



Serangoon Gardens Country Club

ANNUAL REPORT
2022 / 2023

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

Vision & 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.

General Committee



Mr Koh Jin Kit
President



Mr Mathivanan Krishnan
Vice-President



**Ms Wong Kwee
Keow Emily**
Honorary Secretary



Dr Wong Yu Hock Rodney
Honorary Treasurer



Mr Teng Leng Hock
Assistant Honorary
Secretary



Mr See Kim Xiang Xavier
Assistant Honorary
Treasurer



Mr Balbir Singh
Committee Member



Ms Chua Lay Pheng Elena
Committee Member



Mr Goh Kong Yong
Committee Member



Mr Heng Song Kwang
Committee Member



Mr Lam Kuet Keng
Steven John PBM BBM
Committee Member



Mr Low Theng Khuan
Committee Member



**Dr Tan Chok Jueh
Edmond** PBM
Committee Member

Patrons



Mr George Yeo



Ms Sylvia Lim



Mrs Lim Hwee Hua



Mr Leon Perera

Trustees



Mr Pao Kiew Tee



Mr Thomas Tan



Mr Leslie Yeo

Convenors

Mr Derrick Sim Guang Wei
Bowling

Mr Edwin Lee Kim Hai
Squash

Mr Ramel Ang
Darts

Mr Ronnie Ng Hock Ling
Chess

Ms Stephanie Koh
Tennis

Dato Aaron Ee
Fitness

Mr Derrick Kua
Swimming

Mr Emrys Phua
Billiards

Mr Gerade Gomez
Golf



President's Message

Dear Fellow Members,

FY22/23 presented its own challenges, different from those we had to contend with in FY21/22. While the easing of the COVID-19 restrictions had been much welcomed and the economy had begun to rally, the hospitality and F&B sectors faced a severe manpower crunch which threatened to slow down the post-pandemic recovery. Additionally, due to the Russia/Ukraine conflict, the costs of foodstuff, goods, fuel, and electricity had skyrocketed, resulting in hyperinflation. All these have had a significant impact on the operating costs of the Club. For example, the electricity cost and manpower cost had risen by more than 100% and 10% respectively.

The GC and Management had worked hard to balance the annual operating budget in accordance with, and as required by, the Constitution. We managed to achieve an operating surplus of \$191K in FY22/23 after taking into account government grants received totalling approximately \$464k. However, with the drastically elevated costs and hardly any government grants to look forward to, we had to take bigger measures to increase operating income in order to balance the FY23/24 operating budget (from April 2023 to March 2024). As such, the Club has had to increase monthly subscriptions and implement Minimum Spending ("Min-spend"). We hope that this will encourage Members to visit the Club more and participate in its various activities. The measures were effective April 2023.

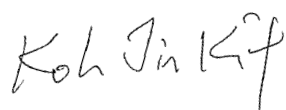
With the phased lifting of COVID-19 restrictions from April 2022, there had been a steady increase in gym users. To forestall any potential overcrowding and to cater to the increased patronage, the Club extended the area occupied by the gym from the first floor of the Palm Wing up to the floor above as well. In addition to increasing the space available at the gym, the Club has added new equipment to allow Members more varied workouts. From the 2nd floor windows the gym overlooks the swimming pool, affording users a breath-taking view. We hope more Members will make use of the gym in their quest for a healthier lifestyle.

On the entertainment front, the Crossroads Lounge had been expanded to accommodate higher patronage during the World Cup matches. The Lounge now enjoys a pool view, and natural light filtering through the glass panels. Under the same initiative, the outdated overhead projectors have been replaced, and the Darts area is now housed under a part of the enlarged Crossroads Lounge. Live bands now play at the Lounge on more nights than before (especially on the eve of public holidays). Patronage at the Lounge and the Darts area has improved, and with it, the energy and vibrancy.

Although the F&B department still runs on a deficit, both revenue and operating results have improved significantly. The bottom-line would have been healthier if it had not been for the hyperinflation. The improved bottom-line due to a higher top-line runs contrary to the counter-intuitive allegation that "the more sales we make, the higher the loss".

Overall, the Club is still in a healthy state financially as well as in other aspects. The Management and GC look forward to a better FY23/24. We will continue to improve our Members' experiences at the Club and manage the treasury prudently.

In closing, I wish everyone the best of health. We couldn't have done it without your invaluable support. Thank you!



Koh Jin Kit

Koh Jin Kit
President





Food & Beverage

Members' Experience

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

Atrium Café for one, has reported an increase in the number of diners. We launched the new a la carte menu in May last year and on 1 January 2023. This gives diners a good reason to patronise the outlet to try out the new dishes. The festive promotions that we rolled out also helped to draw the crowds, such as the Mid-Autumn Specials, Deepavali Special Set, CNY Eve Reunion Dinner and CNY Festive Takeaway Delicacies.

Coffee Deli continues 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 Kopitiam set and Tea Time Special in the afternoon.

For Garden Grill, the monthly themed set menus featuring cuisines from around the world appealed to most Members. We



The Eat, Drink & Reward programme has had positive impact on our F&B outlets.

also arranged for special sets for occasions such as Mother's Day, Father's Day, Christmas, New Year, Valentine's Day and Chinese New Year. The wine dinners held over the past year, have also been very popular among our Members. The take-home Christmas Goodies were well received and enjoyed a good take up rate. We also introduced the Canadian Oysters promotion paired with Chardonnay. The weekend upmarket breakfast was offered to provide varieties for Members.

At Club Twenty-Two, the Saturday 'Live' band by The Locomotion kept Members and their guests entertained. The Karaoke room promotion was also introduced to boost patronage on weekdays. The Music Monday programme by Sound Sensation on alternate Mondays proved to be a favourite among our senior Members. Themed parties such as Deepavali Dance Party, Easter Dance Party, Christmas Tea Dance provided Members with the opportunity to dress up and have





There is a continual emphasis placed on meals cooked with the freshest of local and foreign produce.

a fun time with their family and friends.

The Crossroads Lounge remains a popular watering hole receiving good patronage from Members seeking a place to relax and gather with friends. We also introduced live band performances to provide more variety for Members. This includes a regular live band on Wednesday with Judy & William and Friday with The M.O.B.B.

We continue to screen major sporting programmes such as World Cup 2022, Formula One and Barclays Premier League. The World Cup finals in December played between France and Argentina recorded a good response from our Members as they packed the Lobby and recorded good food and beverage sales.

We also introduced the Eat, Drink & Reward programme, rewarding Members with F&B credits when they spend above a certain amount while dining at any of our F&B outlets.

Apart from the activities and promotions at the F&B outlets, we also organized events which included the National Day Eve Countdown Party, The Festival of Lights with Kumar and the Year-end Countdown after a brief hiatus.

Banquet

We continued to focus on Malay and Indian wedding markets by actively participating in bridal shows, coming up with new promotions as well as revising wedding and seminar packages to stay competitive. However, the market has changed, and we

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The World Cup finals in December played between France and Argentina recorded a good response from our members... and recorded good sales for food and beverage.



Masking up remains a key requirement at SGCC's F&B outlets.

have not been able to capture the pre-COVID-19 volume from weddings.

Our new marketing efforts were focused on building-up corporate business to fill the low occupancies on weekdays.

Financial Performance

As a result of escalation in food costs and manpower costs, our profit margin has been eroded. As such, despite the facts that year-on-year revenue growth was 76% (from FY21/22's \$2.08M to FY22/23's \$3.68M) and the Club had managed to reduce year-on-year operating deficit by 22% (by \$155K), F&B recorded a loss of \$557K (vis-à-vis \$712K deficit in prior year).

The result has shown that increase in sales revenue does improve the bottom-line, hence, contradicting what certain rumour had suggested. Going forward, we shall review the profit margin to catch up with the escalated costs.



Continuous learning is part of the journey for all of our service staff.



We continue to focus on Malay and Indian wedding markets by actively participating in bridal shows, coming up with new promotions packages... to stay competitive.



All of our kitchens are upkept with strict hygiene standards.

The Year Ahead

The F&B team will continue to increase effort to provide exciting programmes to boost patronage and make the SGCC F&B scene a vibrant one for Members. We look forward to a fruitful year ahead.

Sports & Recreation

Sports & Recreation

As Singapore gradually emerges from COVID-19 restrictions, we see the return of Sports and Recreation activities to pre-covid levels.

Members have been patronizing the Club's Sports and Recreation facilities and the various Convenors and their Sub-Committees have been busy organizing programmes and events to bring back the vibrancy to the Club's sports activities.

This is also the first year that the Sports Equalisation Model was implemented ensuring that all Sports Sections are fairly and equitably funded. Endorsed by all the various Sports Fraternities, there were minor hiccups along the way but all were resolved and the Model was successfully implemented.

Billiards

Billiards is slowly but surely reviving after the COVID-19 restrictions. With the replacement of the table cloth for both the Billiards Table and the Pool Table, the Billiards lounge is ready to welcome back all the billiards and pool enthusiasts at the Club.

The Billiards Sub-Committee entered a team to compete in the Singapore Snooker League in Division and at press time, our team has won five games, drawn three games and lost six games.



The games are still in progress.

Billiards Convenor Emrys Phua and his Sub-Committee will be organizing more competitions and events for the Members and bringing more vibrancy to the Billiards Lounge.

Bowling

The bowling calendar is once again packed with activities for Members throughout the year.

To create hype and to draw in more leisure bowlers, the Bowler of the Year Qualifying Round has been introduced. To provide a different bowling experience with three different oiling patterns, we encourage Members to look out for the date where the Qualifying Round is held for three months. Ten of our youth bowlers also participated in the 22nd Milo International Junior All-Stars Bowling Championship which was held in Kuala Lumpur, Malaysia. Four of our bowlers made it to the finals.

Bowling Convenor, Mr Derrick Sim and his Sub-Committee Members will strive to continue to look into activities that can cater to Members of all ages and to groom more bowlers.



equipment, ensuring Members have ample space during their workout and ultimately enhancing their safety.

To kick off the opening of the gym, the Fitness Committee, along with the Fitness Instructors organized a Fitness Challenge, where Members participated in challenges that included Treadmill, Bench Press and Deadlift for both men and women.

In the meantime, our other fitness programs have resumed, and we have also introduced two new activities for our Members to enjoy.

Fitness Convenor Dato Aaron Ee, together with the Sub-Committee Members are working towards organizing more activities for Members remain engaged and improve their overall fitness and health.



Chess

Our Chess calendar started with the TCA 20th Anniversary Junior Chess Open Tournament which attracted 150 young players across the different categories of Under-8, Under-10, Under-12 and Open Category. The Open Category was open to all chess players below the age of 18 and it was heartening to see many young players playing in the Open Category instead of competing in their own age groups.

Chess events like Rapid Chess, Blitz Chess and Friendly Match with Tanglin Club also received reasonable participation rate.

Chess Convenor, Mr Ronnie Ng and his Sub-Committee Members will continue to look into new activities that can cater to Members.

Darts

With the move of the Darts Facilities to be part of the Crossroads Lounge, the Darts

Sub-Committee reorganized the team to head the various working groups to enhance the Darts scene by organizing more exciting activities and games while retaining and recruiting more darters.

Some of the activities organized were the Christmas Darts Challenge which saw a record participation of 44 Members. The other event was the CNY Loh Hei Cricket (Blind), which was restricted to 32 participants. The Sub-Committee also organized two friendly matches with the NUSS and Tanglin Club Darts team.

Darts Convenor, Mr Ramel Ang, together with his sSub-Committee will work to bring more participation and events for the Darts Fraternity and Members.

Fitness

We are pleased to announce that the Gym has undergone a renovation and expansion, now spanning across two floors to elevate our Members' workout experience at the Club. The increased floor space has provided for more room between

Golf

With the easing of COVID-19 restrictions, golf aficionados rejoiced when Sembawang Country Club played host to a total of 57 SGCC golfers at the Hong Bao Golf Tournament on 13 January 2023.

There was a palpable buzz of excitement and anticipation at this first in-person event, which saw golfers teeing off and trying to get a piece of the action only to be interrupted by warning sirens signalling inclement weather and



causing the event to be cancelled.

Despite the downpour, the mood of the golfers remained buoyant as they stayed for dinner at the Kensington Ballroom. Each participant received a goodie bag containing a golf shirt, tees, a sleeve of golf balls, Mandarin oranges and one TOTO ticket. A lucky draw was also held where Mr Michael Ong walked away with a cash prize of \$188.

The organizers would like to thank Mr Aaron Lim, a Member of the SGCC Golf Committee, for sponsoring the cash prizes. SGCC Golf Convenor Mr Gerade Gomez and his Sub-Committee say the club will continue to plan more golf related events, including overseas trips in the coming year and look forward to Members' continued support and participation.

Squash

On 23 April 22, the Club's Squash enthusiasts hosted a friendly game with the Singapore Polytechnic (SP) at SGCC. Despite the SP team being much younger, we put up a strong and intense battle against them and culminated to a post-game happy hour.

For the World Squash Day 2022 event held at SGCC on 15 October 22, a total of 36 players participated. This is a recurrent event that aims to align with the World Squash Day in promoting squashing activities for both young and old. We pitted our skills against each other in a friendly setting followed by a sumptuous dinner.

At the National level, SGCC/ SICC combined, participated at the National Squash League 2022 (Veteran Division 2), held from May to July 2022. The team performed well, remained undefeated for all five group matches but eventually



lost to NUSS in the semi-finals.

For this year, the much anticipated Cosmopolitan Squash League was held from August to November 2022, hosted by the American Club, which saw participation from the Singapore Cricket Club, The Hollandse Club, The British Club, The Singapore Island Country Club and Tanglin Club. Team SGCC played well during the league but most importantly, we all enjoyed the friendly matches and the networking during post game dinner hosted by the respective club.

After a 2-year hiatus, we all

came together to celebrate Chinese New Year 2023 with squash in the afternoon followed by an awesome traditional steamboat dinner, Lou Hei and topped with suckling pig on 4 February 2023. We saw a big turnout with family Members and many new Members that joined SGCC recently. We all enjoyed the post squash dinner and interaction among each other at the Casuarina Room.

The Squash Convenor, Mr Edwin Lee and his Sub-Committee Members will continue to promote the sport and strive to improve further.



and David Chee clinched the First and Second Runners-up positions respectively.

On November 11, 2022, a dinner was organized to show appreciation for tennis players who represented the Club in 2022 and Members who supported the Tennis Fraternity. The event also included a prize-giving ceremony for winners who participated in the SGCC Tennis Open held between June and August the previous year.

Tennis Convenor, Ms Stephanie Koh and her Sub-Committee will continue to promote the sport and strive to further improve.

Going Forward

After the Gym expansion which was completed this year, the Sports & Recreation Sub-Committee will be refreshing other facilities such as resurfacing the Tennis and Squash Courts.

As we look forward to the new Financial Year, Mr Low Theng Khuan, Chairman S&R, would like to thank the Deputy Chairs, Ms Elena Chua and Mr Balbir Singh as well as the Convenors and their Sub-Committees for their unwavering enthusiasm and time to organize and conceptualize programs and events for our Members.

Special thanks must also be given to the Club's Sports & Recreation team for their hard work and commitment in their support of all the programs and events to our Members.

