accumulated funds at end of year	<u>29,026,987</u>	<u>29,316,594</u>

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11. CREDITORS AND ACCRUALS

	2020 \$	2019 \$
Trade payables and accruals	1,019,864	876,428
Unconsumed leave entitlement	215,191	164,703
Rental income bill in advance	38,957	45,424
GST payable	125,166	166,615
Deposits received	234,513	329,240
	<u>1,633,691</u>	<u>1,582,410</u>

12. CONTRACT LIABILITIES

	2020 \$	2019 \$
Amounts received in advance related to Club's activity	4,393	2,010
Amounts billing in advance related to subscription fee	351,943	347,865
	<u>356,336</u>	<u>349,875</u>

- (i) Revenue relating to Club's activity is recognised at a point of time. A contract liability is recognised when the Club receives the payment in advance from members and is released when the activity is held.
- (ii) Revenue relating to subscription fee is recognised is recognised over time. A contract liability is recognised when the Club invoices the subscription fee monthly in advance and is released over the period of utilisation.

There were no significant changes in the contract liability balances during the reporting period.

13. INCOME TAX PAYABLE

	2020 \$	2019 \$
Balance at beginning of year	98,547	50,000
Current year's tax expense	82,908	50,000
Under/(over) provision in prior years	2,425	(1,453)
Net income tax paid	(48,547)	—
Balance at end of year	<u>135,333</u>	<u>98,547</u>

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14. MISCELLANEOUS INCOME

	2020 \$	2019 \$
Electronic parking systems	108,415	118,985
Grants income – Property tax rebate	75,975	–
Sundry income	36,283	23,991
Advertisement	5,792	5,485
Reimbursement income	50,060	48,080
	<u>276,525</u>	<u>196,541</u>

15. FRUIT MACHINES

	2020 \$	2019 \$
Collections	4,004,310	5,685,170
Deductions:		
Payment to winners	(2,626,080)	(4,008,578)
Government tax [including goods and services tax of \$90,184 (2019: \$109,272)]	(830,657)	(1,089,743)
Maintenance of machines	(18,833)	(26,691)
General supplies	(7,999)	(8,080)
Direct staff costs		
– Salaries and wages	(135,834)	(184,505)
– Central Provident Fund contributions	(13,858)	(19,685)
Other operating expenses	(18,127)	(18,688)
Contribution from fruit machines	<u>352,922</u>	<u>329,200</u>

16. 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.

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17. OTHER ACTIVITIES

	2020	2019
	\$	\$
Aerobics and fitness	72,208	78,301
Billiards	(5,038)	(6,657)
Bowling	(30,496)	(9,022)
Darts	(6,276)	(8,079)
Chess	3,909	2,531
Golf	(14,252)	(15,564)
Mahjong	(1,389)	(3,646)
Membership relations activities and classes	(50,694)	(38,686)
Squash/table-tennis	1,507	(2,006)
Swimming	96,641	90,278
Tennis	18,394	17,750
Youth/video games	5,356	7,142
Miscellaneous	(422)	(3,253)
Net surplus from other activities	<u>89,448</u>	<u>109,089</u>

18. FOOD AND BEVERAGE

	2020	2019
	\$	\$
Sales	4,626,062	5,141,389
Less:		
Cost of sales	<u>(1,744,450)</u>	<u>(2,017,163)</u>
Gross contribution	2,881,612	3,124,226
Less:		
Direct staff costs – Salaries and wages and foreign worker levy	(1,935,400)	(2,281,171)
– Central Provident Fund contributions	(152,922)	(197,735)
Other operating expenses	<u>(859,622)</u>	<u>(975,160)</u>
Deficit from food and beverage	<u>(66,332)</u>	<u>(329,840)</u>

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19. OPERATING AND ADMINISTRATIVE EXPENSES

	2020	2019
	\$	\$
Auditor's remuneration	12,000	12,000
Bad debts written (back)/off	(7,760)	1,520
Decoration	10,817	17,951
Donations	–	1,200
General expenses	87,065	45,221
Insurance	56,701	57,675
Jobs Evaluation Consultancy	14,000	–
Laundry	2,691	2,412
License fees	14,722	14,192
Medical	20,235	24,804
Meeting expenses	54,079	46,046
Members' introduction expenses	41,823	40,746
Membership launch expenses	2,690	4,356
New members' gathering expenses	–	5,335
Newsletter	86,399	84,124
Nets/cashcard commission	1,960	2,181
Payroll – Salaries and wages and foreign worker levy	2,774,196	2,819,316
– Central provident fund contributions	302,440	313,170
– Employee leave entitlements	55,523	(1,845)
Postage	24,366	23,393
Printing, stationery and magazines	58,521	42,048
Professional and legal fees *	78,054	33,457
Promotional materials	148,328	92,906
Property tax	309,396	299,755
Recruitment	8,409	11,653
Refreshment	620	701
Staff benefits	131,385	151,292
Staff incentive	49,646	50,989
Staff training	20,627	8,429
Telephone	22,352	24,744
Transport	20,377	20,708
	<u>4,401,662</u>	<u>4,250,479</u>

Explanatory notes:

- * Included in professional and legal fees of \$78,054 are \$15,688 and \$37,028 paid/payable for legal cases related to reinstatement of president and third party claim respectively.