Sports Convenors

1. **Emrys Phua** - Billiards
2. **Derrick Sim** - Bowling
3. **Ronnie Ng** - Chess
4. **Ramel Ang** - Darts
5. **Dato Aaron Ee** - Fitness
6. **Gerard Gomez** - Golf
7. **Edwin Lee** - Squash
8. **Derrick Kua** - Swimming
9. **Stephanie Koh** - Tennis

Swimming

55 swimmers took part in the first swim meet after the COVID-19 pandemic held after a 2-year break on 10 April 2022. More than 150 swimmers participated in the 33rd Age Group Swim Meet, which was held on 24 July 2022. In addition to our own SGCC competitors, we invited swimmers from the following: Art Aquatics, Aquatic Master Swim School, Quattor Swim School, Red Dot Penguins, Swim70, SmileSwimmers, SpeediSwim Aquatic Centre, St Joseph's Institution Junior, The Swim Corner and the Water Family. The meet which started at 1pm was officiated by Ms Elena Chua, S&R Vice-Chairman. Despite a drizzle, the event finished on time.

The Preparatory Series 8 Swim Meet kicked off on 27 November last year at 1pm. The event saw 128 swimmers from Art Aquatics, Quattor Swim School, Swim70, The Swim Corner, The American Club and the Water family coming together in a friendly but closely contested competition. The Swimming Sub-Committee will continue to work together to focus and promote

the swim sport and strive for further achievements.

Tennis

The tennis junior championship held on 5 June 2022, attracted 19 junior players, who were divided into four age groups. STA Interclub Doubles League 2022 held from 10 September to 2 October 2022, was challenging to organize due to inclement weather, which resulted in the postponement of many matches.

The Club's tennis players participated in the Men's D, Ladies' B and Junior U10 categories. The men's team did well by remaining undefeated for all six group matches, but lost in the semi-finals to the Filipino Tennis Club. It was a valiant effort from all three SGCC teams, whose ranks were filled with numerous freshman players, all of whom look forward to next year's edition.

The One Day Tennis held on 12 November 2022. Six players came up against each other in the one-day event via a Doubles Format. When the serves were over and the dust settled, Jonas Lim emerged the eventual Champion of the event while Clinton Wee



Membership Relations



Members and their guests celebrating at the Christmas Light-Up.

Besides providing Membership services at the Reception, Membership Relations department (MR) also attends to Membership enquiries and sales, communicates Club information to Members and organises lifestyle social activities as well as Club events. The lifting of pandemic restrictions on group-size limitation in end April 2022 was a welcome announcement from the government. As a result, MR was able to bring back activities and Club events that had been put on hold during the pandemic.

Communications

We are into our second year on our digital journey and we are heartened to see Members embracing our green efforts especially when it comes to the Club newsletter. It goes out to Members electronically via email and the Telegram channel. Members who wish to have a hard copy can pick it up from the Reception.

The electronic Statement of Account that started two years ago has also gone down well with Members. The availability of the e-statement in the Members'

Login portal on the Club website means the statement can be checked anytime and anywhere.

The advantages of going digital are aplenty. Besides cutting costs from printing less, it has helped in the sustainability drive by the country to reduce carbon emissions and protect the environment. The monthly statements and newsletters are also easily accessed via mobile devices. On top of these initiatives, we are also sending out monthly electronic direct mailers to Members to update on the latest promotions and happenings at the Club.

Social Media

We continued to promote Club activities and F&B promotions via social media platforms—Telegram, Facebook and Instagram. With more Members joining our Telegram channel, promotions and announcements can reach more Members and at a faster rate.

Annual General Meeting/ Town Hall Meeting

The 65th Annual General Meeting was conducted in-person on 26 June 2022 after two years of having it on a virtual platform due to the pandemic. A physical Town Hall Meeting on the Gym Expansion project was called on 22 May 2022. Another Town Hall Meeting on the increase of subscription fees and Minimum Spending took place



Goodbye 2022. Hello 2023!



The lifting of pandemic restrictions...in end April 2022 was a welcome announcement...MR was able to bring back activities and Club events.

on 26 February 2023. Town Hall Meetings are useful for open discussion with Members on important Club matters.

Christmas Light-up

Our annual Christmas Light-Up where the Christmas tree gets lighted up together with festive fun and games at the Main Lobby, could finally take place on 19 November 2022. A 26-stall bazaar for bargain hunters was included as part of the Light-Up programme.

Year-End Countdown Party

After a two-year absence, we

finally brought back the Year-End Countdown Party. The reunion among Members and friends, the feeling of togetherness and a sense of belonging were an excellent way to usher in 2023.

Chinese New Year Lion Dance

The lions were finally 'freed' in 2023 - the traditional Dragon and Lion Dance and performances took place on the second day of the Chinese New Year on 23 January 2023. Members turned up in droves to witness the auspicious performance, which included the very skilled execution of the Mei Hua Zhuang. Scan the QR Code to catch a glimpse of the Lion Dance performance.

Open House

An Open House that was opened to the public to showcase the Club and attract Membership sign-ups happened on 11 and 12 February 2023. Special Membership promotions launched specially for the two-day affair saw many interested parties



Ushering the Chinese New Year with a rousing Lion Dance performance.





We see an increase of Term Members compared to last year, from 81 to 106...more locals [are] joining as Term Members, with a 3% increase from the previous FY of 16%

purchasing the Memberships after a guided Club tour. A bazaar of different stalls selling knick-knacks and French cheeses and wine; fitness demonstration and challenges; free popcorn and candy floss, and a wine/whisky fair were some fringe activities that proved to be crowd pleasers.

Activities, Talks & Classes

In May 2022, we resumed our popular Seniors' Breakfast at Atrium Café. This time round, the complimentary breakfast, catered



Our younger Members enjoy a close-knit community with the start of the Young Adults Gathering.

for our older Members aged 50 years and above, was renamed, 'Seniors' Get-Together'. Taking place on the first Saturday of every month, it attracts an average of about 100 Members each session.

Intermediate and Advanced classes for Line Dance continued to take place every week for our female Members, giving them a fun setting to socialise and stay fit. Organised free talks on important

life topics such as health and lasting power of attorney took place every few months.

We also actively continue to engage Members' children through Junior Gems and fun children's workshops. A Junior Gems member receives a bi-monthly Junior Gems newsletter filled with exciting contests and fun trivia of festive occasions, as well as birthday gifts and Christmas goodies.

We started our inaugural Young Adults Gathering for 40-year-olds



Left: SGCC Open House in February 2023
Below: SGCC Seniors' Get-Together in session.

and below on 7 June 2022. Since then, we had another two more of such gatherings in August 2022 and February 2023 before the close of the financial year, with the Membership Relations Chairman, Mr Xavier See, taking the lead. At such gatherings, attendees meet fellow Members and through the interactions over beer and banter, friendships were forged and interest in the Club kindled.

Term Membership

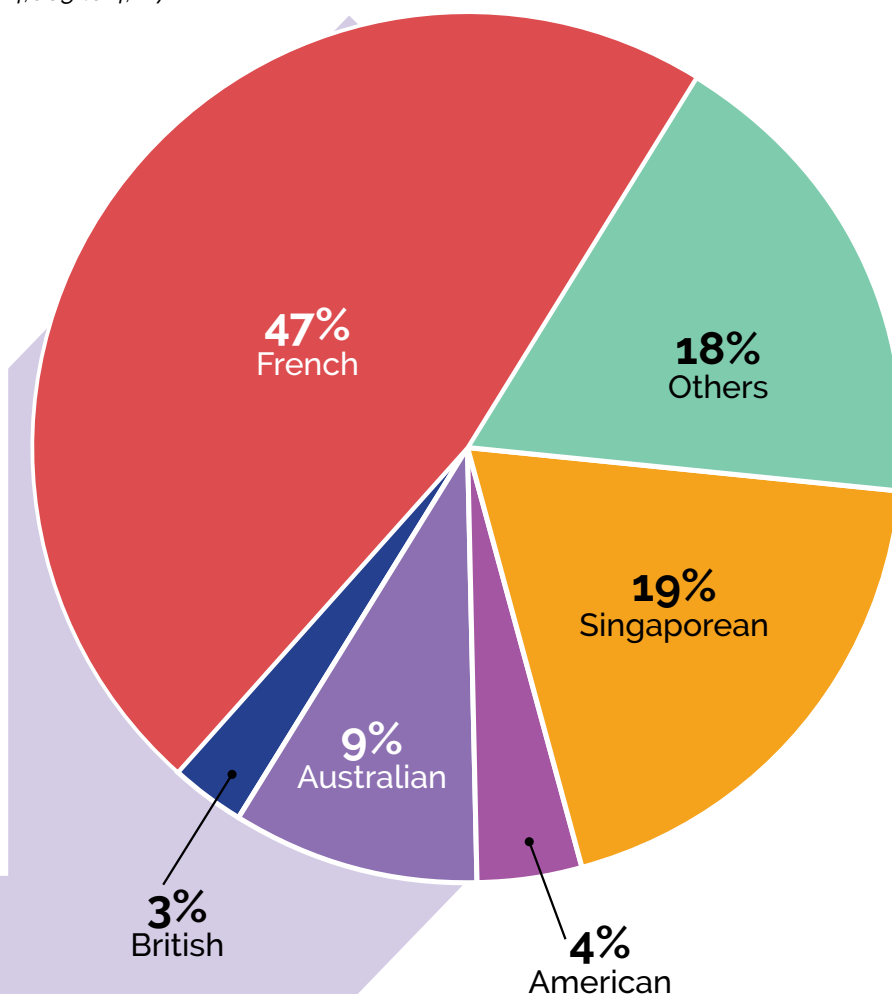
We see an increase of Term Members compared to last year, from 81 to 106. The increase in 25 new membership sign-ups (31%) is likely due to the reopening of the economy after the pandemic restrictions were lifted in end April last year. Expatriates returning to Singapore and companies re-hiring of foreigners are some of the possible explanations as to why we see an uptick in Term Members for the financial year.

Once again, we have the French dominating at 47% in the nationality aspect of this group. We are also seeing more locals joining as Term Members, with a 3% increase from the previous FY of 16%.

Membership Profile

| Type of Membership | Number of Members as at 31 March 2023 | Number of Members as at 31 March 2022 |
|---------------------------|---------------------------------------|---------------------------------------|
| Honorary | 4 | 4 |
| Life | 5 | 6 |
| Founder | 6 | 7 |
| Corporate | 39 | 40 |
| Ordinary | 3505 | 3465 |
| Term | 106 | 81 |
| Non-Transferable Ordinary | 213 | 231 |
| Grand | 249 | 229 |
| Total Members | 4127 | 4063 |

At the end of FY2022/23, the total number of Members in the Club was 4127. Compared to last year, there was an increase of 64 Members (1.5%) from 4,063 to 4,127.



The Year Ahead

We look forward to seeing a more vibrant SGCC in the new financial year - with more Members, young and old, coming to the Club and enjoying the facilities, food and activities.



Security

The Security team plays a pivotal role in providing Members and their guests a safe haven but also in deterring criminal activity. Their duties have now expanded to monitor activities through video surveillance and to identify any suspicious/odd behaviour within Club premises and deciding which will be reported promptly for immediate action.

The team has stepped up efforts to enhance the Club's security through more regular patrol to detect perimeter breaches and ensure the premises are secure. One of the mandatory inspections during patrols is to identify fire and safety issues that do not comply with SCDF regulations. These will be reported to the relevant department for immediate action. Such inspections ensure that all fire equipment is in good condition and ready for use.

Our mission is to protect the Club's property, Members and guests, prevent and detect crime, prevent fire and prevent unauthorised entry. As such, the security team will continue to be vigilant with a strong visible presence, observing any suspicious activities to ensure the safety of the Members and their guests.

We have increased significant camera coverage within the Club premises. Most of the blind spots are now covered with the CCTV cameras. This is very helpful for us to investigate any incidents and accidents occurring in the Club premises. Our target is to replace all cameras with high-definition models for better visual quality.

In our strive for excellence, we continue to value feedback for improvements from Members and we will always be operationally ready to respond to any incidents or emergencies. We encourage



Members to promptly report any incident or accidents for immediate action.

Training remains fundamental in equipping Security Officers with the necessary skills, expertise, and knowledge to handle incidents and accidents.

Therefore, proper training will be provided to ensure that our officers are always ready to keep SGCC safe and secure.

We wish to give a gentle reminder to all Members to bring their Membership cards when they visit the Club. Please produce the Membership card upon request by the officers on duty at various stations for verification purposes. We need our Members' utmost cooperation to adhere to and comply with the Club's house rules..





Facilities, Maintenance & Safety Department

The Facilities Committee and the Facilities, Maintenance & Safety Team (FM&S) work hard in the maintenance and upkeep the Club's premises, ensuring facilities and equipment are kept in good functional conditions, while creating a safe environment for our Members and guests to enjoy.



(A) Routine Maintenance

The FM&S team and external contractors carried out routine maintenance to upkeep the Club's premises and equipment. Appended below were some pictures of the contractors carrying out their routine maintenance works.

(B) Grease Interceptor Maintenance

The discharge from the F&B outlets are trapped in the Grease Interceptor to prevent waste from being discharged into the storm water drainage system, in accordance with NEA and PUB requirements.

(C) Landscape Maintenance

The Club engages three gardeners to maintain the landscape within the Club.

(D) ACMV Maintenance

Aircon maintenance contractors are engaged to maintain all air-conditioning units to function effectively and efficiently.

(E) Scenes of Facilities and Housekeeping Team Carried Out Maintenance Work

Facilities / Technician Team Swimming Pool Maintenance

The Facilities Team maintains the swimming pool religiously to the highest standard possible using an automatic vacuum system (mariner machine) that crawls on the pool bed to remove foreign particles; keeping the pool in





top condition. The maintenance is carried out every Monday, Wednesday and Saturday. Spring cleaning of the swimming pool happens on the last Wednesday of each month. It is also a NEA requirement to send the pool water to a certified lab for testing on a monthly basis to ensure water quality. The Facilities Team also checks and records the pH value and chlorine level daily.

Housekeeping Team

The Housekeeping Team carries out regular routines.

(F) Completed Upgrading Works

The Facilities Committee, the General Committee and the General Manager have spearheaded and embarked on several upgrading projects for the Club in line with the Club Vision: "To be Singapore's best family club for recreational and social activities". For a start, the following upgrading works were completed:

(i) Conversion of Administrative Office to New Gymnasium (Palm Wing Level 2) & Relocation of Administrative Office to New Wing

The Gymnasium is very popular with Members and is frequently overcrowded and requires expansion for a hygienic, conducive and safe work-out environment. A Project Committee



led by Mr Ivan Heng and the General Manager brainstormed and came out with the following solutions to resolve the issues:

- Relocate the old admin office to occupy the old study room at New Wing, Level 3 and converted the old admin office space to a new gymnasium.
- Converting two of the less popular large mahjong rooms into a new study room to replace the old one.
- Relocate the cardio equipment from the existing level 1 gymnasium to the new gymnasium at level 2 to create more workout space.
- Renovate the existing level 1 gymnasium with addition of new equipment.



(ii) Old and New Administrative Office

(iii) Level 2 Gymnasium

A new gymnasium is now at level 2, Palm Wing. Boasting of a spacious interior with a good pool view. It has garnered plenty of good feedbacks from Members.

(iv) Level One Gymnasium

The Level 1 gymnasium has been renovated and now offer more space with new equipment. Members provided positive feedback on the changes.