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19. OPERATING AND ADMINISTRATIVE EXPENSES (continued)

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

	2020	2019
	\$	\$
Salaries and related costs	801,881	701,147
Central Provident Fund	92,163	85,424
	<u>894,044</u>	<u>786,571</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.

20. REPAIRS/MAINTENANCE AND HOUSEKEEPING

	2020	2019
	\$	\$
Housekeeping and landscaping	216,688	230,940
Repairs and maintenance		
– building	83,113	85,726
– equipment/furniture	224,739	216,991
– motor vehicle	6,251	6,723
– bowling alley	13,911	14,993
	<u>544,702</u>	<u>555,373</u>

21. INTEREST INCOME

	2020	2019
	\$	\$
Current accounts	61	462
Fixed deposits	127,403	32,816
Investment securities	12,846	8,938
	<u>140,310</u>	<u>42,216</u>

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22. INCOME TAX EXPENSE

(i) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 March 2020 and 2019 are:

	2020	2019
	\$	\$
Current tax	82,908	50,000
Under/(over) provision in prior years	2,425	(1,453)
	<u>85,333</u>	<u>48,547</u>

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

The reconciliation between the tax benefit and the product of accounting deficit multiplied by the applicable tax rate for the years ended 31 March 2020 and 2019 are as follows:

	2020	2019
	\$	\$
Deficit before tax	<u>(204,274)</u>	<u>(513,715)</u>
Tax benefit on deficit before tax at 17%	(34,727)	(87,331)
Adjustments:		
Tax effect of:		
Non-deductible expenses	2,514,810	2,934,208
Tax exempt income	(2,397,175)	(2,796,877)
Under/(over) provision in prior years	2,425	(1,453)
Total tax expense	<u>85,333</u>	<u>48,547</u>

Revenue from members for the financial year is exempted from tax under Section 11(1) of the Singapore Income Tax Act. The income tax expenses in 2020 and 2019 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.

23. OPERATING LEASE COMMITMENTS

As lessee

The Club had entered into residential property leases. These leases had a tenure of 1 year with no renewal option or contingent rent provision included in the contracts. There were no restriction placed upon the Club by entering into these leases.

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23. OPERATING LEASE COMMITMENTS (continued)

As lessee (continued)

As at 31 March 2019, the future minimum rental payable under non-cancellable leases are as follows:

	2019
	\$
Not later than one year	32,400
Later than one year but not later than five years	1,600
	<u>34,000</u>

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2019 amounted to \$45,600.

As lessor

The Club has entered into commercial property leases. These non-cancellable leases have remaining non-cancellable lease terms of 1.75 to 3 years (2019: 1 to 3 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:

	2020	2019
	\$	\$
Not later than one year	479,485	414,616
Later than one year but not later than five years	425,457	465,142
	<u>904,942</u>	<u>879,758</u>

The leases on the Club's leasehold properties on which rentals are receivable will expire earliest on 1 December 2021 (2019: 30 November 2019) and latest on 31 January 2023 (2019: 1 December 2021).

24. LEASES

The Club leases the residential apartments for staff accommodation. The average lease term is 1 year.

Total lease payment for staff accommodation of \$22,171 was recognised in profit or loss during the year

The Club has elected not to recognise the right of use assets and its lease liabilities as the management are of the view that the impact of non-recognition of FRS116 is not material.

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25. EMPLOYEE BENEFITS

	2020 \$	2019 \$
Salaries and bonus	4,712,681	5,038,341
Central Provident Fund [net of Special employment credit of \$34,837 (2019: \$37,695) and Wages credit scheme of \$36,737 (2019: \$37,881)]	397,646	455,015
Others	252,955	276,849
	<u>5,363,282</u>	<u>5,770,205</u>

26. CONTINGENT LIABILITIES

Legal Proceeding

On 20 February 2019, the President of the Club (Plaintiff) commenced legal proceedings claiming for loss and damage against the Club's former Membership Relations Manager (First Defendant) and former General Manager (Second Defendant), in relation to a complaint made by the First Defendant against the Plaintiff, which the Plaintiff says the Second Defendant mishandled. The Plaintiff has not yet quantified his claim. The Plaintiff is claiming in his own name and his personal capacity, and has not used Club funds for his legal claim.

On 10 April 2019, the Second Defendant commenced a third party action against the Club seeking an order that the Club indemnify him against any successful claims by the Plaintiff. The Second Defendant claims that the Club is liable to indemnify him because the actions the Plaintiff complains of were performed within his job scope as General Manager of the Club. The Club has denied liability.

On 12 July 2019, the Club commenced a counterclaim against the Second Defendant. The Club's position is that if the Second Defendant is liable to the Plaintiff as the Plaintiff claims in his Statement of Claim, then the Second Defendant would by those same actions be in breach of his employment contract with the Club, and the Second Defendant would therefore be liable to the Club for any losses suffered by the Club as a result of his actions.