6. A&A works for Casuarina Room.
7. Replacement of covered walkway panels.
8. Replacement of wallpaper and fabrics at operable wall at Heliconia Wing Ballroom.
9. Installation aircon units at Atrium Café kitchen.
10. Resurfacing of tennis courts.
11. Aircon replacement works in the New Wing.
12. Replacement of carpet flooring, wallpaper and paint and installation of LED lights in the New Wing.
13. Replacement of riser doors in the New Wing.
14. Modification of ceiling access panels for servicing 24 FCUs at main Clubhouse.
15. Poolside balancing tank works and conversion to Alfresco area.
16. A&A works for Garden Grill open deck.
17. Replacement of perimeter fencing and installation of Baphia plant At the Heliconia Wing.
18. Upgrading of Ballroom audio system.
19. Replacement of extinguishers.
20. Removal of defunct aircon WCPU and conversion to storage area at the Heliconia Wing.
21. Installation of a new Lightning Warning System.
22. Consultancy for Fire Safety compliance.
23. Redraw building plans in AutoCAD format.

(v) Conversion of Two (02) Mahjong Rooms to Study Room

the spread of germs and bacteria from high-touch areas to people.

(vi) Conversion of Darts Room to Function Room

The old Darts Room at level 1 - New Wing building was relocated to old Hangout room beside Crossroad Lounge, and the space was converted into an additional meeting and function room to generate additional rental income.

To ensure our Members can enjoy our facilities safely, we had installed 11 Medical-Grade UV Air Disinfection Devices at various outlets to eliminate airborne pathogens such as viruses, bacteria and fungi.

(vii) Alfresco Area

The outdoor area near the staircases has been sheltered with a glass canopy, allowing the space to be used as an alfresco area for Members. (The air-conditioning condensing unit will be relocated).

(I) Upcoming Projects

As part of our continual efforts to upgrade the Club, the following proposed projects are in the pipeline and shall be carried out in the near future.

(viii) Replacement of fluorescent Lightings to LED Lightings at Squash Courts

The squash courts' old fluorescent lighting and electrical wiring were replaced with energy-saving LED lighting, reducing operating costs.

1. A&A works for changing rooms at Palm Wing.
2. External façade painting
3. Waterproofing works to roof areas.
4. SGCC façade signage replacement.
5. Conversion of Palm Wing roof space for outdoor sports activities.

(G) Fire Drills / Safety

Fire Drill exercise were conducted twice a year to train the Club's occupants and Members on Fire Safety and familiarize with the evacuation route.

(H) Disinfection & Hygiene Practice

The Club continues to practice disinfection and sanitization measures to prevent and control



Human Resources Annual Report FY22/23



Year In Review:

SGCC staff were able to adjust quickly to the lifting of social restrictions and welcome Members back to the Club. It is always important to have a strong and dedicated team to meet the needs of Members, especially during times of transition from pandemic to endemic.

Recruiting and retaining staff can be a challenge, especially during a labour crunch. We are grateful to the HR Sub-committee and General Committee for proactively addressing this issue by hastening the salary benchmark. This is an effective strategy to attract and retain talented staff and can help ensure that the Club is well-staffed and able to provide high-quality service to Members.

Overall, SGCC staff and management are doing a great job of adapting to the changing circumstances and ensuring that the Club is able to continue providing excellent service to our Members.

Excellent Service

Congratulations to the team of Service Staff for their hard work, dedication and commitment in providing excellent service to our Members. Achieving the Excellent Service Silver Award in the Singapore hospitality industry is no small feat and reflects positively on the team's professionalism and expertise.



OTR team comprising NTUC Facilitators, management and key staff.

It is also great to know that the team's personal development has improved along with their service delivery. This shows that not only do they take pride in their work, but also invest in their own growth and development, which will undoubtedly benefit the Club in the long run.

Once again, congratulations to the team on their achievement and continued success in providing excellent service.

Club Training Committee - Operation & Technology Roadmap for SGCC

The NTUC Assistant Secretary-General, Mr Patrick Tay, together with SMMWU Secretary-General, Mr Andy Lim, graced the signing of the MOU for the formation of the Club Training Committee (CTC) on 26 June 2022.

The NTUC facilitators, management, and staff brainstormed ideas to develop a roadmap for transformation and employee development.



From left: Adrian Chew, Ravi Chandra, Club Vice-President/HR Chairman, Mathivanan, Liza Teng, Ravi G, Carlson Chong and Farrock Ebrahim.



The recipients of the Long Service Award.



From left: Club President, Koh Jin Kit; GM Farrock Ebrahim; SMMWU Secretary-General, Andy Lim; NTUC Assistant Secretary-General, Patrick Tay and Branch Union Chairman, Henry Goh.

Staff Training and Development

One third of our staff are trained in CPR/AED, and Members of the Club's Emergency Response Team in preparation for emergencies.

Staff from various departments were identified to attend skills



training and development during the year. Details of the skills training and development are in table below.

Staff Recognition, Health and Wellness

With the easing of safe management measures, the HR Sub-committee and management are gradually resuming activities for staff. It is important to prioritize the well-being of our staff and provide them with opportunities to improve their health and overall wellness.

Organizing wellness workshops and health screenings are excellent ways to promote healthy habits among staff and ensure that they are in good health. Additionally, it is always good to celebrate special occasions and show appreciation to staff for their hard work and dedication. Our Club Members and General Committee were supportive in all staff activities; boosting morale, promoting positive work culture, and fostering a sense of belonging among staff.

The Year Ahead

We are in the beginning phase of the 5-year operation and transformation (OTR) roadmap, which includes:

- Technology adoption to improve work productivity
 - Redesign job roles to increase employ-ability along with technology adoption
- Incorporate sustainable operational practices

The endorsement of the General Committee on the OTR roadmap helped management and staff to jointly work together for a refreshed and rejuvenated Club, with Best-In-Class Family and Social Club for our Members.

Staff Strength

The Club staff strength stood at 116 at the end of financial year FY22/23. Here is a snapshot of the manpower in the last three financial years:

| Financial Year | Manpower |
|----------------|----------|
| FY2020/2021 | 102 |
| FY2021/2022 | 102 |
| FY2022/2023 | 116 |

Staff attended the following Training and Development courses in FY22/23:

| Skills Training | Development Courses |
|---|--|
| CPR + AED Certification / First Aid | Effective Supervisory Skills - leading, coaching and managing |
| Basic Cybersecurity Response | Operation & Transformation Workshop |
| Company Emergency Response Team / First Aid | Environment, Social and Governance (ESG) for Clubs' Sustainability |
| Developing Proactive Customer Engagement & Experience | Food Waste Management Masterclass |
| Food Hygiene Course | NCSF Certified Personal Trainer Course |
| Food Hygiene Refresher Course in Mandarin | Enabling Union Leaders & Management to Operationalized CTC |
| Wellness & Stress Management Workshop | SMMWU Branch Officials Workshop |
| Risk Management in Sports | F&B Upselling & Service Training |
| WhyzeHR Training - Appraisal | WSET Level 1 Award in Wines |
| WhyzeHR Training - Income Tax | WSET Level 2 Award in Wines |

Finance & Treasury Report

Audit Alliance LLP has audited and are pleased that the Club's accounts are in order and generally compliant with the accepted accounting principles and reporting standards, as well as being in compliance with the Constitution.



1. Overall Performance

Table 1

| Income & Expenditure Statement | FY 2022/2023 | | FY 2021/2022 | | YOY Variance | |
|--|--------------|------------|--------------|------------|--------------|------------|
| | \$'000 | % | \$'000 | % | \$'000 | % |
| Operating Income | 11,305 | 100% | 9,658 | 100% | 1,647 | 100% |
| Less Cost of Sales | (2,917) | -26% | (2,453) | -25% | (464) | -28% |
| Gross Contribution | 8,388 | 74% | 7,205 | 75% | 1,183 | 72% |
| Less Manpower | (5,907) | -52% | (4,738) | -49% | (1,169) | -71% |
| Less: Other Operating Expenses | (2,753) | -24% | (2,139) | -22% | (614) | -37% |
| Net Operating Surplus / (Deficit) - Without Grant | (272) | -2% | 328 | 3% | (600) | -36% |
| Add: *Government Grants | 464 | 4% | 427 | 4% | 37 | 2% |
| Net Operating Surplus / (Deficit) - With Grant | 192 | 2% | 755 | 8% | (563) | -34% |
| Add Non-Operating Income | 826 | 7% | 397 | 4% | 429 | 26% |
| Less Non-Operating Expense | (1,069) | -9% | (1,078) | -11% | 9 | 1% |
| Net Surplus (Deficit) before Tax | (51) | 0% | 74 | 1% | (125) | -8% |
| Less Taxation | (104) | -1% | (73) | -1% | (31) | -2% |
| Net Surplus / (Deficit) | (155) | -1% | 1 | 0% | (156) | -9% |
| *Government Grants | | 0% | | | 0 | 0% |
| 1. Job Support / Job Growth / Progressive Wage and other support | 314 | 3% | 318 | | (4) | 0% |
| 2. Job Credit & Special Employment | 150 | 1% | 51 | | 99 | 6% |
| 3. SNEF Enhanced Work-Life Grant (COVID-19) | | 0% | 38 | | (38) | -2% |
| 4. E2i Inclusive Growth Programme | | 0% | 20 | | (20) | -1% |
| Total Government Grants | 464 | 4% | 427 | | 37 | 2% |

Operating Income

In FY2022/2023, the Club reopened for activities and dining. Despite the challenging and uncertain economic environment,

the Club's operating income increased steadily post COVID-19. However, the significant increase in utility costs, manpower costs and food costs has resulted in

higher operating costs. The Club's operating income was \$192K after government grant (\$273K deficit before government grant), and a net deficit of \$155K after tax.

Table 2. Five Years Financial Performance

| Financial Performance Highlights | Financial Year | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 |
| Operating Income | \$ | \$ | \$ | \$ | \$ |
| Subscription | 4,202,796 | 4,184,356 | 4,136,526 | 4,041,644 | 4,114,539 |
| Transfer fee (FY 2018/2019- July 2018-Mar19) | 430,865 | 366,860 | 612,165 | 739,410 | 667,130 |
| Miscellaneous Income | 196,541 | 276,525 | 425,205 | 192,965 | 244,352 |
| Lease Rental Income | 488,519 | 554,903 | 505,206 | 566,294 | 635,368 |
| Contribution / (Deficit) from: | | | | | |
| Fruit Machines | 329,200 | 352,922 | 43,403 | 59,147 | 43,878 |
| Facilities Booking | 223,247 | 236,687 | 154,916 | 172,995 | 221,571 |
| Other Activities | 109,089 | 89,448 | 183,514 | 210,010 | 221,936 |
| Food & Beverage | (329,840) | (66,332) | (871,467) | (712,573) | (570,664) |
| | 5,650,417 | 5,995,369 | 5,189,468 | 5,269,892 | 5,578,110 |
| Expenditure | | | | | |
| Operating and Administrative | (4,250,479) | (4,401,662) | (3,498,926) | (3,449,784) | (4,068,997) |
| Repair, Maintenance and Housekeeping | (555,373) | (544,702) | (474,526) | (557,900) | (561,161) |
| Water and Electricity | (611,302) | (673,756) | (470,334) | (507,434) | (756,141) |
| | (5,417,154) | (5,620,120) | (4,443,786) | (4,515,118) | (5,386,299) |
| NET OPERATING SURPLUS / (DEFICIT) BEFORE DEPRECIATION | 233,263 | 375,249 | 745,682 | 754,774 | 191,811 |
| Add: Non-Operating Income | | | | | |
| Entrance Fees | 457,650 | 446,890 | 474,665 | 364,861 | 641,907 |
| Transfer fee (FY 2018/2018- April to June 2018) | 92,310 | | | | |
| Interest Income | 42,216 | 140,310 | 80,564 | 32,399 | 183,706 |
| | 592,176 | 587,200 | 555,229 | 397,260 | 825,613 |
| Less: Non-Operating Expense | | | | | |
| Depreciation of property, plant and equipment | (1,339,185) | (1,165,300) | (1,108,367) | (1,076,158) | (1,044,393) |
| Gain/(Loss) on disposal of property, plant and equipment | 31 | (1,423) | (8,474) | (2,157) | (24,263) |
| NET SURPLUS/(DEFICIT) BEFORE TAX | (513,715) | (204,274) | 184,070 | 73,719 | (51,232) |
| Taxation | (48,547) | (85,333) | (69,762) | (72,627) | (104,248) |
| NET SURPLUS/(DEFICIT) AFTER TAX | (562,262) | (289,607) | 114,308 | 1,092 | (155,480) |



All operating income increased as the Club reopened for activities and dining except fruit machines and transfer fee.

Non-Operating Income

Entrance Fee - It showed a significant increase of 70% to \$619K (FY2021/2022 at \$365K) due to increase in numbers of new and term Members post COVID-19.

Interest Income - Increased from \$32K to \$183.7K due to increase in Fixed Deposits rates ranging from 0.10% to 3.92% (FY2021/2022- 0.10% to 0.65%).

Operating and Administrative expenses - Increase in operating and administration expenses due to the need to adjust non-managerial employees' salary upward to be closer to market rates in order to retain and recruit needed talents.

For Members' benefit, Table 2 captures the trends of the finances of the Club over a five-year period.

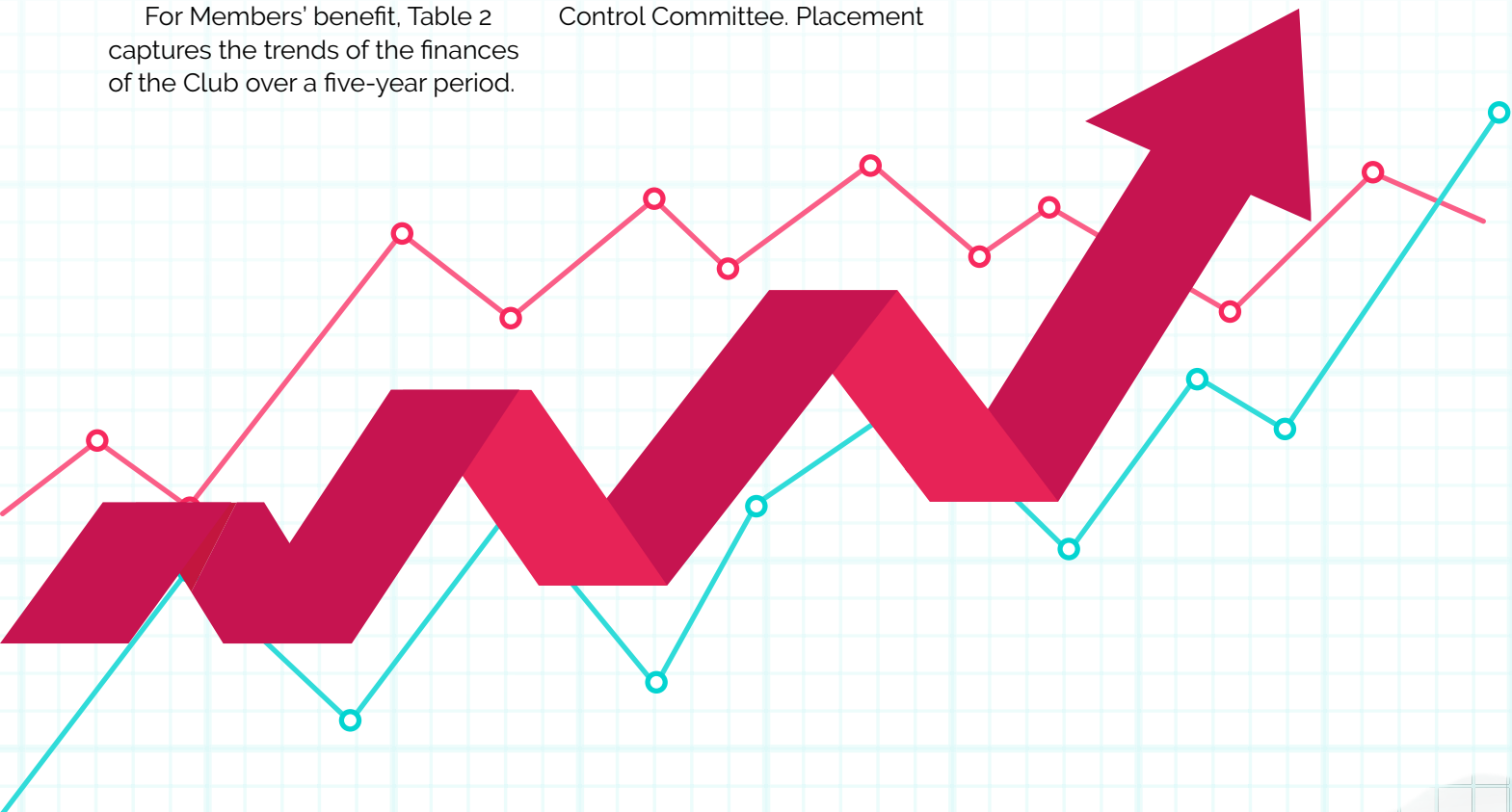
The Finance Sub-Committee is satisfied that the Club's financial reserve is more than able to meet the minimum financial reserve threshold.

2. Cash Reserve

The Club adopts a prudent approach in investment of cash reserves in accordance with clause 30 of the Constitution, that is the total investments of the Club's cash reserves in bonds and guaranteed capital funds shall not exceed 30% of the total cash reserve, nor in any bonds or guaranteed capital funds issued by a single entity, whether corporate or otherwise, in a sum exceeding \$500,000.00 without the written authorization of the Control Committee. Placement

of fixed deposits must be with a licensed bank in Singapore.

Of the Club's total cash reserves of \$12.56 million, \$10.3 million was placed in Fixed Deposit as short-term deposits yielding interest income of \$184K compared to \$32.4K in FY2021/2022. During the year, fixed deposit rates ranged from 1.27% to 3.92% and funds were shifted to higher yield when different tranche became available for renewal.





3. Treasury Financial Threshold (TFR)

The FY 2023/2024 Treasury Financial Threshold is computed to be \$4.0m. (FY 2022/2023 was \$3.8m).

As at 31 March 2023, \$10.46

million was set aside as financial reserve under the Club's constitution and the remaining \$2.10 million for operating needs.

Total cash reserve decreased from \$12.64 million in FY 2021/2022 to \$12.56 million as

at 31 March 2023 due mainly to capital expenditure of \$1.257m out of which \$831K was spent for Gym expansion project, and the balance in facilities and equipment upgrade and replacement.

Table 3. Financial Reserves for the Past Five Years

| | Financial Year | | | | |
|--------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 2018/2019 In Million \$ | 2019/2020 In Million \$ | 2020/2021 In Million \$ | 2021/2022 In Million \$ | 2022/2023 In Million \$ |
| Financial Reserve | 6.33 | 6.82 | 7.01 | 10.88 | 10.46 |
| Working Capital | 3.75 | 4.12 | 5.06 | 1.76 | 2.10 |
| Total Cash Reserve | 10.08 | 10.94 | 12.07 | 12.64 | 12.56 |

4. Summary

The Finance Sub-Committee is satisfied that the Club's financial reserve is more than able to meet the minimum financial reserve threshold. The Club has a sustainable business model, and has the capacity to invest

and upgrade its facilities and amenities and weather any unexpected challenges.

Dr Rodney Wong (PhD)
Honorary Treasurer

Financial Statements

*General Committee's Statement and
Audited Financial Statements*

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

For the year ended 31 March 2023

Financial Statements

Serangoon Gardens Country Club

General Information

General Committee Members

| | | |
|------------------------------|---|---|
| President | : | Mr Koh Jin Kit |
| Vice President | : | Mr Mathivanan Krishnan |
| Honorary Secretary | : | Ms Wong Kwee Keow Emily |
| Honorary Treasurer | : | Dr Wong Yu Hock Rodney |
| Assistant Honorary Secretary | : | Mr Teng Leng Hock |
| Assistant Honorary Treasurer | : | Mr See Kim Xiang Xavier |
| Committee Member | : | Ms Chua Lay Pheng Elena |
| | | Mr Goh Kong Yong |
| | | Mr Heng Song Kwang |
| | | Mr Lam Kuet Keng Steven John PBM BBM JP |
| | | Mr Low Theng Khuan |
| | | Mr Balbir Singh |
| | | Dr Tan Chok Jueh Edmond PBM |

Independent Auditor

Audit Alliance LLP

The independent auditor, Audit Alliance 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,

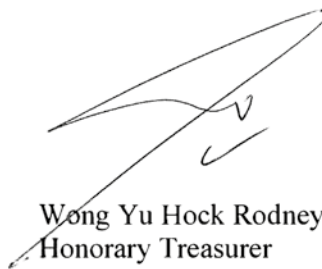
- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in funds and statement of cash flows together with notes thereto are drawn up in accordance with the provisions of the Societies Act 1966 and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the state of affairs of the Serangoon Gardens Country Club (the “Club”) as at 31 March 2023 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,



Koh Jin Kit
President

Singapore
8 May 2023



Wong Yu Hock Rodney (Dr)
Honorary Treasurer

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 comprises the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in funds and statement of cash flows 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 1966 (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 2023 and the results, 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.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Other information (continued)

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the General Committee and take appropriate actions in accordance with SSAs. We have nothing to report in this regard.

Responsibilities of Management and General Committee for the Financial Statements

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

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

The General Committee is responsible for 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.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

Other matter

During the course of our audit, nothing has come to our attention that caused us to believe that during the year ended 31 March 2023 the Club has not complied with the requirements under Clause 28.3 (d) and with each of the requirements under Cash Reserve (Clause 30), Annual Budget (Clause 31), Capital Expenditure (Clause 32) and Financial Reserve (Clause 33) of the Club's Constitution.

A large, handwritten signature in black ink that reads "Audit Alliance LLP". The signature is written in a cursive, flowing style.

Audit Alliance LLP
Public Accountants and
Chartered Accountants

Singapore, 8 May 2023

Financial Statements

Serangoon Gardens Country Club

Statement of Financial Position as at 31 March 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|-------------------|-------------------|
| ASSETS | | | |
| Non-current | | | |
| Property, plant and equipment | 3 | 17,687,691 | 17,499,349 |
| Members' receivables | 4 | - | 1,440 |
| Investment securities | 5 | 251,930 | 506,136 |
| | | <u>17,939,621</u> | <u>18,006,925</u> |
| Current | | | |
| Inventories | 6 | 140,688 | 82,839 |
| Members' receivables | 4 | 829,220 | 759,525 |
| Sundry receivables, deposits and prepayment | 7 | 322,882 | 290,936 |
| Interest receivables | | 99,710 | 4,738 |
| Fixed deposits | 8 | 10,332,615 | 10,202,967 |
| Cash and bank balances | 8 | 2,231,433 | 2,437,685 |
| | | <u>13,956,548</u> | <u>13,778,690</u> |
| TOTAL ASSETS | | <u>31,896,169</u> | <u>31,785,615</u> |
| FUNDS | | | |
| Accumulated funds | 9 | 28,986,907 | 29,142,387 |
| | | <u>28,986,907</u> | <u>29,142,387</u> |
| LIABILITIES | | | |
| Current | | | |
| Creditors and accruals | 10 | 1,581,144 | 1,374,117 |
| Contract liabilities | 11 | 401,758 | 405,723 |
| Members' credit balances and deposits | | 755,395 | 727,150 |
| Income tax payable | 12 | 170,965 | 136,238 |
| | | <u>2,909,262</u> | <u>2,643,228</u> |
| TOTAL FUNDS AND LIABILITIES | | <u>31,896,169</u> | <u>31,785,615</u> |

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

Serangoon Gardens Country Club

Statement of Comprehensive Income for the financial year ended 31 March 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|--------------------|--------------------|
| Operating income | | | |
| Subscriptions | | 4,114,539 | 4,041,644 |
| Transfer fees | | 667,130 | 739,410 |
| Miscellaneous income | 13 | 230,599 | 192,965 |
| Lease rental income | | 635,368 | 566,294 |
| Contributions/(deficits) from: | | | |
| Fruit machines | 14 | 43,878 | 59,147 |
| Facilities booking | 15 | 221,571 | 172,995 |
| Other activities | 16 | 221,936 | 210,010 |
| Food and beverage | 17 | <u>(556,911)</u> | <u>(712,573)</u> |
| | | <u>5,578,110</u> | <u>5,269,892</u> |
| Less: | | | |
| Operating expenditure | | | |
| Operating and administrative | 18 | (4,068,997) | (3,449,784) |
| Repairs, maintenance and housekeeping | 19 | (561,161) | (557,900) |
| Water and electricity | | <u>(756,141)</u> | <u>(507,434)</u> |
| | | <u>(5,386,299)</u> | <u>(4,515,118)</u> |
| Net operating surplus | | 191,811 | 754,774 |
| Non-operating income | | | |
| Entrance fees | | 641,907 | 364,861 |
| Interest income | 20 | <u>183,706</u> | <u>32,399</u> |
| | | <u>825,613</u> | <u>397,260</u> |
| Net surplus before depreciation | | 1,017,424 | 1,152,034 |
| Depreciation of property, plant and equipment | 3 | (1,044,393) | (1,076,158) |
| Loss on disposal of property, plant and equipment | | <u>(24,263)</u> | <u>(2,157)</u> |
| Net (deficit) / surplus before tax | | (51,232) | 73,719 |
| Income tax expense | 21 | <u>(104,248)</u> | <u>(72,627)</u> |
| Net (deficit) / surplus after tax | | <u>(155,480)</u> | <u>1,092</u> |

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

Financial Statements

Serangoon Gardens Country Club

Statement of Changes in Funds for the financial year ended 31 March 2023

| | Accumulated funds \$ |
|--------------------------|-------------------------------------|
| Balance at 1 April 2021 | 29,141,295 |
| Net surplus for the year | <u>1,092</u> |
| Balance at 31 March 2022 | 29,142,387 |
| Net deficit for the year | <u>(155,480)</u> |
| Balance at 31 March 2023 | <u><u>28,986,907</u></u> |

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

Serangoon Gardens Country Club

Statement of Cash Flows for the financial year ended 31 March 2023

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net (deficit) / surplus before tax | (51,232) | 73,719 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 1,044,393 | 1,076,158 |
| Loss on disposal of property, plant and equipment | 24,263 | 2,157 |
| Interest income | (183,706) | (32,399) |
| Operating cash flow before working capital changes | <u>833,718</u> | <u>1,119,635</u> |
| (Increase) / decrease in inventories | (57,849) | 21,714 |
| (Increase) / decrease in operating receivables | (100,201) | 12,189 |
| Increase / (decrease) in operating payables and contract liabilities | 231,307 | (209,670) |
| Cash generated from operations | <u>906,975</u> | <u>943,868</u> |
| Income tax paid | (69,521) | (83,727) |
| Net cash flows generated from operating activities | <u>837,454</u> | <u>860,141</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (1,256,998) | (333,612) |
| Disposal of investment securities | 254,206 | - |
| Decrease in fixed deposits maturing after 3 months | 2,302,157 | 502,688 |
| Interest received | 88,734 | 34,337 |
| Net cash flows generated from investing activities | <u>1,388,099</u> | <u>203,413</u> |
| Net increase in cash and cash equivalents | 2,225,553 | 1,063,554 |
| Cash and cash equivalents at beginning of year | 7,265,232 | 6,201,678 |
| Cash and cash equivalents at end of year (Note 8) | <u>9,490,785</u> | <u>7,265,232</u> |

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

Serangoon Gardens Country Club
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Notes to the Financial Statements – 31 March 2023

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

1. GENERAL INFORMATION

The financial statements of the Club for the financial year ended 31 March 2023 were authorised for issue by the General Committee of Serangoon Gardens Country Club on the date of the Statement by General Committee.

The Club is registered under the Societies Act 1966 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 activity of the Club is 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 are prepared in accordance with the Societies Act 1966 and Singapore Financial Reporting Standards (“FRS”) including related interpretations promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Club’s functional currency. All financial information is presented to the nearest one-dollar, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Critical accounting estimates and assumptions used in applying accounting policies

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 property, 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 could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the property, plant and equipment at the end of the reporting period is disclosed in Note 3 to the financial statements. A 1% difference in the expected useful lives of these assets from Management's estimates would result in approximately 20% (2022 - 15%) variance in the surplus before tax.

Provision for expected credit losses ("ECLs") of members' receivables

The Club uses the ECLs model for members' receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Club's historical observed default rates. The Club will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Club's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The ECL assessment involves estimation uncertainty heightened by the global economic slowdown ensuing the COVID-19 pandemic, such as a slow-down in payment collections from the customers. Significant management judgement is required to assess recoverability of debts from known customers who are potentially more negatively impacted by COVID-19. Forward-looking adjustments, such as economic data, by management have incorporated potential impact of the COVID-19 pandemic. The carrying amount of members' receivables as at 31 March 2023 are \$829,220 (2022 - \$760,965) disclosed in Note 4.

Financial Statements

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Notes to the Financial Statements – 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Interpretations and amendments to published standards effective in 2022*

On 1 April 2022, the Club adopted all the new and revised FRS, FRS interpretations ("INT FRS") and amendments to FRS, effective for the current financial year that are relevant to its operations. The adoption of these new and revised FRS pronouncements did not result in significant changes to the Club's accounting policies and had no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

(c) *FRS Issued but not yet effective*

The following are the new or amended FRS and INT FRS issued that are not yet effective but may be early adopted for the current financial year:

| Reference | Description | Effective date (Annual Periods beginning on) |
|--|--|--|
| Amendments to FRS 1 | Classification of liabilities as Current or Non-current | 1 January 2023 |
| Amendments to FRS 1 and FRS Practice Statement 2 | Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to FRS 8 | Definition of Accounting Estimates | 1 January 2023 |
| Amendments to FRS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to FRS 16 | Leases on Sale and Leaseback | 1 January 2024 |
| Amendments to FRS 1 | Non current liabilities with Covenants | 1 January 2024 |

The management anticipates that the adoption of the above FRS, INT FRS and amendments to FRS in future periods will not have a material impact on the financial statements of the Club in the period of their initial adoption.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant, equipment, and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives 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 profit or loss in the year of purchase.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Club and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

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 profit or loss in the year the asset is derecognised.

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Notes to the Financial Statements – 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments — initial recognition and subsequent measurements

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(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 parties, 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 the amortisation process.

De-recognition

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments — initial recognition and subsequent measurements (continued)

(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.

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.