The Defendants rejected mediation when it was proposed by the Court, on multiple occasions. The Plaintiff and the Club have indicated to the Court that they are amenable to mediation.

As at the date of these financial statements, the Club's management is unable to form an opinion on the likely outcome of the legal action, nor estimate with reasonable certainty the amount of losses or damages that might be payable by the Club, if any. Hence, no provisions have been made in the financial statements in respect of this legal claim.

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Notes to the Financial Statements – 31 March 2020

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(i) *Interest rate risk*

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

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

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

Sensitivity analysis for interest rate risk

Movements in interest rates will have an impact on the Club's fixed deposit interest income. A change of 50 (2019: 50) basis points in interest rates at the reporting date would change fund and surplus before tax by \$43,051 (2019: \$31,574). This analysis assumes that all other variables remain constant.

(ii) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Club's exposure to credit risk arises primarily from members' receivables and other receivables. Guidelines on credit terms provided to members are established and continually monitored. For other financial assets including investment securities, fixed deposit and cash and cash equivalents, the Club minimises credit risk by dealing exclusively with reputable and well-established local and foreign banks, and companies with high credit ratings and no history of defaults.

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Credit risk (continued)

The Club's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. Credit policies with guidelines on credit terms and limits set the basis for risk control. New members are subject to credit evaluation while the Club continues to monitor existing members, especially those with repayment issues. In addition, appropriate allowances are made for probable losses when necessary for identified debtors.

The Club does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimise credit risk, the Club has developed and maintain the Club's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Club uses other publicly available financial information and the Club's own trading records to rate its major members and other debtors. The Club exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Club's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the member is in severe financial difficulty and has no realistic prospect of recovery.	Amount is written off

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) *Credit risk (continued)*

The tables below detail the credit quality of the Club's financial assets, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2020							
Members' receivables	5	N.A.	(a)	Lifetime ECL (simplified approach)	790,927	–	790,927
Investment securities	6	N.A.	Performing	12m ECL	514,208	–	514,208
Sundry receivables and deposits	8	N.A.	Performing	12m ECL	284,999	–	284,999
						<u>–</u>	
2019							
Members' receivables	5	N.A.	(a)	Lifetime ECL (simplified approach)	1,032,546	–	1,032,546
Investment securities	6	N.A.	Performing	12m ECL	518,188	–	518,188
Sundry receivables and deposits	8	N.A.	Performing	12m ECL	191,500	–	191,500
						<u>–</u>	

- (a) For members' receivables, the Club has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Club determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience analysed in accordance to the past due status of its members, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix (Note 5).

Exposure to credit risk

At the end of the reporting period, the Club's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet. No other financial assets carry a significant exposure to credit risk.

Financial assets that are neither past due nor impaired

Members' receivables and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Club. Cash and fixed deposits are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 5 (Members' receivables).

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Liquidity risk

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

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

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

28. 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.

29. 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.

30. 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 109 categories.

	2020	2019
	\$	\$
<i>Financial assets at amortised cost</i>		
Members' receivables	790,927	1,032,546
Investment securities	514,208	518,188
Sundry receivables and deposits	284,999	191,500
Interest receivables	53,207	13,012
Fixed deposits	8,610,200	5,299,735
Cash and cash equivalents	2,329,374	4,787,532
	<u>12,582,915</u>	<u>11,842,513</u>

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30. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (continued)

	2020	2019
	\$	\$
<i>Financial liabilities at amortised cost</i>		
Creditors and accruals	1,469,568	1,370,371
Members' credit balances and deposits	770,416	769,254
	<u>2,239,984</u>	<u>2,139,625</u>

31. EVENTS OCCURRING AFTER THE REPORTING PERIOD

COVID-19 pandemic outbreak

The Coronavirus Disease (COVID-19) outbreak and the measures taken to contain the spread of COVID-19 have created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses. The COVID-19 outbreak and measures taken have impacted the Club's operations and its financial performance subsequent to the financial year.

A series of measures to curb the COVID-19 outbreak have been and continue to be implemented in Singapore, including requirements to limit or suspend business operations, travel restrictions and quarantine measures. The Club is taking precautionary measures to deal with the COVID-19 outbreak in accordance with guidelines provided by the Government. As a result, the Club suspended all facilities at its premises except for its restaurant which remain operational for takeaway services since 7 April 2020.

The Club expects a sharp drop in revenue for the first half of the financial year 2020/2021 due to lower patronage from members and lower participation in sport and recreational activities. The Club also expects no banquet events to be held between April 2020 and September 2020. There may also be delays in receiving payments resulting in lower operating cash flows and expecting additional credit losses on receivables due to a decline in the repayment ability of certain debtors.

As the situation is evolving, the Club is unable to reasonably estimate the full financial impact of the Covid 19 outbreak. The Club is monitoring the situation closely and to mitigate the financial impact, the Club is adopting an operating costs reduction strategy. The support measures introduced by the Singapore Government have helped cushion the cash flows impact on the Club.

32. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Club for the financial year ended 31 March 2020 were authorised for issuance by the Club's General Committee on 11 August 2020.





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