De-recognition

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.

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.

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Notes to the Financial Statements – 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments — initial recognition and subsequent measurements (continued)

Impairment of financial assets (continued)

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.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

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

Consumable stocks and stores – weighted average basis.

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

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

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

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

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

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 from the date of acquisition.

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.

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.

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Notes to the Financial Statements – 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions (continued)

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.

Leases

At the inception of the contract, the Club assesses if the contract contains a lease. A contract contains a lease if the contract conveys 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.

(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.

This 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

For contracts 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 for 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 recognise 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.

(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.

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Notes to the Financial Statements – 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Under the Income Tax Act 1947 Section 11(1), the Club's revenue (excluding investment income and rental income) is exempted from tax as more than 50% of the revenue is derived from its members. Investment income and rental income of the Club are separate and distinct from the Club's operations and hence they are taxable at the statutory tax rate of 17% (2022 - 17%).

Employee benefits

Pension obligations

The Club contributes to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to profit or loss in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Club. Certain head of department and managers are considered key management personnel.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

The carrying amounts of the Club's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets are tested for impairment at least annually. All individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently re-assessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

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Notes to the Financial Statements – 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Functional currency

Functional and presentation currency

Items included in the financial statements of the Club are measured using the currency of the primary economic environment in which the Club operates ("functional currency"). The financial statements of the Club are presented in Singapore dollars, which is also the functional currency of the Club.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items measured in terms of historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

Disclosures on financial risk management objectives and policies are provided in Note 24.

Comparatives

The comparative year is from 1 April 2021 to 31 March 2022. Where necessary, comparatives have been reclassified for consistency with current year disclosure.

Financial Statements

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Notes to the Financial Statements – 31 March 2023

3. 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 2021 | 34,264,883 | 2,358,393 | 4,522,307 | 525,638 | 5,103,079 | 974,186 |
| Additions | 128,820 | 12,863 | 89,388 | - | 64,120 | 31,391 |
| Disposal/written off | - | (550) | (33,593) | - | (23,304) | (6,135) |
| At 31 March 2022 and 1 April 2022 | 34,393,703 | 2,370,706 | 4,578,102 | 525,638 | 5,143,895 | 999,442 |
| Additions | 778,709 | 57,770 | 279,404 | 20,000 | 48,000 | 66,145 |
| Disposal/written off | (55,599) | (136,547) | (117,309) | (6,000) | (437,563) | (1,749) |
| At 31 March 2023 | 35,116,813 | 2,291,929 | 4,740,197 | 539,638 | 4,754,332 | 1,063,838 |
| Accumulated depreciation: | | | | | | |
| At 1 April 2021 | 16,816,193 | 2,310,176 | 4,153,471 | 517,302 | 4,999,000 | 877,781 |
| Additions | 702,327 | 22,729 | 191,942 | 5,000 | 73,779 | 54,477 |
| Disposal/written off | - | (550) | (31,436) | - | (23,304) | (6,135) |
| At 31 March 2022 and 1 April 2022 | 17,518,520 | 2,332,355 | 4,313,977 | 522,302 | 5,049,475 | 926,123 |
| Additions | 747,173 | 19,454 | 142,020 | 5,000 | 49,497 | 55,402 |
| Disposal/written off | (34,150) | (135,871) | (115,171) | (6,000) | (437,562) | (1,750) |
| At 31 March 2023 | 18,231,543 | 2,215,938 | 4,340,826 | 521,302 | 4,661,410 | 979,775 |
| Net carrying amount: | | | | | | |
| At 31 March 2023 | 16,885,270 | 75,991 | 399,371 | 18,336 | 92,922 | 84,063 |
| At 31 March 2022 | 16,875,183 | 38,351 | 264,125 | 3,336 | 94,420 | 73,319 |

Notes to the Financial Statements – 31 March 2023

3. PROPERTY, PLANT AND EQUIPMENT (continued)

| | Kitchenware, crocery and utensils \$ | Motor vehicles \$ | Container \$ | Bowling equipment \$ | Project in progress \$ | Total \$ |
|-----------------------------------|---|----------------------------------|-------------------------|-------------------------------------|---------------------------------------|---------------------|
| Cost: | | | | | | |
| At 1 April 2021 | 149,132 | 13,730 | 27,304 | 1,187,203 | - | 49,125,855 |
| Additions | - | - | - | - | 7,030 | 333,612 |
| Disposal/written off | - | - | - | - | - | (63,582) |
| At 31 March 2022 and 1 April 2022 | 149,132 | 13,730 | 27,304 | 1,187,203 | 7,030 | 49,395,885 |
| Additions | - | - | - | - | 6,970 | 1,256,998 |
| Disposal/written off | - | - | (27,304) | - | - | (782,071) |
| At 31 March 2023 | 149,132 | 13,730 | - | 1,187,203 | 14,000 | 49,870,812 |
| Accumulated depreciation: | | | | | | |
| At 1 April 2021 | 149,132 | 13,730 | 27,304 | 1,017,714 | - | 30,881,803 |
| Additions | - | - | - | 25,904 | - | 1,076,158 |
| Disposal/written off | - | - | - | - | - | (61,425) |
| At 31 March 2022 and 1 April 2022 | 149,132 | 13,730 | 27,304 | 1,043,618 | - | 31,896,536 |
| Additions | - | - | - | 25,847 | - | 1,044,393 |
| Disposal/written off | - | - | (27,304) | - | - | (757,808) |
| At 31 March 2023 | 149,132 | 13,730 | - | 1,069,465 | - | 32,183,121 |
| Net carrying amount: | | | | | | |
| At 31 March 2023 | - | - | - | 117,738 | 14,000 | 17,687,691 |
| At 31 March 2022 | - | - | - | 143,585 | 7,030 | 17,499,349 |

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.

Financial Statements

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Notes to the Financial Statements – 31 March 2023

4. MEMBERS' RECEIVABLES

| | 2023 | 2022 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Entrance fee receivables | 1,440 | 14,040 |
| Members' receivables | 827,780 | 746,925 |
| | <u>829,220</u> | <u>760,965</u> |
| Current: | | |
| Entrance fee receivables | 1,440 | 12,600 |
| Members' receivables | 827,780 | 746,925 |
| | <u>829,220</u> | <u>759,525</u> |
| Non-current: | | |
| Entrance fee receivables | - | 1,440 |

The amount for non-current portion of entrance fee receivables approximates its fair value.

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

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 2023 and 31 March 2022:

| | Expected credit loss rate | Gross carrying amount | Lifetime ECL | Credit impaired |
|----------------------------|---------------------------------|-----------------------------|-----------------|--------------------|
| | % | \$ | \$ | |
| 2023 | | | | |
| Current (not past due) | - | 752,007 | - | No |
| 1 to 30 days past due | - | 62,574 | - | No |
| 31 to 60 days past due | - | 12,409 | - | No |
| More than 60 days past due | - | 2,230 | - | No |
| | | <u>829,220</u> | - | |
| 2022 | | | | |
| Current (not past due) | - | 658,491 | - | No |
| 1 to 30 days past due | - | 71,833 | - | No |
| 31 to 60 days past due | - | 21,366 | - | No |
| More than 60 days past due | - | 9,275 | - | No |
| | | <u>760,965</u> | - | |

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

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5. INVESTMENT SECURITIES

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$ | \$ |
| <i>Financial Assets at Amortised Costs</i> | | |
| Debt instruments – quoted | | |
| - SGD 3.63%, mature on 27 February 2023 | - | 253,234 |
| - SGD 3.1%, mature on 24 July 2024 | 251,930 | 252,902 |
| | <u>251,930</u> | <u>506,136</u> |

For purpose of impairment assessment, the debt instruments are considered to have low credit risk as these investments relate 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-month expected credit losses (ECL).

6. INVENTORIES

| | 2023 | 2022 |
|---|------------------|----------------|
| | \$ | \$ |
| Consumable stocks and stores | <u>140,688</u> | <u>82,839</u> |
| Statement of comprehensive income: | | |
| Inventories recognised as an expense in cost of sales | <u>1,498,856</u> | <u>884,089</u> |

7. SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENT

| | 2023 | 2022 |
|----------------------------|----------------|----------------|
| | \$ | \$ |
| Downpayment to suppliers | 30,550 | 12,850 |
| Grants receivables | - | 38,829 |
| Prepayment | 75,392 | 120,445 |
| Rental receivables | 44,627 | 36,797 |
| Sundry receivables | 7,263 | 5,435 |
| Sundry refundable deposits | 165,050 | 76,580 |
| | <u>322,882</u> | <u>290,936</u> |

8. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Cash and bank balances | 2,231,433 | 2,437,685 |
| Fixed deposits | 10,332,615 | 10,202,967 |
| | 12,564,048 | 12,640,652 |
| Less: fixed deposits with maturity more than 3 months | (3,073,263) | (5,375,420) |
| Cash and cash equivalents as stated in statement of cash flows | <u>9,490,785</u> | <u>7,265,232</u> |

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

Short-term deposits are made for varying periods of between 6 months and 12 months (2021/2022: between 6 months and 9 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 1.27% to 3.92% (2021/2022: 0.10% to 0.65%) per annum.

An amount of \$10,468,025 (2021/2022: \$10,880,228) in the cash and bank balances 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 new financial year 2023/2024 has been determined under the Club's constitution to be \$4 million (2022/2023: \$3.8 million) and the level of financial reserve needed to exit the transition period is \$4.5 million (2022/2023: \$4.3 million).

9. ACCUMULATED FUNDS

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

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 | |
|---|-------------------|--------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Accumulated surplus from fruit machines | | |
| Balance at beginning of year | 52,493,676 | 52,439,529 |
| Contribution for the year | 43,878 | 59,147 |
| Depreciation of amusement equipment | (5,000) | (5,000) |
| Balance at end of year | 52,532,554 | 52,493,676 |
| Accumulated deficit from other activities | (23,545,647) | (23,351,289) |
| Net accumulated funds at end of year | 28,986,907 | 29,142,387 |

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Notes to the Financial Statements – 31 March 2023

10. CREDITORS AND ACCRUALS

| | 2023 | 2022 |
|----------------------------------|------------------|----------------------|
| | \$ | \$ (reclassified) |
| Trade payables and accruals | 987,181 | 736,547 |
| Unconsumed leave entitlement | 190,563 | 198,666 |
| Deferred grant income | - | 56,002 |
| Rental income billed in advance | 55,704 | 61,834 |
| GST payable | 129,221 | 121,025 |
| Deposits received | 209,621 | 200,043 |
| Entrance fee received in advance | 8,854 | - |
| | <u>1,581,144</u> | <u>1,374,117</u> |

Please refer to Note 28 for prior year reclassification.

11. CONTRACT LIABILITIES

| | 2023 | 2022 |
|---|----------------|----------------------|
| | \$ | \$ (reclassified) |
| Amounts received in advance relating to Club's activity | 64,518 | 72,005 |
| Amounts billed in advance relating to subscription fee | 337,240 | 333,718 |
| | <u>401,758</u> | <u>405,723</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 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.

Please refer to Note 28 for prior year reclassification.

12. INCOME TAX PAYABLE

| | 2023 | 2022 |
|--------------------------------|----------------|----------------|
| | \$ | \$ |
| Balance at beginning of year | 136,238 | 147,338 |
| Current year's tax expense | 104,248 | 66,717 |
| Under provision in prior years | - | 5,910 |
| Net income tax paid | (69,521) | (83,727) |
| Balance at end of year | <u>170,965</u> | <u>136,238</u> |

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13. MISCELLANEOUS INCOME

| | 2023 | 2022 |
|----------------------------|----------------|----------------|
| | \$ | \$ |
| Electronic parking systems | 106,976 | 58,235 |
| Grant income | 500 | 57,500 |
| Sundry income | 43,083 | 28,778 |
| Advertisement | 5,130 | - |
| Reimbursement income | 74,910 | 48,452 |
| | <u>230,599</u> | <u>192,965</u> |

Grant income relates to property tax rebates and cash grant received to help businesses deal with the impact from COVID-19.

14. FRUIT MACHINES

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$ | \$ |
| Collections | 1,606,000 | 1,760,290 |
| Deductions: | | |
| Payment to winners | (1,069,175) | (1,206,902) |
| Government tax [including goods and services tax of \$35,948 (2022: \$36,210)] | (348,844) | (362,284) |
| Maintenance of machines | (22,968) | (22,430) |
| General supplies | (6,770) | (4,710) |
| Direct staff costs | | |
| – Salaries and wages | (88,361) | (94,100) |
| – Central Provident Fund contributions | (9,133) | (7,880) |
| Other operating expenses | (16,871) | (2,837) |
| Contribution from fruit machines | <u>43,878</u> | <u>59,147</u> |

15. 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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16. OTHER ACTIVITIES

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$ | \$ |
| Aerobics and fitness | 50,292 | 33,778 |
| Billiards | (2,095) | (297) |
| Bowling | 2,163 | (4,078) |
| Darts | (6,594) | (935) |
| Chess | 3,276 | 2,273 |
| Golf | (776) | (68) |
| Mahjong | (1,229) | - |
| Membership relations activities and classes | (43,769) | 2,483 |
| Squash/table-tennis | (1,116) | 6,539 |
| Swimming | 159,622 | 121,957 |
| Tennis | 56,049 | 40,046 |
| Youth/video games | 10,859 | 8,320 |
| Miscellaneous | (4,746) | (8) |
| Net surplus from other activities | <u>221,936</u> | <u>210,010</u> |

17. FOOD AND BEVERAGE

| | 2023 | 2022 |
|--|--------------------|------------------|
| | \$ | \$ |
| Sales | 3,685,448 | 2,080,802 |
| Less: | | |
| Cost of sales | <u>(1,498,856)</u> | <u>(884,089)</u> |
| Gross contribution | 2,186,592 | 1,196,713 |
| Less: | | |
| Direct staff costs – Salaries and wages and foreign worker levy | (1,909,592) | (1,383,234) |
| – Central Provident Fund contributions | (194,194) | (105,025) |
| Other operating expenses | <u>(639,717)</u> | <u>(421,027)</u> |
| Deficit from food and beverage | <u>(556,911)</u> | <u>(712,573)</u> |

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18. OPERATING AND ADMINISTRATIVE EXPENSES

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Auditor's remuneration- current year provision | 13,600 | 9,000 |
| - prior year under-provision | 1,000 | - |
| Bad debts | 4,442 | 119 |
| Decoration | 5,637 | 5,763 |
| General expenses | 72,507 | 69,164 |
| Insurance | 88,815 | 79,272 |
| Jobs evaluation consultancy | 720 | 500 |
| Laundry | 1,821 | 788 |
| License fees | 14,949 | 12,499 |
| Medical | 22,376 | 17,612 |
| Meeting expenses | 35,953 | 51,571 |
| Members' introduction expenses | 50,453 | 30,413 |
| Newsletter | 40,800 | 43,450 |
| Nets/cashcard commission | 21,145 | 10,201 |
| Payroll – Salaries and wages and foreign worker levy | 2,655,163 | 2,232,162 |
| – Central provident fund contributions | 310,601 | 261,300 |
| – Employee leave entitlements | 15,878 | 35,430 |
| Postage | 12,429 | 11,454 |
| Printing, stationery and magazines | 29,474 | 37,769 |
| Professional and legal fees | 9,125 | 2,126 |
| Promotional materials | 139,304 | 53,049 |
| Property tax | 304,025 | 303,900 |
| Recruitment | 8,467 | 7,616 |
| Refreshment | 3,116 | 294 |
| Staff benefits | 118,097 | 99,706 |
| Staff incentive | 45,993 | 43,694 |
| Staff training | 9,368 | 13,513 |
| Telephone | 14,659 | 17,068 |
| Transport | 19,080 | 351 |
| | 4,068,997 | 3,449,784 |

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18. OPERATING AND ADMINISTRATIVE EXPENSES (continued)

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

| | 2023 | 2022 |
|----------------------------|----------------|----------------|
| | \$ | \$ |
| Salaries and related costs | 841,577 | 778,571 |
| Central Provident Fund | 89,432 | 85,750 |
| | <u>931,009</u> | <u>864,321</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.

19. REPAIRS, MAINTENANCE AND HOUSEKEEPING

| | 2023 | 2022 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Housekeeping and landscaping | 194,557 | 187,284 |
| Repairs and maintenance | | |
| – building | 73,534 | 76,543 |
| – equipment/furniture | 275,058 | 270,112 |
| – motor vehicle | - | 986 |
| – bowling alley | 18,012 | 22,975 |
| | <u>561,161</u> | <u>557,900</u> |

20. INTEREST INCOME

| | 2023 | 2022 |
|-----------------------|----------------|---------------|
| | \$ | \$ |
| Current accounts | - | 2 |
| Fixed deposits | 171,088 | 19,711 |
| Investment securities | 12,618 | 12,686 |
| | <u>183,706</u> | <u>32,399</u> |

Interest rates during the year range from 0.1% to 3.92% (2021/2022: 0.1% to 0.65%).

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21. INCOME TAX EXPENSE

(i) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 March 2023 and 2022 are:

| | 2023 | 2022 |
|---------------------------------|----------------|---------------|
| | \$ | \$ |
| Current tax | 104,248 | 66,717 |
| Under- provision in prior years | - | 5,910 |
| | <u>104,248</u> | <u>72,627</u> |

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

The reconciliation between the tax expense and the product of accounting surplus multiplied by the applicable tax rate for the years ended 31 March 2023 and 2022 are as follows:

| | 2023 | 2022 |
|---|-----------------|----------------------|
| | \$ | \$ (re-presented) |
| (Deficit)/ surplus before tax | <u>(51,232)</u> | <u>73,719</u> |
| Tax at statutory rate of 17% (2022 – 17%) | (8,709) | 12,532 |
| Tax effect of: | | |
| - Non- taxable income | (1,043,630) | (982,333) |
| - Non- deductible expenses | 1,174,012 | 1,053,943 |
| - Tax exemption | (17,425) | (17,425) |
| Under-provision in prior years | - | 5,910 |
| Total tax expense | <u>104,248</u> | <u>72,627</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 2023 and 2022 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.

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22. COMMITMENTS

(a) Operating lease commitments as lessor

The Club has entered into commercial property leases. These non-cancellable leases have remaining non-cancellable lease terms of 7.67 years (2022: 0.17 years to 8.67 years) at the end of the 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 the reporting period are as follows:

| | 2023 | 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| Not later than one year | 477,455 | 474,853 |
| Later than one year but not later than five years | 1,893,111 | 1,824,913 |
| More than five years | <u>1,380,772</u> | <u>1,867,224</u> |
| | <u>3,751,338</u> | <u>4,166,990</u> |

The leases on the Club's leasehold properties on which rentals are receivable will expire earliest on 31 May 2023 (2022: 31 May 2022) and latest on 2 December 2030 (2022: 2 December 2030).

(b) Capital commitments

As at the reporting date, the Club has contracted the following capital expenditures but not recognized in the financial statements as follows:

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$ | \$ |
| Capital expenditure contracted but not provided for in the financial statements | <u>44,600</u> | <u>36,985</u> |

The capital commitment relates to refurbishment cost for 22 Kensington Park Road. This commitment is expected to be settled in the new financial year 2023/2024.

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23. EMPLOYEE BENEFITS

| | 2023 \$ | 2022 \$ (re-presented) |
|---|------------------|------------------------------|
| Salaries and bonus [net of Job Support Scheme of \$242,770 (2022: \$224,012) and Job Growth Incentive of \$71,390 (2022: \$93,859)] | 4,739,536 | 3,711,373 |
| Central Provident Fund [net of Special Employment Credit of \$35,214 (2022: \$27,250) and Wage Credit Scheme of \$114,506 (2022: \$23,930)] | 364,208 | 335,996 |
| Others | 339,376 | 321,889 |
| | <u>5,443,120</u> | <u>4,369,258</u> |

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Club has documented financial risk management policies, these policies set out the Club's overall strategies and its risk management philosophy. The Club is exposed to financial risks arising from its operations. The key financial risks included credit risk, liquidity risk and interest rate risk. The Club's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Club's financial performance.

The Club does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

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. Market risk exposures are measured using sensitivity analysis indicated below.

(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 (2022: 50) basis points in interest rates at the reporting date would change fund and surplus before tax by \$51,663 (2022: \$51,015). This analysis assumes that all other variables remain constant.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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.

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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24. 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 \$ |
|---------------------------------|------|------------------------|------------------------|------------------------------------|-----------------------------|----------------------|---------------------------|
| 2023 | | | | | | | |
| Members' receivables | 4 | N.A. | (a) | Lifetime ECL (simplified approach) | 829,220 | - | 829,220 |
| Investment securities | 5 | N.A. | Performing | 12-month ECL | 251,930 | - | 251,930 |
| Sundry receivables and deposits | 7 | N.A. | Performing | 12-month ECL | 216,940 | - | 216,940 |
| 2022 | | | | | | | |
| Members' receivables | 4 | N.A. | (a) | Lifetime ECL (simplified approach) | 760,965 | - | 760,965 |
| Investment securities | 5 | N.A. | Performing | 12-month ECL | 506,136 | - | 506,136 |
| Sundry receivables and deposits | 7 | N.A. | Performing | 12-month ECL | 157,641 | - | 157,641 |

- (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 4).

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 statement of financial position. 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 and are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Notes to the Financial Statements – 31 March 2023

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) *Credit risk (continued)*

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 4 (Members' receivables).

(ii) *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.

(iii) *Market Price risk*

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Club holds quoted bonds and is exposed to movement in market prices.

Market price sensitivity

At the end of the reporting period, if the Straits Time Index ("STI") had been 2% (2022 - 2%) higher/lower with all other variables held constant, the Club's surplus would have been \$5,039 (2022 - \$10,123) higher/lower respectively.

25. 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.

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26. 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.

27. 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.

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | \$ | \$ |
| <i>Financial assets at amortised cost</i> | | |
| Members' receivables | 829,220 | 760,965 |
| Investment securities | 251,930 | 506,136 |
| Sundry receivables and deposits | 216,940 | 118,812 |
| Interest receivables | 99,710 | 4,738 |
| Fixed deposits | 10,332,615 | 10,202,967 |
| Cash and bank balances | 2,231,433 | 2,437,685 |
| | <u>13,961,848</u> | <u>14,031,303</u> |
| <i>Financial liabilities at amortised cost</i> | | |
| Creditors and accruals | 1,387,365 | 1,135,256 |
| Members' credit balances and deposits | 755,395 | 727,150 |
| | <u>2,142,760</u> | <u>1,862,406</u> |

28. PRIOR YEAR RECLASSIFICATION

| | | 2022 | | |
|--|------|---------------------------|-----------------------------------|-------------------------|
| | Note | Previously reported \$ | Prior year reclassification \$ | After restatement \$ |
| Statement of Financial Position | | | | |
| Creditors and Accruals | 10 | 1,440,909 | (66,792) | 1,374,117 |
| Contract Liabilities | 11 | 338,931 | 66,792 | 405,723 |

Notes to the Financial Statements – 31 March 2023

29. GOVERNMENT GRANTS

During the financial year, the Club has received government grants as follows:

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$ | \$ |
| Jobs Support Scheme & Jobs Growth Incentive | 314,160 | 317,871 |
| Wage Credit Scheme & Special Employment Credit | 149,720 | 51,180 |
| SNEF Enhanced Work-Life Grant (COVID-19) | - | 38,000 |
| E2i Inclusive Growth Programme | - | 19,500 |
| Quarantine Orders Allowance Claims (COVID-19) | 500 | - |
| | <u>464,380</u> | <u>426,551</u> |

30. IMPACT OF COVID-19 ON THE CLUB'S OPERATIONS

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, workplace closures, movement controls and other measures imposed by the various governments.

The General Committee has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The General Committee is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the economic disruption.

31. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Club's accounting periods beginning on or after 1 January 2023 and which the Club has not early adopted.

Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to FRS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what FRS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for clubs that previously considered management's intentions to determine classification.

32. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Club for the financial year ended 31 March 2023 were authorised for issuance by the Club's General Committee on 8 May 2023.

Minutes of 65th Annual General Meeting Held on 26 June 2022

General Committee (GC)

President

Mr Koh Jin Kit (Chairman)

Vice President

Mr Mathivanan Krishnan

Honorary Secretary

Ms Emily Wong

Honorary Treasurer

Dr Rodney Wong

Asst Honorary Secretary

Mr Teng Leng Hock

Asst Honorary Treasurer

Mr Xavier See

Committee Members

Ms Elena Chua

Mr Ivan Heng

Mr Goh Kong Yong

Mr Steven Lam

Mr Balbir Singh

Dr Edmond Tan

Mr Low Theng Khuan

Trustees

Mr Pao Kiew Tee

Mr Thomas Tan

Mr Leslie Yeo

Auditor

Mr Thomas Tsang

Ms Felice Tan

Audit Alliance LLP

Legal Adviser

Mr Edward Tay

Continental Law LLP

IN ATTENDANCE

General Manager

Mr Farrock Ebrahim

Total Number of Voting Members Present: 78

1. Preliminaries

- 1.1 President, who chaired the meeting, addressed the membership at 1pm to remind them of the Constitution clause 37.3 and that a 30-minute grace period will be given to form the required percentage.
- 1.2 By 1.30pm, half an hour after the appointed time of the AGM, the quorum was not present. In light of the above, the President informed the meeting that as per Constitution clause 37.3 (a) In any General Meeting, a tenth of the voting Members present or One Hundred (100) Members whichever is lesser, shall form a quorum & (b), the voting Members present shall be a quorum, but they shall have no power to alter, amend or make additions to the Constitution.
- 1.3 The President called the meeting to order at 1.30pm and thanked members for attending the 65th Annual General Meeting ("AGM").

2. Presentation of tokens of appreciation

- 2.1 Before proceeding with agenda item one - Election of the General Committee ("GC"), the General Manager ("GM") called upon Club Trustee, Mr Pao Kiew Tee, to present certificate of appreciation to the GC members who have completed their terms of office.
- 2.2 Mr Pao expressed his appreciation on behalf of the Club to the President and his team for serving in the GC for the last 21 months which has helped to stabilize the Club. He also thanked and congratulated the GC for offering to serve another term of 2 years.
- 2.2.1 Mr Pao added that the challenge for the GC in the next 2 years is how to do better and he believed that they would rise to the challenge.
- 2.2.2 He also took the opportunity to urge more members to come forward to serve in the GC and make SGCC the truly best family Country Club in town.
- 2.3 Certificate of appreciation was presented to the GC members who had completed their terms of office:

| | |
|--------------------------------|------------------------|
| President | Mr Koh Jin Kit |
| Vice President | Mr Mathivanan Krishnan |
| Honorary Secretary | Ms Emily Wong |
| Honorary Treasurer | Dr Rodney Wong |
| Asst Honorary Secretary | Mr Teng Leng Hock |
| Asst Honorary Treasurer | Mr Xavier See |
| Committee Members | Ms Elena Chua |
| | Mr Ivan Heng |
| | Mr Goh Kong Yong |
| | Mr Steven Lam |
| | Mr Balbir Singh |
| | Dr Edmond Tan |
| | Mr Low Theng Khuan |

3 President's Address

3.1 The President, in his address, shared with the members what the GC had aimed and accomplished in the first term.

3.1.1 To stabilize the Club, the GC worked on 2 groups of key stakeholders i.e., i. the employees and ii. the members.

3.1.2 The GC did employee interviews (1-on-1) to get an understanding of the issues that they faced and took actions to address it. Follow-up survey was then conducted to ensure that the actions taken were effective.

3.1.3 For the members, the GC focused on the safety of the members and COVID-19 taskforce was formed to revamp the COVID-19 management. In the process, the Club was certified SG Clean for our cleanliness and hygiene standard.

3.1.4 To improve members' experiences, dialogues with various sports and recreation groups were held to gather feedback for improvements. When the regulations permit, activities e.g., talks for seniors, line dancing, sports social night etc. were resumed. Improvement works were also carried out at the Garden Grill and the Skylight Roof in the main club building.

3.1.5 The GC also controlled the operating costs and worked on increasing the operating and non-operating revenues, thus resulting in an Operating Surplus before the government grants as reported in the FY21-22 annual report.

3.1.6 *The Contributors:*

The President thanked the GM for exercising financial prudence and his management leadership and the staff who have gone beyond their regular duties and serving their best under the difficult pandemic circumstances.

He then expressed his appreciation to the GC members who have unrelentlessly contributed to the Club in areas like facility and safety management, F&B, procurement, legal and disciplinary, sports and recreation, members relationship, human resources, financial sustainability etc.

The President also thanked the members who have volunteered to serve and contributed in various sub-committees such as Finance, Legal Council, Disciplinary, COVID-19 Taskforce, F&B and Entertainment, Constitution Review Committee, Facility Management and Safety.

The President further expressed his appreciation to all members for their continual support and constructive feedback.

4 To elect members of the General Committee

4.1 The GM announced that at the close of nominations on 18 June 2022, 1 pm, 13 nominations had been received for election to the 13 seats.

As all the 13 nominations were received unopposed, the nominees were, therefore, duly elected to their respective offices:

President

Mr Koh Jin Kit

Vice-President

Mr Mathivanan Krishnan

Honorary Secretary

Ms Emily Wong Kwee Keow

Assistant Honorary Secretary

Mr Teng Leng Hock

Honorary Treasurer

Dr Rodney Wong Yu Hock

Assistant Honorary Treasurer

Mr Xavier See Kim Xiang

Committee Member

Mr Lam Kuet Keng Steven John

Mr Goh Kong Yong

Mr Low Theng Khuan

Mr Balbir Singh

Ms Elena Chua Lay Pheng

Mr Heng Song Kwang

Dr Edmond Tan Chok Jueh (PBM)

4.2 On behalf of the re-elected GC, the President shared the vision and plan for the new term.

4.2.1 Slogan- Our Club Our Extended Home

4.2.2 Focus:

- Warm Friendly Caring
- Positive Experience
- Wide Ranging Activities & Services
- Good Infrastructure & Facilities
- Safety & Health
- Financial Sustainability

4.2.3 PRACTICES rooted in:

- Values of Family Club
- Rule of Law
- Best Interests of Club
- Member-centric

4.2.4 Additionally, the focus will be on Safety, Members' Experience Enhancement and Membership Rejuvenation. He then shared some of the project and plans:

- i. Gym Expansion & Office Relocation- safety concerns and Membership Rejuvenation
- ii. Upgrade Aged Infrastructure & Facilities
- iii. Age-sensitive Contents Development
- iv. Financial Sustainability- Continue and Improve Practices

4.2.5 The President went on to explain the reasons for the Gym Expansion:

a. SAFETY & HEALTH

- i. Current gym is overcrowded
- ii. Hazardous due to inadequate spacing between equipment / weight machines
- iii. Surge in gym usage for health reasons
- iv. Safe-distancing during and post pandemic (next epidemic?)
- v. Facilitate deep cleaning of club premises

b. ATTRACT MEMBERSHIP FROM YOUNGER-AGE SEGMENT

4.2.6 The estimated timeline for the Gym Expansion will be from August 2022 – February 2023. The gym will not be closed throughout the period as work will be carried out in different stages.

4.2.7 The President then shared that the Club would also want to embark on technology projects and tap on government funding for such projects. The Club has been working with the NTUC Union to check on such possibility. To improve the staff productivity, training and career development will be of importance.

With the recent government announcement, the Government has released a \$75million grant to the NTUC to fund the transformation of national workforce.

For the Club to receive funding from the grant for process improvements and technology projects, the first step is to form a Company Training Committee ("CTC") and sign a Memorandum of Understanding ("MOU") with our Union. The MOU was signed on 25 June 2022.

4.2.8 The President said that he looked forward to the members' support in the coming two years. The GC will do their best to improve the members' experience, and safety and to rejuvenate the membership.

5. To confirm the minutes of the 64th Annual General Meeting on 27 June 2021

5.1 The minutes of the 64th Annual General Meeting held on 27 June 2021, which were circulated as part of the Annual Report, were duly confirmed as proposed by Mr Tony Lim and seconded by Mr Roger Yap Swee Chee.

6. To receive the annual report and adopt the accounts for the year ended 31 March 2022

6.1 The Annual Report and Accounts for the year ended 31 March 2022 were received and adopted as proposed by Mr Lee Say Yeow and seconded by Mr Rick Seah.

7. To appoint auditors for the ensuing year

- 7.1 Honorary Treasurer, Dr Rodney Wong, presented the report to the meeting.
- 7.2 Honorary Treasurer Dr Rodney said on behalf of the President, the GC and the Management of the Club, he thanked the auditors, Audit Alliance LLP for their professional services and provision of timely input towards the conduct and queries of the Club's account. In the next financial year and in line with the Club's Constitution, due diligence has been put into sourcing for competitive quotes from four different audit firms to appoint the new auditor for the ensuing year. Quoted fees ranged from \$20,000 to \$27,000, which includes the conduct of the Club's statutory audit, certification of the collection of fruit machines and the renewal of all necessary licences. After deliberation with the GC and the Management, all supported the below-mentioned audit firm for the new financial year in view of the firm meeting club operational requirements, their expertise, pricing and referral. On behalf of the GC and the Management, the Treasurer proposed that Audit Alliance LLP be re-appointed as the Club's auditors for the ensuing financial year 2022-2023.
- 7.3 The appointment of Audit Alliance LLP as the Club's auditors for the ensuing financial year was proposed by Mr Vincent Tan and seconded by Ms Low Lee Lin.

8 To transact any other business of which 7 clear days' notice has been given in writing to the honorary secretary

- 8.1 The President informed the House that a total of three letters were received, 2 letters from Mr Vincent Tan and 1 letter from Ms Lim Hui Mei.
- 8.2 In Mr Vincent Tan first letter, he had put in a motion to incorporate a Whistleblower Policy in the Constitution.
- 8.2.1 The President highlighted that as per para 1.2 above and in accordance with Constitution clause 37.3 (b), the voting Members present shall be a quorum, but they shall have no power to alter, amend or make additions to the Constitution.
- 8.2.2 The President clarified with Mr Tan on who shall be the Whistle-blower and the Receiver to receive the complaint or report.
- 8.2.3 Mr Tan cited that, as a member, do we feel more comfortable and protected with a whistleblower policy or without, that is the fundamental question. If members agreed to have a whistleblower policy, then the details could be sorted out later. Mr Tan quoted SICC policy as a template for reference. He understood that there is insufficient quorum, however, he checked on the possibility for members who are present to indicate their preference and to take it forward. The President said that it might not be possible to do so in view of para 1.2 above.
- 8.2.4 Mr Tan clarified that it should be the general membership to decide who should be the whistleblower and the receiver and to draw references from other Clubs. Mr Tan opined that in principle, there should be segregation of power, checks and balance.
- 8.2.5 The President replied that in general, the GC does not have any objection to policies that would improve the protection of the Club's interest, the concern is whether such mechanism is already in place.
- 8.2.6 The President asked whether Mr Tan felt that the existing Constitution is not sufficient to protect the Club.

- 8.2.7 Mr Tan said that if an incident happened to a member, how could he get it reported as he opined that there is no mechanism in place at the moment.
- 8.2.8 Mr Lee Say Yeow shared his view on Mr Tan's proposal. He opined that Mr Tan should have in mind what he is uncomfortable with and not focus on what other clubs have in place i.e., it is whether we need it. If there is someone that Mr Tan felt that they should be protected e.g., Member or staff, then there is a background to work on to protect this group of people.
- 8.2.9 Mr Steven Lam (General Committee and Chairman for Disciplinary Committee) indicated that under the code of governance when the whistleblower policy was implemented, it is to protect employees. Employees have the right to whistleblow against Management. In a listed company, such code of governance exists. Some bigger companies, civil service and clubs have adopted the policy. It is a policy that the Club could explore having but first is to identify who the Club is trying to protect. If it is to protect the members, there is already a mechanism in place. The mechanism is under the Disciplinary Committee ("DC"). The policy that has been crafted now, is already tighter than the old policy. Previously, the GC has a lot of power. Under the new policy, this is no longer the case. If a complaint is filed, the Management will look into it and try to resolve it at their level. If unable to resolve, it will be escalated to the GC. Then the GC will do a procedural decision on whether to escalate to DC. The existing DC comprises not only the GC, it also comprises members of the general body. In so far as members are concerned, members are already protected by a policy. If the proposal by Mr Tan is to protect the employees or someone outside the Club, that is a different matter.
- 8.2.10 Mr Tan cited one scenario, in the event that there is a rouge GC in future, how do we protect ourselves in the Club?
- 8.2.11 The President opined that if the employee is of concern, the policy shall be placed in the Employees' handbook or contract. If it is for members, there is DC and the Extraordinary General Meeting that members could call, hence there is already a mechanism in place.
- 8.2.12 Mr Tan felt that members are not aware of the process for whistleblowing and there should be an independent body to handle it.
- 8.2.13 Mr Lam opined that the policy could be further explored, however, it will not be by way of an amendment to the Constitution. Any amendment to the Constitution needs time, professional input and clearance from the Registry of Societies ("ROS").
- 8.2.14 Mr Mike Tan shared that he was the whistleblower against the Tennis Sub-Committee. He said that he was asked to provide evidence even though the Tennis Team was suspended for 1 year. He opined that the Club should be the one to write to Singapore Tennis Association ("STA") to get the evidence as STA will not reply to an ordinary member. He agreed with Mr Tan's proposal of having the policy as there must be a proper protocol on how to whistleblow and to protect the identity of the whistleblower. He said that as a whistleblower, he doesn't feel that there is a proper protocol.
- 8.2.15 Mr Lam clarified that as a complainant, he or she is obliged to provide the evidence. As to the case that Mr Mike Tan had cited, the process was triggered and the matter was dealt with. For Mr Vincent Tan's proposal, the Club will look into having such a policy and the procedure.
- 8.2.16 Mr Mike Tan further said that the Tennis Convenor who had been suspended was re-elected as a Convenor after his suspension and questioned the image that the Club is portraying.

- 8.2.17 Mr Lam expressed that Mr Mike Tan is digressing from the whistleblowing policy. Mr Tan acknowledged and ended his comment.
- 8.2.18 Ending the views exchanged, the President informed Mr Vincent Tan that the Club will look into the policy and understand that Mr Tan does not have any specific person in mind for the whistleblowing policy.
- 8.3. In Mr Vincent Tan's 2nd letter:
- 8.3.1 *AGM AOB questions/ responses etc. to go Digital – To better engage timely, to reach a wider pool of Members***
- 8.3.1.1 The President said that this concerned technology and shared that information published on the website can also be accessed by the general public. If there is information that should only be accessed by the members of the Club, then there should be protection layers needed. The Club will need to see whether we have the technology to support that and if we do not have it, to assess the feasibility.
- 8.3.1.2 Mr Tan felt that using technology could reach a wider pool of members for engagement. The practice of displaying information on notice boards is also accessible to the general public as members could just take a photo and circulate it. He opined that this is an old-age method of communication. While that method could be retained, the uploading of information on the website should also be implemented.
- 8.3.1.3 The President replied that there are differences and cited the example that civil servants are given information that is meant for them only. If they take a photo and circulate it, they will be penalised. By having information put up on a notice board that is meant for members, and the information was circulated, then certain ethical conduct was breached. But by having the information published on the website, there will be no segregation as the public can also access it.
- 8.3.1.4 In closing the issue and moving on, Mr Tan still maintained his opinion that information could reach a wider pool of members promptly by publishing on the Club website.
- 8.3.2 *To reintroduce the Honorary Members and their contributions to SGCC/ community via the ClubSpirit magazine or other channels.***
- 8.3.2.1 The President shared that the Club will bring back the New Members' Gathering and members who have joined during the pandemic time will be invited. This is to welcome the new members and to share with them information about SGCC history and some of the key stakeholders etc.
- 8.3.2.2 The President explained that the Honorary members are not GC members nor the Trustees whereby they assumed certain duties and are aware that their duties/ roles will be published. For honorary members, they are just like the general membership, unless they are willing to, we may not be able to publish information about them. The President then shared that 4 Honorary members are remaining: - Dr Lau Teik Soon, Mr Henry Kwek; Mr David Macey, and former minister Mr Wong Kan Seng.
- 8.3. *To clarify why we have to pay more tax when the income is lower than the previous FY.***
- 8.3.3.1 GM explained that revenue from members is exempted from tax under the Singapore Income Tax Act. Income Tax payable is on rental and interest income received from non-members. The income tax expense in FY2021/2022 is higher due to under provision in prior years.

8.3.4. Financial reserve- Set an upper limit and only adjust to account for inflation periodically.

8.3.4.1 The President gave a refresher on the Treasury Safeguarding Framework (TSF) to explain to Mr Tan the financial reserve and the Minimum Financial Reserve Threshold. In summary, the key components of the framework are:

1. Splitting the Reservoir into Two

- Non-Operating Income which is the financial reserve will be used for capital expense
- Operating Income which will be termed "working capital" will be used to fund operating expenses

2. Control Valves to Manage Financial Reserve

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

a. Capital Expense Prioritization Principle

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

| | Critical | Non-Critical |
|------------|-----------------|---------------------|
| Urgent | Priority-1 | Priority-3 |
| Non-Urgent | Priority-2 | Priority-4 |

b. Balanced Operating Budget

A control valve will also be put in place to manage the working capital. Operating expenses cannot be higher than the operating income. Spend within means and for financial sustainability purposes.

3. Markers

• **"Danger line" (Minimum Financial Reserve – "MFR")**

MFR threshold is determined based on a stress-test (budgeted operating expense net of uninterrupted income, e.g. member's subscription fee and rental income).

• **"Transition Period"**

When the financial reserve is below the MFR threshold, it is called the transition period. During this period, only Priority-1 capital expense requests are allowed.

• **"Normal State"**

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

4. Crisis Management

"Crisis" Period

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

8.3.4.2 Mr Tan queried about the categorising of the expenses incurred for the painting of the façades and buildings. In response, the GM said that such expenses will be categorised as capital expenditure.

Having excessive reserves in fixed deposits that yields lower than inflation rate is a losing proposition... "Excess" reserves should be deployed to create a virtuous cycle that attracts spends, increases vibrancy and market value for SGCC.

- 8.3.5.1 The President opined that the current reserve that the Club has is not considered excessive and the reserve is for our buildings and infrastructure needs. Millions of dollars will be required if the swimming pool or the building roof is damaged. However, he agreed that upgrading of facilities is needed to improve the facilities, have better members' experience and rejuvenates the Club.
- 8.3.5.2 Ms Lim Hui Mei indicated that the financial reserve went from 7 million to 10.8 million in 2022 and asked how did that increase come about? The President replied that the Club had excessive working capital, of which, only \$2 million is required, hence in accordance with the Constitution, the excess will be transferred to the financial reserve. Ms Lim further stated that the Club needed a working capital of 5 million in 2021. However, in 2022, only 2 million is needed, she queried the reason for the different in amount.
- 8.3.5.3 The President explained that at one point, the GC saw that the working capital has reached 5 million and opined that it is excessive, hence fore, instructed the Management to transfer the excess to the financial reserve.
- 8.3.5.4 Ms Lim added that based on past years' records, the average working capital needed is \$4 million, hence she sought clarification on why only 2 million is needed for 2022. She further asked the reason for not placing more money in the fixed deposit for longer period which will reap better interest in view that only 2 million is needed as working capital.
- 8.3.5.5 Noting her points, the President said the Finance Sub-Committee will look into the matter.

8.3.6 Declining Carpark Income

- 8.3.6.1 The President shared that during the years whereby the Club received good parking income from the public, there were complaints from members about insufficient parking lots. Hence there is a struggle between having income versus members' needs. For the past 2 years, the decline is mainly due to the pandemic.
- 8.3.6.2 Mr Teng Leng Hock (Assistant Honorary Secretary and Chairman of F&B) said that if the suggestion is to get in a big organisation as the tenant for the Club, and if they want to be assured of a certain amount of carpark lots, this might deprive members on the number of carparks. Mr Teng shared that a Sub-Committee might be formed to look into car parking and asked if Mr Tan would like to be part of the team. As car parking is a good revenue stream as suggested by Mr Tan, the Club could consider charging members for the carpark moving forward.
- 8.3.6.3 Mr Tan explained that his suggestion is to get in public to utilise the carpark to generate more income and the tenant configuration.
- 8.3.6.4 The President re-emphasised that there is always a concern between member's carpark need versus public carparking that generate income. He concurred with Mr Teng that should there be a review Sub-Committee formed, Mr Tan is welcome to join in to share his ideas.
- 8.3.6.5 Mr Tan further commented that his concern is in the previous years whereby the income is declining, putting aside the last 2 years whereby the collection from carpark is impacted due to the pandemic which he understood.

- 8.3.6.6 Ms Emily Wong (Honorary Secretary) shared that the Club did a renewal in the restaurant tenancy and a lot more restaurants were invited. However, the take-up rate is lukewarm and it might be due to the pandemic situation. She opined that should the Club form a Sub-committee for the car park revenue generation, she hopes that Mr Tan can come on board to contribute his ideas.
- 8.3.6.7 Mr Tan then suggested a personal approach to a few potential restaurants instead of just having an advertisement invite on the tenancy.
- 8.3.6.8 To sum up, Mr Teng said that Mr Tan's concern has been heard and the Club will further engage him on the matter.

Professional and Legal Fees- to update on the status and whether SGCC is still liable for additional expenses/ charges as a result of the recent legal cases against/ by SGCC.

- 8.3.7.1 The President shared that there is no additional expense that the Club is aware of and the reduction in legal fees is a concerted effort. The legal council has provided some legal advice, thus cutting down the need to outsource, and also has saved on the yearly legal maintenance fees payable. However, members should note that certain issues still need to be handled by the external legal team e.g., if there is a need to draft the Constitution, this shall be handled externally.
- 8.3.8 Ms Lim Hui Mei referred the House back to Mr Tan's AOB on the carpark fees and said that Mr Tan is not only raising concern on the carpark income but it entailed the lease rental. She went on to ask about Cambridge's tenancy.
- 8.3.8.1 The President replied that Mr Tan's AOB is on the declining parking fees, which has been addressed earlier. Hence assumptions should not be made based on what he has written.

- 8.4 In Ms Lim Hui Mei's letter:

Ms Lim mentioned that the Baker Tilly (BT) report indicated that there was a procedure breach for not submitting F&B credit support voucher expenditure which is above \$100K to Control Committee for approval. However, it is noted that in the annual report FY 2021/2022, there was a prior year reclassification. With the reclassification, Ms Lim said that the F&B credit Support is not an expenditure, but it is a loss of revenue which do not require approval of the Control Committee. Ms Lim in her letter stated that the Club should require BT to submit an amended report to address the issue. ii. She asked whether are there other instances of non-compliance with Clause 26.8 and 26.9 identified in BT's report. iii. She also requested to disseminate BT's audit report to members.

- 8.4.1 The President asked the members, who paid for the food consumed, how the vendor gets paid, the water and electricity bill incurred and the manpower cost. He said that this is a matter of governance regardless of accounting classification, it's not an accounting issue. He asked whether do Members want the GC to be able to issue any amount of F&B vouchers without the Control Committee's approval?
- 8.4.1.1 Ms Lim insisted for the auditor to provide the reason for the reclassification. However, the President re-emphasised that this is not an accounting issue, it is a governance issue. And there were indeed expenses incurred on the food consumed.

- 8.4.1.2 Mr Steven Lam informed Ms Lim that the GC will address the AOB issue submitted. As for the request to get BT to submit an amended report, the GC will deliberate on the need and it is not for Ms Lim to demand.
- 8.4.2 On the question of whether are there other instances of non-compliance, Mr Lam shared that any non-compliance has been deliberated and if there were clear breaches, disciplinary actions have been taken. The DC comprising the GC members and also other general members of the Club have deliberated at length and made the final decision.
- 8.4.2.1 Ms Lim further asked whether the kitchen stewarding contract as pointed out in BT's report has been addressed?
- 8.4.2.2 Mr Lee Say Yeow commented in his capacity as an Ex-GC member that the kitchen stewarding contract is a recurring expense renewed yearly and it has been the practice whereby no control committee's approval was sought.
- 8.4.2.3 Mr Lam shared that a DC was convened and in so far as the kitchen stewarding contract is concerned, the DC was formed to look into not just the particular year but into the past records, year on year and a recommendation was made. The recommendation was no action to be taken as this involved too many GC terms. Going forward, the GC will impose strict governance and any potential expenditure that is above \$100,000, the Control Committee's approval is required.
- 8.4.3 As for Ms Lim's request to disseminate BT's audit report to members, this was not feasible as when auditors put up an audit report, there is a clause to state that it cannot be disseminated and shared.
- 8.4.3.1 Mr Phuah Lian Heng concurred that an internal audit report is meant for the Management and in this case, the GC and not for public consumption. For the annual statutory report, it will be disseminated to the public.
- 8.4.3.2 Ms Wong Sook Yee commented that as an ex-auditor, in the cover letter to the audit report, there will be an indication that the report is not to be shared with anyone. She then queried that if the member should be privy to all such internal audit reports than what about a listed company with thousands of shareholders, shareholders are members.
- 8.4.3.3 The President then closed the discussion as all views have been heard.

9 Ajournment

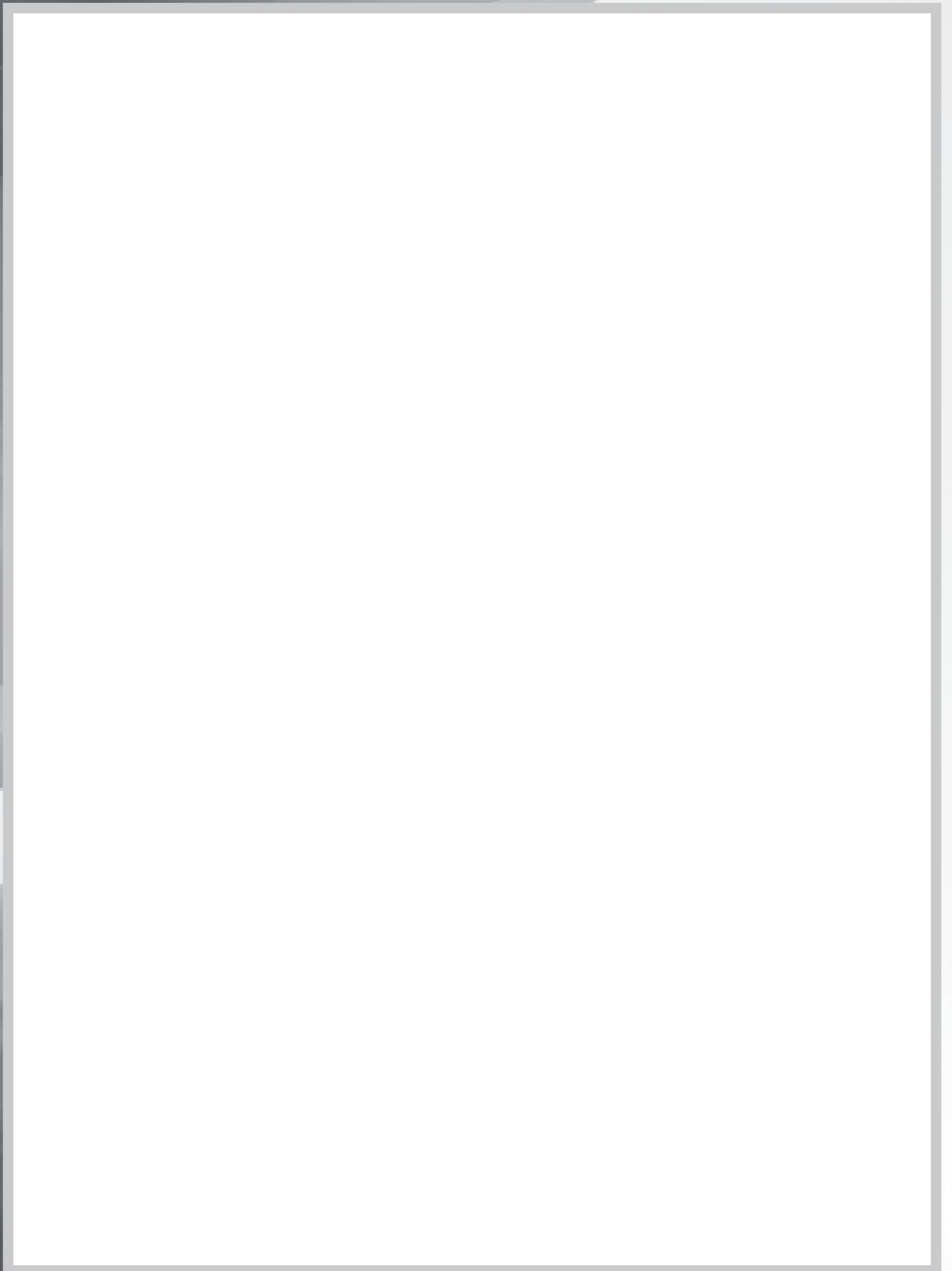
There being no other business, the President called the meeting to a close and thanked everyone for joining. The meeting was adjourned at 3.50pm.

A Correct Record

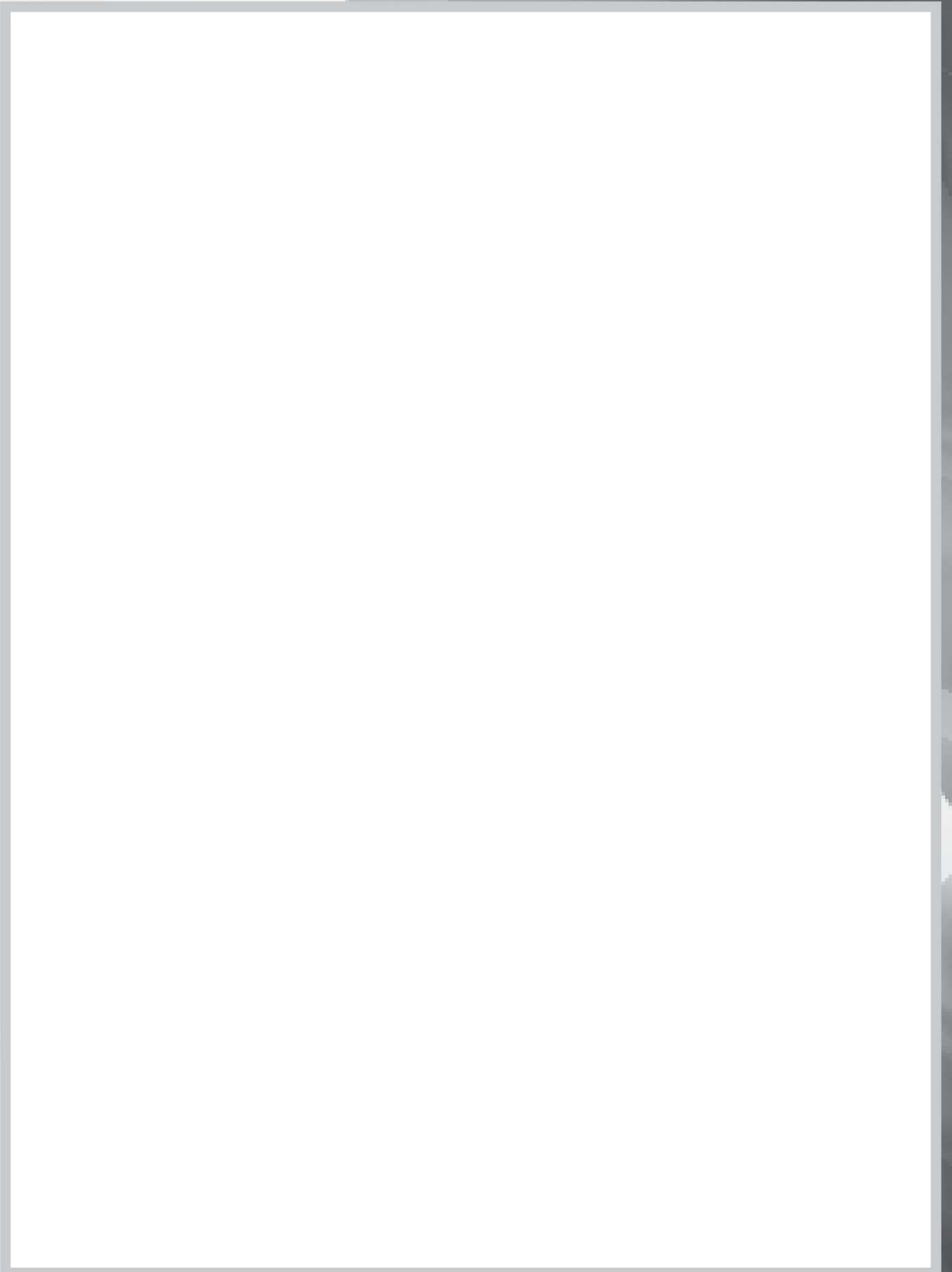


Emily Wong
Honorary Secretary

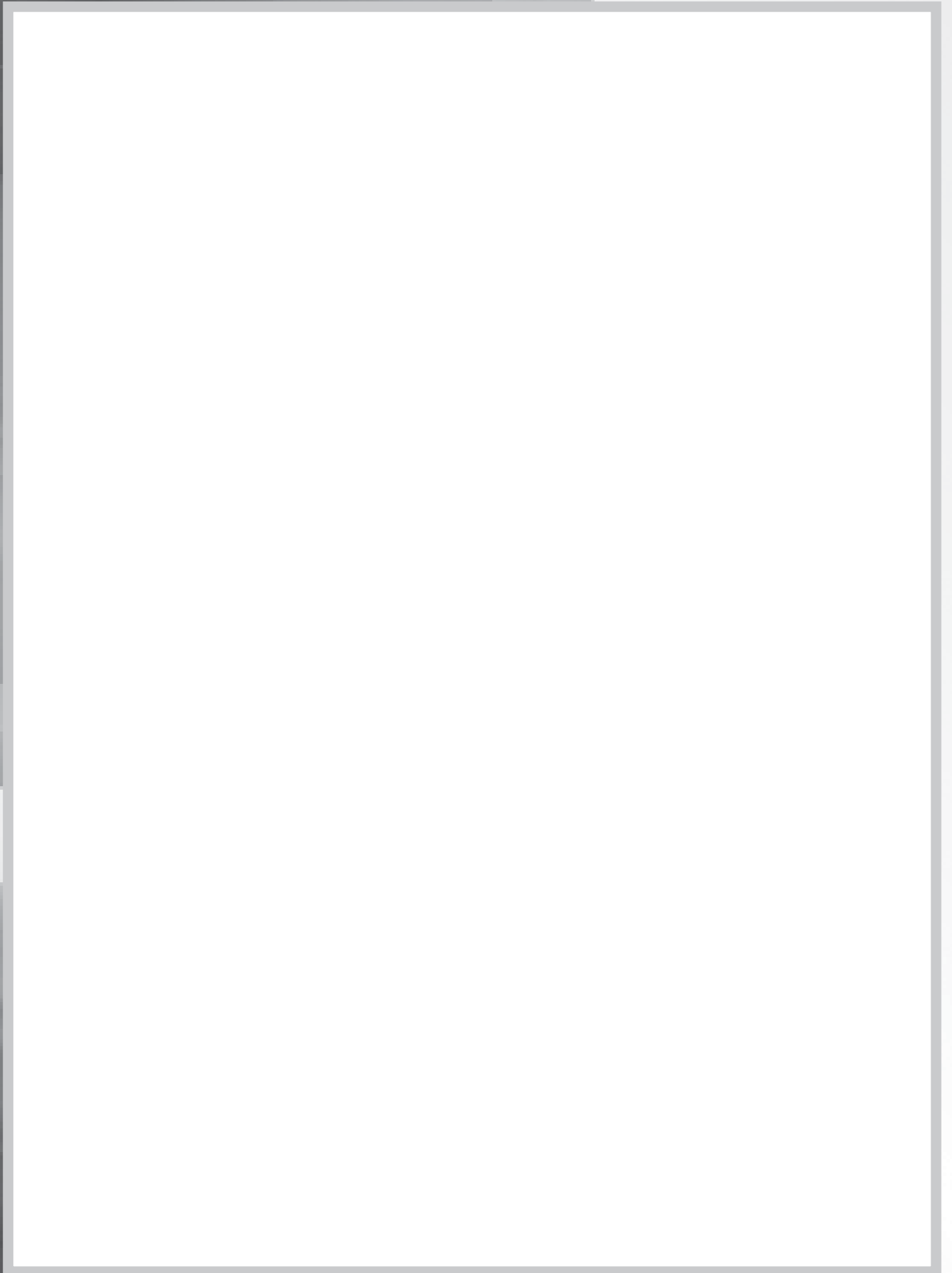
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